HOUSE OF REPRESENTATIVES—*Thursday, March 4, 1993*

The House met at 11 a.m.

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

We know how important it is to use our abilities in ways that encourage the common good and how compelling it is that we are dedicated to our duties and accomplish our tasks with integrity and faithfulness. Yet, O gracious God, we know when we are honest with ourselves, we acknowledge that so much of what we think or do has come to us from the contributions of others and the support and love of family and friends, of teachers and colleagues. O God, make us specially appreciative of these gifts and give us hearts of thankfulness and praise for support that each of us has received. In Your name, we pray. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER. The Chair will ask the gentlewoman from Ohio [Ms. PRYCE] if she would kindly come forward and lead the membership in the Pledge of Allegiance.

Ms. PRYCE of Ohio led the Pledge of Allegiance as follows:

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 920. An act to extend the emergency unemployment compensation program, and for other purposes.

THE GUN VIOLENCE DESTROYING OUR NATION'S COMMUNITIES

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

Mrs. COLLINS of Illinois. Mr. Speaker, I rise today to perform a task which is as difficult as, I believe, it is necessary. As you know, the carnage that is occurring on our streets as a result of the easy availability of sophisticated firearms is a brutal fact of life which I am committed to ending. I have introduced H.R. 661, the Gun Violence Economic Equity Act, to make gun manufacturers, importers and dealers strictly liable for damages directly resulting from the illegal use of their products. I am pleased to be in the distinguished company of my colleagues from Illinois, Senator PAUL SIMON and Congressmen GUTIERREZ and REYNOLDS, as well as Mayor Daley of Chicago, my good friend MAJOR OWENS of New York and others who are committed to making 1993 the year we begin to end the slaughter.

Last year in Chicago, 927 men, women, and children were killed by guns. But numbers mean little. We may not be able to see the faces of the fallen, but we should, in this body, at least hear their names—this month—and every month, lest we forget the terrible responsibility we bear in the House and Senate as long as we fail to pass sound gun control legislation such as my bill, H.R. 661, or the Brady bill, which passed this House last year but died in the Senate. The following people were killed by firearms in Cook County, IL, just last month in January, 1993:

Charles Armstrong, Kenneth Allison, Mark Anderson, Ricardo Aldana, Matheo Allen, Willie Borges, Sonia Buponts, James Baber, Antwon Cox, Martino Dixon, Jessie Daniels, Raymond Dunklin, Perry Darty, Richard Ehlenfeldt, Lynn Ehlenfeldt, Joyce Foster, Frank Gorzelanny, Evelyn Gorzelanny, Michael Gastro, Jerry Gray, and Eugene Garfield.

Tyrone Harris, Alison Hearns, Lashannon Hines, Gabriel Joiner, Mike Jabra, Samuel Johnson, Malcom Kyles, Tom Mennes, Guadalupe Maldonado, Adam Morish, Lloyd Moore, Joel Mendoza, Marcus Nelson, Willie C. Nix, Walter Nawrocki, Antoine Ord, Clinton Parker, Kevin Page, Terry Pullian, James Richardson, and Tatiana Redmond.

Roscoe Robinson, Frank Rucker, Fabien Small, Rico Solis, William Stewart, Javier Torres, Jr., Robert Williams, and Steven Winn.

THE CAMPAIGN TO STREAMLINE THE FEDERAL GOVERNMENT

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

Ms. PRYCE of Ohio. Mr. Speaker, yesterday, I joined several of my colleagues from the House and Senate at a White House press conference where President Clinton and Vice President GORE unveiled their new nationwide campaign to streamline the Federal Government.

The national performance review, as it is called, is supposed to carry through on the President's commitment to reinvent Government by improving Government services and cutting bureaucratic waste.

Mr. Speaker, this is what we Republicans have been talking about all along: Going as far as we can to cut Federal spending before we even think about asking the American people to contribute another dime of their hard-earned money to the Treasury.

While I share the administration's enthusiasm about this program, my biggest concern is that they are planning to do the review from the inside out. Why not take a lesson from the private sector and utilize objective advice from outside sources and business experts? It is naive to believe that the huge Federal bureaucracy will reform itself.

We want a leaner, trimmer bureaucracy, Mr. Speaker, but let us make sure we do not sacrifice objectivity along the way.

□ 1110

MORE BOUNCE FOR THE BUCK

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

Mr. MAZZOLI. Mr. Speaker, more bounce for the buck. More bounce for the buck. That is what we the American people and we the taxpayers will get as a result of a 6 months' intensive review of the Federal Government, called national performance review, ordered yesterday by President Clinton, to be chaired by our former colleague and friend, now Vice President ALBERT GORE.

What this is intended to do is to ferret out, in all of the nooks and crannies of Federal Government, evidences of waste, mismanagement, duplication, any evidence where money is not being used to its fullest extent and to its fullest efficiency.

The campaign is called reinventing Government. There will be a series of 800 numbers which taxpayers can call in order to give recommendations to this panel studying Government for the next 6 months. There will also be a post office drop at the White House called reinventing Government to which written comments can be sent.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

I do hope that all of the taxpayers and all of the citizens of this land and, of course, the Third District of Kentucky, will take fullest advantage of this opportunity to make our taxpayers' dollars bounce as high as they can possibly bounce.

OUT OF ORDER?

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

Mr. COLLINS of Georgia. Mr. Speaker, during this time on each of the past 2 days I have stood in this well and referred to letters and phone calls that I have received from people throughout the Third District of Georgia. I expressed their concerns, their fears, and their definition of the character of those of us who are involved in their Government.

On each of those 2 days the Chair questioned my remarks and referred them to the Parliamentarian. Mr. Speaker, I differ with that questioning.

Mr. Speaker, I will be out of order the day I do not express the views of those who have sent me here to represent them.

Mr. Speaker, I will be out of order the day I fail to carry through with the promises that I made when I asked those same people to send me here to represent them.

Mr. Speaker, I will be out of order when I listen to the bureaucrats inside this beltway instead of the people of the Third District of Georgia.

IT'S THE JOBS, STUPID

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

Mr. WYNN. Mr. Speaker, it has become fashionable for my colleagues on the other side of the aisle to hold up these signs and try to tell everybody, "It's the spending, stupid."

Unfortunately, I forgot my sign today, but if I had it, I would hold it up and point it in their direction and say, "It's jobs, stupid."

I visited the Capitol Hill Club the other day to meet with some highway contractors. They were all in line behind the President's spending package with regard to economic stimulus in public works. They want more highways, they want more jobs, they want more road and bridge construction.

I talked to small businessmen; they are all in line because they think the tax credit makes sense, it helps them expand and hire more employees.

I talked to parents, and they are excited about summer jobs for their young people; 700,000 summer jobs seems like a good idea to them.

I talked with these same parents, and they are excited about permanent jobs, 500,000 permanent jobs for their kids when they get out of high school because they do not want the kids to come home and live with them.

So, Mr. Speaker, I have to say that the issue really is the jobs. My constituents are voting 2 to 1 in their calls to me in support of the President's plan. I think they understand, "It is the jobs, stupid."

DAVIS-BACON ACT SHOULD BE REPEALED

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

Mr. KNOLLENBERG. Mr. Speaker, as a member of the freshman class I have accepted the President's challenge to come up with spending cuts. My constituents are telling me loud and clear—cut spending, don't raise our taxes again.

I propose that the Davis-Bacon Act be repealed. This act was first passed in 1931. Since then it has been used effectively to discriminate against small businesses and minority-owned businesses. These businesses are blocked from access to Federal contracts because they are unable to pay the high union wages mandated by the Department of Labor.

The wages paid on Federal projects should be set by competitive bids, not by Department of Labor bureaucrats. Davis-Bacon inflates Federal construction costs by more than $1 billion a year. The American taxpayer pays the bill for this rigging process. Repeal of this provision will empower minorities and small businesses, and it will save $5.7 billion over 5 years.

OUR SURVIVAL DEPENDS ON REAL, HONEST ECONOMIC REFORM

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

Ms. LONG. Mr. Speaker, 15 days ago, President Bill Clinton released his economic blueprint to an American people who are anxious for real, honest economic reform. And from living rooms to corporate board rooms, Americans are encouraged by the President's plan that trims the Federal deficit by $700 billion over 5 years, reforms Government, and keeps America competitive in an emerging global market.

Last week President Clinton gained the support of an array of business and labor leaders. Baxter International's Vernon Loucks acknowledged the need for all Americans to pull together when he said:

> There isn't going to be a future if we don't get these things solved.

And while many Americans want to see more spending cuts as part of the package, large majorities still approve of the President and his plan. Americans understand that we all share responsibility for reinvigorating our Nation.

Yesterday, President Clinton continued his drive to reinvent Government when he named Vice President GORE to lead a national performance review. This audit will examine the operations of every Government agency and service. It seeks public input, and in the end will achieve savings, eliminate duplication, and make Government more responsive to the public.

Perhaps the chairman of Coca-Cola put it best when he said:

> If [Clinton] succeeds, we all succeed. If he fails, we all fail.

CONGRATULATIONS TO PRESIDENT CLINTON FOR HIS SPEECH AT AMERICAN UNIVERSITY

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

Mr. DREIER. Mr. Speaker, we have not had many compliments coming from this side of the aisle recently for President Clinton, and I do not know that there will be many forthcoming. But I believe we should extend congratulations to President Clinton for what I believe was an outstanding speech that he gave last Friday at American University. My concern, of course, was that it was slightly in conflict with some of the things that I heard him say in Seattle when he was addressing the employees of Boeing.

His speech at American University, if followed through, will, I believe, provide a great boost to the American economy and to the job creation which is so necessary here. His most protuberant line, I believe, was, "compete, not retreat," as we look at the challenge of international trade. I hope very much that this Congress will join in the pursuit of a good North American free trade agreement, and it is also my hope, Mr. Speaker, that following the lines as outlined by President Clinton, that we will move even further and it is my hope we will create a United States-Japan free-trade agreement.

WIDESPREAD SUPPORT FOR PRESIDENT CLINTON'S ECONOMIC PLAN

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

Mr. PRICE of North Carolina. Mr. Speaker, contrary to the pontifications of some national talk show hosts, President Clinton's economic plan is gaining wide-spread support from business and industry leaders in this country and from the international financial community.

The CEO's of some of our largest companies, Ford Motor Co., Atlantic Richfield, American Airlines, just to name a few, realize we must take comprehensive action to put our fiscal house in order and revitalize our economy for the long term. They see the President's plan as the logical way to achieve those goals; through investment tax credits, research and development tax incentives, and small business tax incentives that will promote job growth. Through worker training programs that will give our workers the skills to win the high-tech, high-wage jobs of the new global economy. And through serious, long-term deficit reduction.

The President's plan lays the foundation for real, lasting recovery, a recovery rooted in a renewed partnership between business, government, and the American people. These leaders of corporate America who support the President are ready to seal that partnership, and to move beyond narrow interests for the benefit of the country as a whole, and for all of our people for the long run. That is a lead we would all be wise to follow.

□ 1120

HEALTH CARE REFORM

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

Mr. GILMAN. Mr. Speaker, an estimated 35 million Americans lack health insurance, the largest number of uninsured in 25 years. There are steps that we can take immediately to heal our failing health care system.

I believe that one of the most important steps that needs to be taken is to provide preventive services in all benefit packages. Prevention plays a crucial role in improving the health of our Nation. Benefits of prevention include rewards from averting human suffering by reducing the amount of illness and disability, and by preventing premature death. In most cases, preventive health measures can provide a cost-effective alternative to other belated health care approaches.

Therefore, I have introduced H.R. 36, the Comprehensive Preventive Health and Promotion Act of 1993, which provides coverage for periodic health exams, health screening, counseling, immunizations, and health promotion.

Accordingly, I urge all my colleagues who are interested in helping all Americans achieve healthier, more productive lives to cosponsor H.R. 36, our preventive health care measure.

YOU ASKED FOR IT, YOU GOT IT, AMERICA

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

Mr. FLAKE. Mr. Speaker, you were tired of Government business as usual, so you elected a new Government. You were sick of Government waste and abuse, so here is a vehicle to clean it up.

Yesterday, President Clinton announced his plan to order a 6-month National Performance Review of the Federal Government. I am determined that this will not be a show study, as it has been in the past. Rather, this study will have concrete recommendations that will be acted upon immediately.

One hundred Federal managers will examine the basic assumptions of every program in Government. The questions that must be answered will be: Does the program work? Does it provide quality service? Does it encourage innovation and reward hard work?

The best component of this study will be its involvement of the American public—the very people that these programs affect, either directly or indirectly.

We have taken an oath to protect taxpayer money and ensure that every penny is well spent and safely invested. The establishment of this effort is the first big step to achieving this commitment.

This will be a partnership between the Congress, the administration, and the American public—only by working together will it work. America, you asked for it. Now let us make it work.

ANOTHER ENTRY IN THE CLINTON DICTIONARY: "STREAMLINE"

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

Mr. BALLENGER. Mr. Speaker, yesterday we read in the paper that Vice President GORE has been appointed to head a task force on streamlining the bureaucracy. We have heard so much talk about streamlining the Government, but once again, very few details are provided. How are they going to streamline the Government? By adding another commission to the Federal bureaucracy to do another study to make more recommendations to Congress?

What will they call this new office? The office of the streamliner general? And who will work there? Staff will certainly be needed to assist the Vice President with his duties. How will the assistant streamliners be paid? Maybe they will be shifted from positions which were cut a few weeks ago? That would certainly nullify the President's earlier claims about reducing personnel. But, as we all know, the Vice President is into recycling—it looks like the administration is also into recycling Government staff.

So, Mr. Speaker, another entry in the Clinton dictionary evolves: "To streamline—the act of reducing staff by shifting them to another sector of the Government in order to study reasons why they were cut in the first place."

But, do not get me wrong. I wholeheartedly support cutting waste and fraud in the Federal Government. There are plenty of unnecessary programs and positions throughout the Federal bureaucracy. But I want to hear details of the President's cuts—not reports about new commissions.

NUTRITIONAL COUNSELING—A MEANS OF IMPROVING AMERICA'S HEALTH CARE SYSTEM

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

Mrs. BYRNE. Mr. Speaker, in this era of belt tightening, there is growing recognition of home-based health care as the most appropriate and cost-effective method for patient treatment. This movement away from hospitalization depends in part on providing patients with information about good nutrition.

I rise to ask consideration of H.R. 1047, legislation I introduced last week, which will included nutritional counseling as a home health service under the Social Security Act.

A registered dietician working with a patient in homecare can improve prenatal care, prevent an acute diabetic attack, or lessen the ravages of osteoporosis.

This legislation offers us a means to cut costs in the short term, as well as in the long run. By moving H.R. 1047 forward, we will improve patients' quality of life and make better use of scarce health care dollars. Patients want to be in their own homes, where the cost of health care is far lower.

I urge my colleagues to consider joining me in support of this commonsense approach to improving America's health care system.

ALMOST EVERY FEDERAL PROGRAM BENEFITS THE BUREAUCRATS RATHER THAN THE INTENDED BENEFICIARIES

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

Mr. DUNCAN. Mr. Speaker, there are many people across the country today who are wondering if the Federal Government can do anything in an economical or efficient manner. Almost every Federal social program seems to benefit primarily the bureaucrats who work for it rather than the intended beneficiaries.

So much money is being wasted, Mr. Speaker, that the people are really getting fed up. The Government is taking

so much money from the individuals and families of this Nation and giving back so little in return.

This point was really brought home in a recent column by Joseph Perkins of the San Diego Union Tribune. Mr. Perkins said the Census Bureau has calculated that it would take $5,515 per family to lift every poor family in this country above the poverty line. This adds up to $38.5 billion, less than one-fifth of the $225 billion that the Government at all levels actually spent on antipoverty programs without reaching that goal.

In other words, Mr. Speaker, the taxpayers would be better off if we did away with all the antipoverty programs and just gave direct grants to the poor. Only our overpaid, underworked army of Federal poverty bureaucrats would suffer.

I include the article by Mr. Perkins.

[From the Washington Times, Feb. 23, 1993]

SUREST CURE FOR POVERTY

(By Joseph Perkins)

There are a few matters of public policy on which I find myself in agreement with Hillary Clinton. But we are of like mind on the issue of welfare reform.

In a recent Newsweek interview, the first lady sounded very much like a conservative as she pondered the problems of America's underclass. "The culture of poverty in this country has become institutionalized," said she, adding that "a different set of approaches" is needed to wean the poor from long-term welfare dependency.

It remains to be seen whether her thinking is reflected in the new administration's promised welfare reform package. From what has been heard so far from, among others, Health and Human Services Secretary Donna Shalala, the prospect does not appear especially good.

It stands to reason that, to deinstitutionalize the culture of poverty of which the first lady spoke, the existing welfare system needs to be completely overhauled. Yet, Miss Shalala is talking about adding new programs to the failing welfare system, at a minimum cost to taxpayers of $6 billion.

On the face, the proposed new programs seem benign: expanded education and training for welfare recipients, as well as child care allowances and transportation assistance. Yet, if the federal government spent an additional $100 billion on these new programs, there almost certainly would remain as many people on the welfare rolls.

That's because there is no correlation between how much money the government spends on welfare and how many people escape poverty. If there were such a link, poverty would have been wiped from the face of America a long time ago.

Since President Lyndon Johnson launched the vaunted War on Poverty more than a quarter-century ago, the United States has spent $3.5 trillion on welfare. That exceeds the full cost of World War II after adjusting for inflation.

What have American taxpayers seen for the average $50,000 per household they have contributed toward Johnson's alms race? A poverty rate that has been virtually unchanged over the last 25 years from 14.7 percent in 1966 to 14.2 percent in 1991.

The welfare establishment is hopeful that President Clinton will be persuaded to invest additional money on the poor. But America already is spending more than enough to eliminate poverty.

Indeed, the Census Bureau calculated last year that the amount of money required to lift America's 7 million poor families above the poverty line was $5,515 per family. That adds up to $38.5 billion, less than one-fifth the $225 billion that government at all levels actually spent on anti-poverty programs.

So, then, let us say President Clinton wanted to make good on his campaign pledge to end welfare as we know it. He simply could order his Treasury secretary to mail $5,600 checks to every poor family in the land. Taxpayers would end up saving roughly $185 billion a year.

Hillary Clinton is on the right track when she says behavior modification rather than additional welfare spending is the key to solving the poverty problem. The chronic poor remain so largely because they bend toward self-defeating behavior that impedes their upward mobility.

Robert Rector, who has written frequently about poverty in America, speaks of "behavioral poverty," a breakdown in the values of conduct that lead to the formation of healthy families, stable personalities and self-sufficiency.

Such behavioral poverty, says Mr. Rector, produces assorted pathologies: dependency and eroded work ethic, lack of educational aspiration and achievement, inability or unwillingness to control one's children, increased single parenthood and illegitimacy, criminal activity, and drug and alcohol abuse.

The question that should be uppermost in the minds of Clinton administration welfare reformers is how best to modify the behavior of the underclass. If the government somehow can change the chronic poor's behavior patterns, there will be fewer of them.

Where to start? The poverty data provide a clue. A family with two parents, both high school graduates, one or both working full time, has a better than 95 percent probability of being above the poverty line. That applies to whites, blacks, yellows and browns alike.

The upshot is that the welfare system must get away from handouts for food, shelter, carfare and the like. If the $226 billion a year the government spends on such welfare entitlements were used instead to provide poor women and men substantial incentives to get high school diplomas, get married and get to work, it would not be long before they lifted themselves from poverty.

TIME FOR CONGRESS TO WAKE UP AND SMELL THE GUN SMOKE

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

Mr. TRAFICANT. Mr. Speaker, since 1989, the Chinese Army, the Chinese Army, sold 2 million guns to America, and, while China has become the K-mart of guns, America has become the burial ground of the new world order. Meanwhile Congress continues to turn its back.

Let us face it, my colleagues. It is one thing for father and son to go hunting. It is another thing for the Sons of Sam to go into a gun shop and legally outfit an army with AK-47's, Uzis, and cannons.

I think it is time for Congress to wake up and smell the gun smoke all over America, and maybe we will get down to doing our jobs of setting policy, not receiving campaign contributions.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MAZZOLI). The Chair would advise our guests in the gallery that it is against the House rules to demonstrate or take part in activities on the House floor.

HEALTH CARE FOR AMERICANS WHO LOSE THEIR JOBS

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

Mr. FRANKS of Connecticut. Mr. Speaker, today I am introducing legislation that would allow employees to prepare for the day when they may find themselves without a job and with no means of paying for their health care needs.

Mr. Speaker, many people have health care coverage in the case of unemployment through COBRA regulations. However, how can we expect a person without a job to pay approximately $453 per month on health care coverage alone? Clearly this is a situation for which we must plan.

Mr. Speaker, my legislation would allow States to set up programs in which employees could contribute on a voluntary basis a premium in addition to their unemployment taxes which would be used to purchase a health care plan in the case of job loss. Reforming our health care system for the benefit of all Americans must certainly be a top priority. My bill would address one aspect of a much larger problem.

□ 1130

SUPPORT VOICED FOR SINGLE-PAYER NATIONAL HEALTH CARE SYSTEM

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

Mr. SANDERS. Mr. Speaker, the health care system in America is disintegrating—with 80 million Americans either having no health insurance at all, or with only partial insurance.

And, yet, despite the fact that we are the only major industrialized country on Earth without universal, comprehensive health care we spend far, far more per capita on health care than anyone else.

Mr. Speaker, our system is not in need of Band-Aids or patch work or concepts such as managed competition. We are in need of a new system, which

is why I am delighted to be cosponsoring, with 52 other Members of this House, H.R. 1200, a single-payer, national health care system which, finally, will guarantee comprehensive health care to every man, woman and child in this country without out-of-pocket expenses.

Mr. Speaker, it is only the single payer concept which can save us tens of billions of dollars a year by standing up to the waste and inefficiency in the insurance industry, the greed of the pharmaceutical companies and the excessive income that certain groups of doctors are earning.

The American people believe that health care must be a right of all citizens, and not just a privilege of the wealthy. Let us pass H.R. 1200—the Single Payer, Universal, Comprehensive Health Care Program.

FLEXIBLE STANDARDS AND DISCRETION NEEDED IN FEDERAL HEALTH CARE SYSTEM

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

Mr. GEKAS. Mr. Speaker, very recently the First Lady and the Second Lady came to a health care conference in our district at the Penn State Campus. With the opportunity I had to discuss the issues with them there, I asked them to consider in whatever final development there be of a health care plan the role of the States in the overencompassing kind of a health plan everyone is discussing. Each Governor should have the right to apply flexible standards and items of his own choosing in the total picture of the health care system.

Happily for me, attending also at that time to second my motion was Governor Casey of Pennsylvania, who said that in a recent meeting with the President himself, President Clinton acknowledged that any health care plan would involve flexible discretion on the part of the several Governors.

So we should be shying away from a one-payer national system such as some people are advocating because that robs the Governors and the States of that flexibility and discretion so required for a proper health care system.

RURAL AMERICA ASKS THAT ALL SHARE IN BUDGET SACRIFICE

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

Mr. DE LA GARZA. Mr. Speaker, most of the farmers, the ranchers and the rural residents I have talked to over the past few weeks support the thrust of the President's economic plan. They are willing to be part of a team effort to get this country back on track.

All they ask is that the mix of spending cuts and tax increases we vote on here in Congress be fair.

The trouble is I cannot explain to my rural south Texas constituents—and particularly the farmers and ranchers in my district—why the programs serving their needs are again on the chopping block, but not other programs.

I cannot explain why farmers and ranchers must sacrifice twice—first with budget cuts in farm programs, and then again with an energy tax, and other related taxes that hit agriculture and rural residents harder than almost any other sector of the economy.

Mr. Speaker, agricultural spending has been greatly reduced. Over the past 10 years we have voted on and approved agricultural spending cuts totaling $48 billion. Just 2 years ago, we cut farm price support spending alone by an estimated 20 percent.

What other entitlement, what other budget function, what other single program has taken this kind of hit?

We want to support the House budget resolution, but we want to see fairness in these budget cuts and tax increases. I urge the Budget Committee and the House to treat rural America fairly.

STATE CONTROL OF TVA AND APPALACHIAN REGIONAL COMMISSION COULD SAVE $1 BILLION

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

Mr. CALVERT. Mr. Speaker, the President asked for suggestions for additional cuts in the Federal budget. I have two to suggest.

First, TVA, the Tennessee Valley Authority was started nearly 60 years ago to bring electric power to a poor and rural region of the country.

Second, the Appalachian Regional Commission, this commission was formed nearly 30 years ago to foster economic development in that region.

Both have outlived their original purposes, Mr. Speaker, and it is time to turn their functions back to the States.

This will save the Federal Government more than $1 billion over 5 years.

A TRIBUTE TO THE HONORABLE CLARENCE MILLER, FORMER OHIO CONGRESSMAN

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

Mr. STRICKLAND. Mr. Speaker, I have the pleasure today, to speak about a distinguished former Member of this body; Mr. Clarence Miller of Ohio. John Gardner has said that some people strengthen the society just by being the kind of people they are. Clarence Miller is such a man.

For 26 years Clarence Miller served this Congress, our Nation, and the people of southeastern Ohio with grace, decency, and honor.

Clarence Miller embodies the qualities which should characterize all of us who aspire to public office. Those who served with him on the House Appropriations Committee can attest to his kindness, hardwork, and determination to do the right thing.

Next week, I will join the chamber of commerce and hundreds of his former constituents to honor him in a special ceremony in Marietta, OH.

Mr. Speaker, Clarence Miller has set a high standard for public service. I have big shoes to fill.

SPENDING CUTS

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

Mr. QUINN. Mr. Speaker, I rise today on behalf of the constituents of western New York. Before I ask my constituents in western New York, who are hard-working, middle-class families, to send even 1 more penny of taxes to Washington, I want to follow the President's charge to cut spending.

A lot of the new taxes that are being proposed would unduly target families in areas like Buffalo and Erie County, NY, that truly represent the middle-class Americans who work hard to strive for better lives in our country.

Mr. Speaker, just yesterday I received a letter from an autoworker in my district who got the message to me and all of us, I believe: "Cut spending first." The message was in the envelope, and everywhere where there is space the message is: "Cut spending first."

The President has asked for specific cuts, and I join my freshmen colleagues and many others in calling for more specific cuts, for example, in the Rural Electrification Administration, which at one time helped furnish electricity to rural areas. It had great intentions in 1935 when it began, but it has clearly outlived its purpose.

Mr. Speaker, this is one specific cut that could save $500 million over 5 years.

INTRODUCTION OF THE NATIONAL CHILD PROTECTION ACT OF 1993

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

Mrs. SCHROEDER. Mr. Speaker, today, I am pleased to join with my colleagues, Representatives DON EDWARDS, BUD CRAMER, MICHAEL KOPETSKI, JIM RAMSTAD, BOB SMITH, and CHRIS SHAYS, in introducing the National Child Protection Act of 1993. This bill is designed to protect children

from being abused and victimized when they are in child care or involved in youth activities outside their homes.

I want to thank the cosponsors of this legislation for their commitment to ensuring the safety of our Nation's most vulnerable children. I also want to thank the many groups that have responded so positively to this legislative initiative and have provided valuable input. A very special thanks is due to Ms. Oprah Winfrey who has dedicated her energy and talents to focusing the spotlight of public attention on the issue of child abuse.

This legislation will provide grants to States to improve their reporting to the national crime reporting system by providing data on convicted child abusers. States will be able to access the data base to complete background checks on potential and current child care providers and volunteers with youth service organizations. Having access to this data will prevent persons convicted of child abuse crimes from being hired in these settings. The bill authorizes $20 million in direct Federal assistance to help States to improve the reporting of their criminal justice records. The legislation includes specific timetables so that accurate, up-to-date information on child abuse convictions will be available on a national basis within 3 years. The bill contains safeguards to ensure that information provided is accurate, current, and includes only convictions of abuse.

Child care providers and youth-serving organizations will be able to conduct background checks on current or potential employees or volunteers by making application with the appropriate State agency. The cost of the background check will be borne by the employer or organization seeking the information.

This legislation enjoyed considerable support when it was introduced in the 102d Congress. I hope that my colleagues will join with us today in cosponsoring this initiative.

A 7-PERCENT CUT IN PENTAGON BUDGET URGED

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

Mrs. MALONEY. Mr. Speaker, 2 weeks have passed since the President's State of the Union Address, and it is noteworthy that a majority of Americans and a majority in Congress support this plan.

Indeed, momentum is building to enact this package. Americans appear willing to accept making a larger contribution in Federal taxes, but they are demanding something in return. They are demanding we make real progress in cutting spending and reducing the deficit. That is the deal we are striking with the American public.

With this in mind, Mr. Speaker, I urge my colleagues to read an op-ed in today's New York Times written by two scholars from MIT.

These experts argue that by reducing the Pentagon's budget by 7 percent, we can achieve an additional $21 billion in spending cuts this year beyond what the President has already requested.

I strongly urge my colleagues on the House Budget Committee to consider these suggestions as they draw up a blueprint for spending cuts next year.

We must take the demands of the American public seriously. We must do everything we can to ensure that the deal we are making with the public is a deal we can keep.

□ 1140

TIME FOR TRUTH IN TAXATION

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

Mr. GRAMS. Mr. Speaker, Jay Leno recently said:

> We're lucky these days, it's easier to marry millionaires than it used to be. Because according to Bill Clinton, a millionaire is now anyone who earns more than $30,000 a year.

Mr. Speaker, that would be really funny, if it were not so true.

Candidate Clinton told us he was only going to raise taxes on millionaires. Then, President Clinton told us he was going to raise taxes on everyone who makes over $30,000.

Now, we find out that is not even the whole story.

In calculating who will bear the burden of the Clinton tax increases, the President is counting such things as home values, IRA's and Keogh plans, pension and life insurance savings, and employee fringe benefits as income.

When you factor that in, the President's new taxes will hit everyone making over $20,000 a year.

Mr. Speaker, counting these things as income is simply wrong, deceptive, and misleading to the American people. And, it could spell real trouble for those people who thought they would not be hit by the President's new taxes.

It is time for truth in taxation. The Congress should reject such gimmicks, and the American people should know what is really going on.

SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

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

Mr. RANGEL. Mr. Speaker, as my colleagues know, the Select Committee on Narcotics Abuse and Control which I am honored to chair was voted not to be reconstituted and is scheduled to wrap up its business by the end of this month. I hope that my colleagues might reconsider what we have done, because the move was at that time to try to cut back in our budget expenditures and to save money for the legislative budget by doing that. But it seems to me that one of the messages we are sending is that we have resolved the drug problem as we have seen it.

Mr. Speaker, if we are going to talk about the budget and the deficit, we should recognize that the drug and alcohol problem in the United States is costing us over $300 billion a year when you take into consideration lost revenue, lost productivity, and the fact that we cannot remain competitive unless we deal with this problem.

Mr. Speaker, I will return to this floor in asking Members to take a hard look as to whether we are saving money or whether we really want to go after the Select Committee on Narcotics Abuse and Control for budgetary reasons.

CUTTING GOVERNMENT WASTE

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

Mr. McKEON. Mr. Speaker, President Clinton has come to us asking for specific cuts to be included in his deficit reduction package. I come before you today offering one such cut. Each former Speaker of the House receives a sizable retirement gift at the expense of American taxpayers. That gift has cost us nearly $4 million in the last 22 years.

The office of the former Speaker was created in 1970 so that former Speakers of the House could wrap up business after leaving office. The sham is that it is up to the former Member to decide when their business is concluded. For example, former Speaker Carl Albert has been conducting his business since 1977, Tip O'Neill since 1987, and Jim Wright since 1989.

Last year the expenses of these three former Speakers cost the taxpayer $601,000. That averages to about $200,000 a piece for that year alone, over and above an already sizable personal retirement package.

If the Congress is serious about cutting waste, then perks like giving former Speakers of the House a shiny golden parachute must end. I want to support a serious deficit reduction package, comprised of spending cuts, not new taxes.

My recommendation is that the length of time former Speakers receive this benefit is limited to 1 year. I believe this is sufficient time to wrap up unfinished business on the taxpayers' dole.

KEEP AMERICAN JOBS IN AMERICA

(Mr. APPLEGATE asked and was given permission to address the House

for 1 minute and to revise and extend his remarks.)

Mr. APPLEGATE. Mr. Speaker, if we really want to balance the budget, we have got to do it through jobs, not just taxes, and certainly not with taxes on unemployment compensation, on minimum wage jobs, and on retirement benefits. I am talking about the good jobs that are leaving this country, that are going into other countries of the world who are benefiting from our stupidity; the kind of jobs right now that allow us, our people, to be able to live in and support their community and support their families.

Mr. Speaker, we have got to do this by changing our trade laws. We have got to give America a break and renegotiate the North American Free-Trade Agreement. We have to equalize America's position in the world with these other countries, and penalize those countries who freeze American products out of their system.

Mr. Speaker, it is time America got tough on trade and it is time we brought our jobs back to America. If you want to balance the budget, that is the way to do it.

HEALTHY ENVIRONMENT, HEALTHY ECONOMY

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

Mrs. BENTLEY. Mr. Speaker, conservation has become a leading word for many of us. Burdensome environmental regulations in the areas of energy production, industrial manufacturing, and product use has led to job losses, questionable schemes like clean air credits, and no apparent improvement to our environment.

Simply put, we provide regulations without providing the technology to implement them. The result has been a shrinking of the U.S. industrial base, loss of U.S. competitiveness abroad, and loss of jobs at home.

But healthy environment and healthy economy need not be mutually exclusive.

This week I introduced a bill to create a national environmental technologies agency. The purpose of this agency would be to facilitate the development of environmentally safe technologies by assisting the efforts of private industry, universities, nonprofit research centers, and government laboratories in these areas.

Environmental cleanup technology will be a $1.2 trillion business over the next 10 years. Healthy environment can mean healthy economy.

LOWER INTEREST RATES BENEFIT AMERICA

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

Mr. MILLER of California. Mr. Speaker, while our Republican colleagues continue to criticize President Clinton's program for economic recovery in this Nation, we see that those individuals who are not involved in politics but are involved in the very tough and difficult decisions of managing other people's money are betting that the Clinton program will make a difference.

Once again today the New York Times reports that bond rates have fallen again to new lows. They have done that because the money managers of this country have determined that the Clinton package is real, that the numbers are real, and that it is an honest package that provides for real deficit reduction over the next 4 years.

Mr. Speaker, what does that mean to our constituents? That means that the American people will be able to go out and be more likely able to afford a home, to refinance their homes to lower their mortgage payments, to buy an automobile at a lower interest rate, and to finance their children's education at a lower interest rate. That is putting real money, real dollars, in the pockets of the American people because of the action that President Clinton took here when he came to this Congress and presented his economic recovery plan. We should stop criticizing it. We should support it and get it on the books, so we can continue to have the benefit flow to this Nation in lower interest rates, so American companies can refinance their debt, and make money available for investment in new jobs and manufacturing.

ELIMINATE OUTRAGEOUS PERK

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

Mr. INGLIS. Mr. Speaker, I rise to talk about what the Cleveland Plain Dealer has called a tradition that seems destined to become this year's outrageous perk, and that perk is the perk of allowing departing Members of this House to back up a moving van to their district office and clear it out, to take the furniture and go home with it.

Mr. Speaker, that is this year's outrageous perk. The people of this country, I believe, are looking for real deficit reduction, but they believe that deficit reduction can only start if it starts right here in this House.

I have not been here long, but I have noticed this: I do not see any belt tightening in the House of Representatives. I do not see any cutting back. We must start with deficit reduction right here in this House, and that means eliminating again what the Cleveland Plain Dealer calls "what is destined to become this year's outrageous perk."

SIN TAXES WILL NOT RAISE REVENUES

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

Mr. CLYBURN. Mr. Speaker, I rise to once again state my unequivocal support for the President's plan to reduce the deficit and stimulate the economy. The people of my district have made it clear that they support the President's plan as proposed in his February 17, State of the Union Address. We are concerned, however, about recent proposals to modify his plan with additional cuts and increased taxes on tobacco products, a crop that is not only important, but critical to the economy of my district and region. Recent media reports indicate that revenues from these taxes are on the decline. In New Jersey, the expected taxes on tobacco and alcohol have dropped some $65 million from 1993 to 1994. In New York, the revenues from tobacco will drop by $32 million in 1 year. If these trends continue, tax officials predict that cash-poor States and local governments will have to raise other taxes or cut back on services. If the purpose of additional sin taxes is to raise revenues, it will fail based on these revelations.

□ 1150

H.R. 4, THE NATIONAL INSTITUTES OF HEALTH REVITALIZATION ACT OF 1993

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

Mr. MOAKLEY. Mr. Speaker, I would like to notify Members regarding the Rules Committee's plans for H.R. 4, the National Institutes of Health Revitalization Act of 1993.

The Energy and Commerce Committee ordered H.R. 4 reported yesterday by a vote of 34–18. The Rules Committee is planning to meet on H.R. 4 the week of March 8, 1993, to take testimony and grant a rule. It is expected that a request will be made for a structured rule which would permit the offering of only those floor amendments designated in the rule.

Any Member who is contemplating an amendment to H.R. 4 should submit 55 copies of the amendment, along with a brief explanation, to the Rules Committee in H–312 in the Capitol, no later than 12 noon on Monday, March 8, 1993.

It is my understanding that copies of the printed bill may not be available in the document room until after the filing deadline. Consequently, the Energy and Commerce Committee will make available, in their offices, copies of the bill for the use of Members preparing amendments.

Mr. Speaker, earlier today I sent a "Dear Colleague" letter to all offices

detailing the steps Members need to take to protect the right to offer amendments. We appreciate the cooperation of all Members in this effort to be fair and orderly in granting a rule for H.R. 4.

Mr. SOLOMON. Mr. Speaker, will the gentleman yield?

Mr. MOAKLEY. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman for yielding time to me, my good chairman, for whom I have great respect.

I just might point out that the NIH report is not going to be filed until sometime around noontime Tuesday, as I understand it. And the gentleman is not saying that it is necessary to have these amendments filed. It would not necessarily preclude other amendments. But he is suggesting Members do have them in.

In other words, the gentleman is not talking about a restrictive, closed rule or anything like that, at this point?

Mr. MOAKLEY. Mr. Speaker, at this point I am just asking Members to have the amendments filed in the RECORD.

Mr. SOLOMON. Mr. Speaker, if the gentleman will continue to yield, I thank the gentleman for enlightening the membership.

EMERGENCY UNEMPLOYMENT COMPENSATION AMENDMENTS OF 1993

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 103–26) on the resolution (H. Res. 115) providing for the consideration of the Senate amendment to the bill (H.R. 920) to extend the emergency unemployment compensation program, and for other purposes, which was referred to the House Calendar and ordered to be printed:

H. RES. 115

Resolved, That upon the adoption of this resolution it shall be in order to consider in the House, any rule of the House to the contrary notwithstanding, a motion to take from the Speaker's table the bill (H.R. 920) to extend the emergency unemployment compensation program, and for other purposes, with the Senate amendment thereto, and to concur in the Senate amendment. The Senate amendment shall be considered as read. The motion shall be debatable for one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means or their respective designees. The previous question shall be considered as ordered on the motion to final adoption without intervening motion. The motion shall be divided for a separate vote on concurring in section 7 of the Senate amendment, any rule of the House to the contrary notwithstanding.

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 115 and ask for its immediate consideration.

The Clerk read the resolution.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is, Will the House now consider House Resolution 115?

The question was taken; and, two-thirds having voted in favor thereof, the House agreed to consider House Resolution 115.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. MOAKLEY] is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Tennessee [Mr. QUILLEN], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 115 makes it in order to consider in the House—any rule to the contrary notwithstanding—a motion to take from the Speaker's table H.R. 920 with the Senate amendment, and to agree to the Senate amendment. The Senate substitute is the same as the House bill with the addition of a freeze on Members' pay for calendar year 1994 at this year's level.

The rule provides 1 hour of general debate. The rule also automatically divides the question, allowing a separate vote on the last section of the bill, elimination of cost of living adjustment for Members of Congress in 1994. Mr. Speaker, the division is in order any rule of the House to the contrary notwithstanding.

For Members' information, I am making available a CBO cost estimate and I include it in the RECORD at this point.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 4, 1993.

Hon. JOHN JOSEPH MOAKLEY,
Chairman, Committee on Rules, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 920, the Emergency Unemployment Compensation Amendments of 1993, as passed by the Senate on March 3, 1993.

The bill would affect direct spending and thus would be subject to pay-as-you-go procedures under section 13101 of the Budget Enforcement Act of 1990.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

C.G. NUCKOLS
(For Robert D. Reischauer).

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: H.R. 920.

2. Bill title: The Emergency Unemployment Compensation Amendments of 1993.

3. Bill status: As passed by the Senate on March 3, 1993.

4. Bill purpose: To extend the Emergency Unemployment Compensation Act of 1991, and for other purposes.

FEDERAL GOVERNMENT COSTS

[By fiscal years, in millions of dollars]

	1993	1994	1995	1996	1997	1998
DIRECT SPENDING						
Emergency unemployment compensation:						
Estimated budget authority	3,210.0	2,340.0	0	0	0	0
Estimated outlays	3,210.0	2,340.0	0	0	0	0
Administrative expenses: [1]						
Estimated budget authority	110.0	0	0	0	0	0
Estimated outlays	110.0	0	0	0	0	0
Railroad unemployment:						
Estimated budget authority	2.5	(2)	0	0	0	0
Estimated outlays	2.5	(2)	0	0	0	0
Elimination of cost-of-living adjustment for Members of Congress:						
Estimated budget authority	0	−2.2	−3.0	−3.1	−3.3	−3.4
Estimated outlays	0	−2.2	−3.0	−3.1	−3.3	−3.4
Total direct spending:						
Estimated budget authority	3,322.5	2,337.8	−3.0	−3.1	−3.3	−3.4
Estimated outlays	3,322.5	2,337.8	−3.0	−3.1	−3.3	−3.4
AMOUNTS AUTHORIZED FOR APPROPRIATION						
Administrative expenses:						
Estimated authorization level	0	80.0	0	0	0	0
Estimated outlays	0	80.0	0	0	0	0
Profiling new claimants:						
Estimated authorization level	7.0	19.0	7.0	5.0	5.0	5.0
Estimated outlays	7.0	19.0	7.0	5.0	5.0	5.0
Total discretionary spending:						
Estimated authorization level	7.0	99.0	7.0	5.0	5.0	5.0
Estimated outlays	7.0	99.0	7.0	5.0	5.0	5.0

[1] For fiscal year 1993, the administrative expenses would not need any further appropriation action because of language in the Labor-HHS 1993 appropriation bill. The Labor-HHS 1993 appropriation bill makes available an additional $30 million for every 100,000 increase in the average weekly insured unemployment above 3.54 million.

[2] Less than $500,000.

The costs of this bill fall within budget functions 600, 800 and 950. The spending effects of the bill are discussed below.

Direct spending: H.R. 920 would extend the current Extended Unemployment Compensation Act of 1991 through October 2, 1993. Recipients who file claims by October 2, 1993 could continue to collect emergency unemployment compensation benefits through January 15, 1994. Based on recent program spending. CBO estimates the additional benefit payments from this bill would be $3.2 billion in fiscal year 1993 and $2.3 billion in fiscal year 1994. CBO estimates the additional benefit payments through the Railroad Unemployment Insurance program would be $2.5 million in fiscal year 1993 and less than $500,000 in fiscal year 1994.

In addition, CBO estimates there would be additional administrative costs of $190 million to process the additional claims for Extended Unemployment Compensation. Only $110 million of the $190 million would be considered direct spending.

H.R. 920 would also eliminate the scheduled January 1994 cost-of-living increase in pay rates for Members of Congress. Cost-of-living adjustments would resume in January of 1995. Members' pay raises are permanently appropriated and therefore would be considered direct spending. The savings from this provision would be $2.2 million in fiscal year 1994 and $15 million over the 1994-1998 period.

Amounts authorized for appropriations: H.R. 920 would require the Secretary of Labor to establish a program to encourage all states to implement a system of profiling all new claimants. The profiling system would determine which claimants are most likely to exhaust regular unemployment compensation and therefore, to benefit from reemployment assistance. The bill requires the Secretary of Labor to provide technical assistance and advice to the states as they develop and implement these profiling data

systems. Based on information from the Department of Labor (DOL), CBO estimates that a total of $20 million would be required over 3 years to develop and implement the automated data systems. In addition, DOL would operate a design center at the federal level. This center would help develop model systems for the states and serve as a resource center for state offices. We estimate a cost of $3 million in fiscal year 1993 and $5 million each year in fiscal years 1994 through 1998 for the operation of the design center.

6. Budget enforcement Act considerations: This section discusses how the bill would affect pay-as-you-go procedures and the discretionary spending limits under the Budget Enforcement Act of 1990 (BEA).

Pay-as-you-go: The BEA sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1995. The pay-as-you-go effects of the bill are shown in the following table:

[By fiscal years, in millions of dollars]

	1993	1994	1995
Outlays	3,322.5	2,337.8	−3.0
Receipts	(1)	(1)	(1)

[1] Not applicable.

Under section 13101 of the BEA, amounts provided in this bill that have been designated as emergency spending by the President and the Congress do not count against the pay-as-you-go restrictions of that section. In section 6 of this bill, the Congress designates as an emergency any direct spending provided pursuant to this bill. If the President also makes such an emergency designation, amounts pursuant to this bill will not be subject to the pay-as-you-go procedures.

Amounts authorized for appropriation: Under section 13101 of the BEA, amounts authorized to be appropriated that have been designated as emergency spending by the President and the Congress do not count against the spending limits under section 601 of the Congressional Budget Act of 1974. In section 6 of this bill, the Congress designates as an emergency any spending appropriated pursuant to this bill. If the President also makes an emergency designation, amounts appropriated pursuant to this bill will not be counted against the discretionary spending limits.

7. Estimated cost to State and local governments: None.

8. Estimate comparison: None.

9. Previous CBO estimate: None.

10. Estimate prepared by: Cory Oltman and Leslie Griffin.

11. Estimate approved by: C.G. Nuckols, Assistant Director for Budget Analysis.

Mr. Speaker, there are 16 million unemployed and underemployed Americans today. Emergency benefits expire on March 6. In 2 days, if we fail to adopt this resolution, millions of Americans will lose the right to file new claims. There is a time for talk and a time for action. Now is the time to act.

Mr. Speaker, I urge adoption of the resolution.

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

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

Mr. Speaker, I thank the gentleman from Massachusetts [Mr. MOAKLEY], the distinguished chairman of the House Committee on Rules, for yielding time to me. He has ably explained the provisions of the rule.

Mr. Speaker, I support the rule. I am very happy, indeed, that the Committee on Rules allowed a separate vote on the elimination of cost-of-living adjustments for Members of Congress for 1994. That means, in effect, that the COLA's will not be allowed for Members of the Congress. There would be no increase for 1994.

I think that is good. I think we all must tighten our belts, and get down to the business of reducing our deficit. And a good place to start is right here in this House of Representatives as the other body did last evening.

The Senate passed the emergency unemployment compensation measure last evening without any change in the provisions of the House, other than adding the amendment which I have just discussed.

I do not think we are going to accomplish anything by extending this emergency resolution for unemployment compensation for people who are unemployed. It has been extended many times.

Just think, if we had taken those billions of dollars and put them into programs so that people could have had permanent jobs, I think it would have been self-sufficient. We do not make any progress by helping people unless we provide something for the future.

Twenty-six weeks comes in a hurry, and it will pass in a hurry. And then unless we provide permanent jobs, we will be back where we started from.

Mr. Speaker, I support this resolution, and I feel that it is time for the House to get down to business so that we can discuss the measure pending.

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

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I support the rule. I support the bill, including the freeze. But again, while Congress continues to debate unemployment, America continues to lose jobs.

□ 1200

For the record, there are now more government workers in America—State, local, and Federal—than there are factory workers. Congress, more Government workers on the payroll of the taxpayer than there are factory workers being paid in the private sector, paying taxes, helping with this deficit. Think about that.

There is also one major theme, one tenet, one anchor of the Constitution that is the omnibus clause by which we govern ourselves: Life, liberty, and the pursuit of happiness.

I have a little simple question no one wants to listen to. How can there be life, liberty, and how can we pursue happiness in America without a job?

I am going to vote for the bill, but the American worker wants a paycheck. They do not want an unemployment compensation draft from the Government.

I am recommending again to this Congress that everybody's ideas on how to incentivize and move America forward be incorporated into this Committee on Ways and Means process, and I am one Member that is prepared to fight for that right. I hope others join in with me.

Mr. Speaker, I thank the gentleman for yielding time to me.

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

Mr. MOAKLEY. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. MOAKLEY. Mr. Speaker, I ask unanimous consent that House Resolution 111 be laid on the table. This has been agreed to with the minority side.

The SPEAKER pro tempore (Mr. MAZZOLI). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MATSUI. Mr. Speaker, pursuant to House Resolution 115, I move to take from the Speaker's table the bill (H.R. 920) "An act to extend the emergency unemployment compensation program, and for other purposes," with the Senate amendment thereto, and to concur in the Senate amendment.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Under the rule, the Senate amendment is considered as read.

The text of the Senate amendment is as follows:

Senate amendment: Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Emergency Unemployment Compensation Amendments of 1993".

SEC. 2. EXTENSION OF EMERGENCY UNEMPLOYMENT COMPENSATION PROGRAM.

(a) GENERAL RULE.—Sections 102(f)(1) and 106(a)(2) of the Emergency Unemployment Compensation Act of 1991 (Public Law 102–164, as amended) are each amended by striking "March 6, 1993" and inserting "October 2, 1993".

(b) MODIFICATION TO FINAL PHASE-OUT.—Paragraph (2) of section 102(f) of such Act is amended—

(1) by striking "March 6, 1993" and inserting "October 2, 1993", and

(2) by striking "June 19, 1993" and inserting "January 15, 1994".

(c) Conforming Amendment.—Paragraph (1) of section 101(e) of such Act is amended by striking "March 6, 1993" each place it appears and inserting "October 2, 1993".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to weeks beginning after March 6, 1993.

SEC. 3. TREATMENT OF RAILROAD WORKERS.

(a) EXTENSION OF PROGRAM.—

(1) IN GENERAL.—Paragraphs (1) and (2) of section 501(b) of the Emergency Unemployment Compensation Act of 1991 (Public Law 102–164, as amended) are each amended by striking "March 6, 1993" and inserting "October 2, 1993".

(2) CONFORMING AMENDMENT.—Section 501(a) of such Act is amended by striking "March 1993" and inserting "October 1993".

(b) TERMINATION OF BENEFITS.—Section 501(e) of such Act is amended—

(1) by striking "March 6, 1993" and inserting "October 2, 1993", and

(2) by striking "June 19, 1993" and inserting "January 15, 1994".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to weeks beginning after March 6, 1993.

SEC. 4. PROFILING OF NEW CLAIMANTS.

(a) GENERAL RULE.—The Secretary of Labor shall establish a program for encouraging the adoption and implementation by all States of a system of profiling all new claimants for regular unemployment compensation (including new claimants under each State unemployment compensation law which is approved under the Federal Unemployment Tax Act (26 U.S.C. 3301–3311) and new claimants under Federal unemployment benefit and allowance programs administered by the State under agreements with the Secretary of Labor), to determine which claimants may be likely to exhaust regular unemployment compensation and may need reemployment assistance services to make a successful transition to new employment.

(b) TECHNICAL ASSISTANCE TO STATES.—The Secretary of Labor shall provide technical assistance and advice to the States in the development of model profiling systems and the procedures for such systems. Such technical assistance and advice shall be provided by the utilization of such resources as the Secretary deems appropriate, and the procedures for such profiling systems shall include the effective utilization of automated data processing.

(c) FUNDING OF ACTIVITIES.—For purposes of encouraging the development and establishment of model profiling systems in the States, the Secretary of Labor shall provide to each State, from funds available for this purpose, such funds as may be determined by the Secretary to be necessary.

(d) REPORT TO CONGRESS.—Within 30 months after the date of the enactment of this Act, the Secretary of Labor shall report to the Congress on the operation and effectiveness of the profiling systems adopted by the States, and the Secretary's recommendation for continuation of the systems and any appropriate legislation.

(e) STATE.—For purposes of this section, the term "State" has the meaning given such term by section 3306(j)(1) of the Internal Revenue Code of 1986.

(f) EFFECTIVE DATE.—The provisions of this section shall take effect on the date of the enactment of this Act.

SEC. 5. FINANCING PROVISIONS.

(a) AUTHORIZATION.—There are authorized to be appropriated for nonrepayable advances to the account for "Advances to the Unemployment Trust Fund and Other Funds" in Department of Labor Appropriations Acts (for transfer to the "extended unemployment compensation account" established by section 905 of the Social Security Act) such sums as may be necessary to make payments to the States to carry out the purposes of the amendments made by section 2 of this Act.

(b) USE OF ADVANCE ACCOUNT FUNDS.—The funds appropriated to the account for "Advances to the Unemployment Trust Fund and Other Funds" in the Department of Labor Appropriation Act for Fiscal Year 1993 (Public Law 102–394) are authorized to be used to make payments to the States to carry out the purposes of the amendment made by section 2 of this Act.

SEC. 6. EMERGENCY DESIGNATION.

Pursuant to sections 251(b)(2)(D)(i) and 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985, the Congress hereby designates all direct spending amounts provided by this Act (for all fiscal years) and all appropriations authorized by this Act (for all fiscal years) as emergency requirements within the meaning of part C of the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 7. ELIMINATION OF COST OF LIVING ADJUSTMENT FOR MEMBERS OF CONGRESS IN 1994.

(a) COST OF LIVING ADJUSTMENT.—Notwithstanding section 601(a)(2) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31(2)), the cost of living adjustment (relating to pay for Members of Congress) which would become effective under such provision of law during calendar year 1994 shall not take effect.

(b) SEVERABILITY.—If any provision of this Act, or an amendment made by this Act, or the application of such provision to any person or circumstance, is held to be invalid, the remainder of this Act, or an amendment made by this Act, or the application of such provision to other persons or circumstances, shall not be affected.

The SPEAKER pro tempore. Under the rule, the gentleman from California [Mr. MATSUI] will be recognized for 30 minutes, and the gentleman from Pennsylvania [Mr. SANTORUM] will be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr. MATSUI].

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

Mr. Speaker, today we consider the final consideration of the extension of the Emergency Unemployment Compensation Act, H.R. 920, which is the Senate-passed version itself. I might point out to the membership that the Senate passed the exact similar legislation that we passed last week. They include the extension of the unemployment benefits. The terms are exactly the same, plus the proper filing of the unemployed employees.

The only difference is the freeze on Members' pay at this particular time. We hope that the Members of this institution, the Members of this House, will support this legislation so we can send it on to the President.

As the gentleman from Massachusetts [Mr. MOAKLEY] spoke earlier, the unemployment extension benefits will expire on Saturday of this week. We have 48 hours in which to pass this legislation, so it is my hope that we can be very expeditious in this area and move on this legislation today.

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

Mr. SANTORUM. Mr. Speaker, I yield 1 minute to the gentleman from Kentucky [Mr. ROGERS].

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 962

Mr. ROGERS. Mr. Speaker, I ask unanimous consent to remove my name as cosponsor of H.R. 962.

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

There was no objection.

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

Mr. Speaker, I come up here with very mixed emotions. As I said last week when we debated this bill, I wished we could have come here today with an unemployment compensation extension that was paid for. There was a considerable debate in the Senate. Unfortunately, there was more of a debate than there was here in the House, and they had the opportunity to at least discuss an amendment that would have extended the unemployment benefits and not added $5.7 billion onto the national debt, onto our children's future tax liability, and thereby hurting their economy, thereby hurting their opportunity to have the kind of opportunities that we have in America today.

Mr. Speaker, I am disappointed that the Senate did not allow Senator BROWN's amendment to go in, that that motion was tabled. It was very unfortunate. It was a very reasonable proposal, one which I wish, frankly, and I give the Senator his due, I wish I would have thought of myself. It was simply including as part of the spending cuts that President Clinton had suggested in his economic stimulus plan, and accelerating that one aspect of it, which was the freeze of cost-of-living adjustments, accelerate that one aspect of it to pay for the entire package. It would have paid for the entire package, to my understanding.

If what I have heard from the other side is accurate, that they are all for the President's stimulus package as a package, and that we have to look beyond the details, and we should just have to vote for this thing because this is the best thing for America, I do not see why we just cannot vote for one aspect of it before the rest. That would have been, I think, a real gesture in good conscience, a gesture that they are serious about passing the entire package and not just what we keep hearing, which is the tax increases and the spending increases, and then again, as we have in the past in this Chamber, deferring on any spending cuts.

We had the opportunity to pass a spending cut and a spending increase. We had the opportunity in the Senate to do it, and the Senate unfortunately did not take advantage of that opportunity. Here in the House we had the very same opportunity last week. We had an opportunity to send the bill back to committee. We had the opportunity to come up with a mechanism to pay for it.

Again, consistent with what I have been seeing in the 2 years that I have been here, we defer. We said:

No, it is too important. We have to go ahead and raise the spending now. We have to consume this spending now, and we have to put off until tomorrow paying the bills

I found it very interesting to listen to President Clinton here a few weeks ago talk about good and bad spending. He talked about good spending. I sort of likened it to good and bad cholesterol. We all thought all excessive cholesterol was bad. That is not true. Not all excessive cholesterol is bad. There is good cholesterol and there is bad cholesterol.

We found out that not all excessive Government spending is bad. There is good excessive Government spending and there is bad excessive Government spending. The bad excessive Government spending is called consumption spending.

What is consumption spending? Those are basically direct Government benefits being paid out for today; not investment spending, which is spending on future projects like infrastructure, education, things for children, programs for children like vaccinations. That is investment spending.

President Clinton said that is good spending, that that is the kind of spending the Government does not do enough of. I agree with him. We do not do enough investment spending.

He said, "I am going to focus my economic stimulus package and my administration to stop," as he said, "don't stop looking out for tomorrow." If that is his intention, he should come to the Congress with the programs that match his intention. Stop singing the song if you are going to send different music to the Congress. That is not the music he sent here.

What he sent here, what the Secretary of Labor testified for and refused amendments for, was consumption spending: spending now, paying bills later.

That is not what the President said in his speech. That is not what is being sent to the Congress, and any attempt to come clean and pay for this proposal was shoved aside as, "Well, this just is bogging down the process."

This is not gridlock. This is not gridlock; this is called responsible action, paying for the benefits that we want to pay out today. I find this a very troubling moment to be here, to vote again against an unemployment extension which I very much, and as I said before, the past three I did vote for.

We have change in America. Congratulations, we voted for change. The last three extensions were paid for. We now have change. We are not going to pay for this one. As I said last week, I do not believe that is the change that the Ross Perot supporters and a vast number of Americans who voted for the current President were looking for.

We want responsible change. We want positive change. We do not want change for the sake of change to pay off more political debts. This is a bad way to start the economic stimulus package that President Clinton has sent here. This is the same kind of stuff we have been seeing for the past 2 years that I have been here, and it is the kind of stuff that makes Americans sick when they look at this institution.

I hope that over the next few weeks we will be able to get down to some serious business of changing government, changing America, and doing something positive to create economic growth, to streamline government and create more opportunities in America.

This is not a good start. This is a bad start, and I hope that it is something that we can do something about in the very near future.

Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. TALENT].

Mr. TALENT. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I am going to address the unemployment compensation bill now.

Mr. Speaker, if we look at the kinds of benefits, the kinds of opportunities that the Federal Government does provide for people, certainly unemployment compensation is one of those programs where the Government can appropriately help us and help the people to adjust to the dislocation caused by economic change and, in that sense, should be distinguished from other kinds of programs, regulatory and otherwise, in which the Government may actually hurt the economy and deprive us of the opportunity to create jobs for our people.

Mr. Speaker, I always thought it was extremely important to make that kind of distinction between those two kinds of programs, those which actually inhibit the people, inhibit the great, broad American middle class from providing for itself, and those which help the people tide over the dislocation which may be caused by economic change. It is extremely important for us not to stop the economy from changing. It is important for the Government not to so interfere with the processes of the free market that it cannot do what it needs to do to provide the flow of goods and services on which the economy depends.

It is also very important that we recognize the instances when we can intercede on people's behalf and when we can insulate them from the vicissitudes of economic change. I do not think anybody in this House argues about the importance of unemployment compensation as a program to our people or for the appropriate role of the Federal Government in participating with the States in providing for those kinds of benefits.

The problem with this bill, that I saw, was the fact that it may not be necessary for the Federal Government to take this kind of a role in this kind of a manner, at this time, in order to provide for the people.

Mr. Speaker, first of all, the legislation, which the Congress has passed in the last couple of years, allows the States, in cases of high unemployment, to extend benefits on their own behalf and to assume part of that financial partnership with the Federal Government in doing that. There is no reason in a time of high deficits for us to substitute Federal revenue for potential State revenue in these kinds of instances.

The second thing, Mr. Speaker, quite frankly, is that if we are going to provide benefits of this kind, as we should, we ought to undertake the effort to pay for them. There is an enormous amount of waste in the Federal budget. To argue otherwise is to defy reality. We spend $1.5 trillion a year. Five billion dollars, which is the cost of this bill, is less than 1 percent, or a little more than 1 percent, of that budget. To argue that we cannot find that 1 percent in that budget, in order to pay for these benefits which we are extending to people, is to suggest the Federal Government somehow operates more efficiently than the average family, or the average business, in a time of economic crisis. That is a proposition, Mr. Speaker, which I do not care to defend.

So this is an idea which is a good idea in its concept but which, in its execution, is flawed. What we ought to do, if we are going to pass this, Mr. Speaker, is, No. 1, we ought to find the cuts in other parts of the budget so that we can pay for this kind of a program, and we ought to take every opportunity we can to take advantage of the partnership with the States so that we do not have to rely entirely on Federal revenue in paying for these dollars.

Mr. MATSUI. Mr. Speaker, I yield 3 minutes to the gentleman from Oregon [Mr. KOPETSKI].

Mr. KOPETSKI. Mr. Speaker, I thank the gentleman, the subcommittee chair, for yielding me this time.

Mr. Speaker, this is an emergency situation that we are dealing with in our economy, and we have to keep in mind the benefits of the unemployment program.

Yes, it helps individuals, but it also helps their communities and the local economy as well. These are dollars that go from the unemployed worker to the grocery store to pay the grocery bill. It makes the car payment so you do not have defaults on car payments, and the repossessions that go up. That is why this system was designed in the 1930's as part of the recession recovery program back then. The economics are still sound today, however.

But what we have to recognize is that there are some changes in unemployment in our country, that this has been

a different recession and a different recovery. The recovery is different this time than in previous recoveries, because this recovery is not generating the same number of jobs, in the same time, as previous recoveries have. And so there are more workers who are running out of unemployment benefits by thousands and thousands in number than ever before, and not only is the regular unemployment program being exhausted, so, too, are these individuals exhausting the extended benefits programs as well. There is a serious structural problem in the economy.

In this last election, Mr. Speaker, Americans did ask for change. They defeated, at one time, a very popular President, but they defeated him because they wanted change. They wanted to focus on Americans and the problems here at home.

We took an unemployment bill to this floor three times before we actually implemented one, and that is because the first time the President would not recognize that there was a dire emergency in this country and sign the emergency situation. The second time he vetoed the bill, and the third time we took it to the floor, the polls dropped and said that Americans are concerned about not the gulf, they are concerned about their jobs here at home. So we passed a decent extended benefits program.

Well, change is coming about through President Clinton's initiatives. This is part of it. It is not the whole package though.

There is an economic stimulus package that we are working through committee, as well, that will generate the jobs necessary to put these people back to work, but we cannot ignore the fact that people are hurting today.

If you are unemployed, your unemployment rate is 100 percent. It does not matter if you are in Oregon, or Iowa, or New York City. So we have to help these people, help their local communities, and this is the quickest, most efficient way and fastest way that we can do that.

I urge support of this resolution.

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

Mr. Speaker, if I could ask the gentleman from Oregon, he made the statement that President Bush did not sign the first unemployment extension because he did not want to extend benefits and did not see the emergency.

Now, those are very sensitive words he used. He used the term emergency spending, and that is a term of art here, as the gentleman knows, emergency spending is, which is to waive the Budget Act so we can increase the deficit.

Mr. KOPETSKI. Mr. Speaker, will the gentleman yield?

Mr. SANTORUM. I yield to the gentleman from Oregon.

Mr. KOPETSKI. Mr. Speaker, we did not waive the Budget Act. We paid for that. He signed it into law, but he would not——

Mr. SANTORUM. I reclaim my time.

Mr. KOPETSKI. Go ahead if you do not want to hear the facts.

Mr. SANTORUM. These are the facts. The first time the President vetoed the bill, the first unemployment extension, it was a nonfunded bill. It was not paid for. That is why he vetoed the bill, and the gentleman is right, he did not declare an emergency.

The second unemployment extension was funded, and he signed it. He did not veto any second unemployment extension. The third one he threatened veto when we passed something here in the House that never even passed in the Senate. We passed something in the House that was not funded, and the only time the President said he was not going to sign an emergency extension was when it was not funded. That is the point I was trying to make.

If you voted for change, you got it, because this President does not care if things are funded. This President just cares if, you know, to continue the same old saga which is, let us dole out more benefits and worry about later on whether we are going to pay for these things or not.

Mr. KOPETSKI. Mr. Speaker, will the gentleman yield?

Mr. SANTORUM. I yield to the gentleman from Oregon.

Mr. KOPETSKI. I refer to the committee report where it shows that we did pass on August 17, 1991, and the President signed into law, but he did not declare the emergency as part of that because he did not want to recognize that there were unemployed people in America.

Mr. SANTORUM. Reclaiming my time, because by declaring an emergency, he would have added to the deficit, because we did not pass a bill that was funded. You can play all of these kinds of procedural tricks, but, I mean, the fact of the matter is, he did not approve and execute the bill, in other words, make it effective, because it would have added several billion dollars to the deficit, and that is the kind of change, and that is the kind of leadership, that I think we need in this country. We need someone, as Ross Perot came up here and said on Capitol Hill, and is running around this country getting throngs of people listening to his message, and I hope that maybe some people on this side of the aisle would listen to that message:

> We are sick and tired of the same old "let us go ahead and add to the deficit, let us go ahead and do the politically popular thing, and then let us pay for it later."

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That is the kind of stuff that folks are tired of. That is exactly what we are doing today. There is nothing but that.

Now, I know that there was an amendment in the Senate. Senator MITCHELL, I am sure in very good faith, put forward an amendment to partially pay for this bill by freezing our cost of living. As a Member who does not take pay raises, you can freeze all the cost of living's you want for as long as I am here. But the fact of the matter is, the fact of the matter is this only comes up with $2 million this year.

Now, I will remind you that the bill costs $5.7 billion. Now, we came up with a $2 million funding mechanism. Now, that is a bit disingenuous. That to me is not really addressing the issue, which is, "Where is the beef?"

Where is the funding? Where is the money that we are going to come up with so that we do not continue to put burdens on our children, on your children, all of our children and grandchildren to come? That is not the kind of responsibility that I want to be a part of and that this Congress should be a part of.

I have all the compassion in the world for people who are unemployed, no matter what city they live in. But I have compassion for future generations, too. We seem to forget that here.

You know, as the President says, "Don't stop thinking about tomorrow." I think about tomorrow a lot. There are a lot of Members on this side who think about tomorrow. I would say, Mr. Speaker, if the President wants to continue to think about tomorrow, that he sends music to this Chamber which sings that tune. The music that he sent to this chamber about unemployment does not sing that tune, it sings "Happy days are here today." That is not what we came here to do. We came here to look out for the future of this country.

Mr. KOPETSKI. If the gentleman would yield, thank you, it sounds like the gentleman is all ready to sign up for the President's stimulus program. That is No. 1. I look forward to the gentleman's support on that program.

No. 2, the gentlemen talks about the same old saws, the same older leadership. The people of America turned out a President who refused to look at them today and the suffering they are having today. This is a package. Yes; we have to look at tomorrow, but, yes, we also have to consider the suffering that goes on in families today. These people are not just statistics. These are people who have children, they want to go to school, they want food on the table, they want to make the car payment, the mortgage payment. The gentleman is saying, "Don't worry about it, don't worry about them today."

Mr. SANTORUM. No; that is not correct.

Mr. KOPETSKI. We have to worry about them today.

Mr. SANTORUM. Mr. Speaker, reclaiming my time.

Mr. KOPETSKI. So that is why we ought to fund this bill——

The SPEAKER pro tempore (Mr. MAZZOLI). The time is controlled by the gentleman from Pennsylvania [Mr. SANTORUM].

Mr. SANTORUM. The gentleman mischaracterizes, again, my comments.

Mr. KOPETSKI. I thank the gentleman for yielding.

Mr. WALKER. Mr. Speaker, regular order.

Mr. KOPETSKI. The gentleman is——

Mr. WALKER. Regular order, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Pennsylvania [Mr. SANTORUM] controls the time.

Mr. SANTORUM. Mr. Speaker, let me repeat for at least the dozen times I have said this today, and I will say it one more time, I am for extending unemployment benefits. I have the same compassion for these people today as the gentleman does. What I am saying is—and no one on this side of the aisle, no one—came to the well, no one came to the well and said we should not extend unemployment benefits; nobody. Every argument on this floor from this side of the aisle was that we should pay for any extension of benefits. That is the only argument that has been on the floor for the past 2 weeks.

Now, to continue to mischaracterize that, again, I understand it is a place for sound bites, but it does not address the issue. The issue is are we going to do the compassionate thing—and, I would suggest, the right thing—by extending unemployment benefits, or are we going to do it in a responsible manner? That is all that I—the point that I tried to make. I have consistently made that point.

Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. BOEHNER].

Mr. BOEHNER. I thank the gentleman for yielding this time to me.

Mr. Speaker, in this piece of legislation that we are considering, we are freezing the cost-of-living adjustment for Members of Congress for 1994.

Now I want to remind all of my colleagues that in May of last year the people of America ratified the 27th Amendment. For those of you who may not remember the 27th Amendment, it says very simply that no law that varies the compensation for the services of Senators and Representatives can become effective without an intervening election. Pointed very straight- forwardly, trying to reduce our pay in the manner in which we are doing it, by not accepting the COLA in 1994, is unconstitutional. It is unconstitutional to pass the amendment that was put on this in the Senate last night.

All of us were elected to this Chamber swearing to uphold the Constitution of the United States. Now, if we want to do the right thing, we should eliminate the 1989 Ethics in Government Act, that section of the law that granted COLA's ad infinitum, so that the Congress never again has to vote on a pay raise. We could do that. It would not be effective until 1995. But we could eliminate all of those. But instead of doing what is right and doing what makes sense long term by eliminating COLA's, we did the only year that under the Constitution that we cannot change, and that is the 1994 COLA increase.

So I would urge my colleagues that when you have to vote on this amendment, which we are going to have a separate vote on, the fact that we want to look like we are all doing the fighting for our constituents by avoiding the pay raise, under the Constitution, we are not allowed.

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

Mr. MATSUI. Mr. Speaker, I yield myself 1 minute. I would just like to say that this bill before us now is the same bill that was passed last week out of the House of Representatives by a rather substantial vote. The only addition is the pay freeze on this legislation.

Ms. PELOSI. Mr. Speaker, I rise in support of the legislation extending unemployment compensation. When we pass this legislation today we will be approving the first element of the President's economic plan.

This legislative victory demonstrates that when Congress and the White House work together we can bring fresh, innovative thinking to the rescue of America's unemployed.

Not only does this legislation extend benefits, it also contains a new provision for profiling.

Profiling programs use data collected from beneficiaries to determine whether individual workers are permanently displaced and therefore need retraining, counseling or other assistance to find new jobs. When Secretary of Labor Reich saw how the State pilot programs or profiling have worked, he included it in this legislation.

Mr. Speaker, because we are in a jobless recovery, todays legislation is necessary. However, it underscores the need for approval of the Presidents economic plan for long-term growth which puts people back to work.

I urge my colleagues to support this legislation and commend the committee for bringing this fresh approach to the floor.

Ms. E.B. JOHNSON, of Texas. Mr. Speaker, last month, in my State of Texas, unemployment rose an entire percentage point to nearly 8½ percent—and in some neighborhoods of my district the percentages are much worse. The reality behind the statistics is that over 727,000 Texans are without work—people and families, just like yours and mine, who are desperately trying to hold together until next week or next month when there might be a job at their factory, at their auto plant, or anywhere at all. And there are millions more across our Nation who tell similar stories of mass layoffs, plant closings, company bankruptcies, and financial ruin. Today, here in the House, we have voted to extend emergency unemployment compensation until October of this year. For the estimated 2 million workers who will benefit from this extension, this legislation is a godsend. They aren't asking for our pity or charity, just a helping hand until President Clinton's economic recovery brings back jobs to our cities and States.

Yes, this program is expensive—and for new Members like me it's very difficult to vote for programs with big price tags, when I came here to help cut nonessential Government spending. But emergency unemployment compensation extension is not like the pork barrel Government projects that we've vowed to eliminate—this bill is a targeted investment in unemployed American workers, linked with a new reemployment network to help people get back on their feet with another job. I thank my colleagues for voting to extend unemployment benefits, but also strongly urge them to quickly pass an economic stimulus package that will put people back to work so that this is the last time we extend emergency unemployment compensation.

Mr. GREENWOOD. Mr. Speaker, I am pleased to take this opportunity to express my strong, strenuous support for freezing congressional pay. Our national debt is currently over $4 trillion and the deficit for this year alone is expected to be over $330 billion. I believe it is absolutely unconscionable for Members of Congress to accept an automatic salary increase in the face of this outrageous deficit. Congress simply must take decisive action to seriously reduce Government spending in all areas of Government. A good first start would be for Members of Congress to set the example by freezing their own pay.

During my 12 years in the Pennsylvania State Legislature, I voted against every pay raise measure. Unfortunately, today, I am required to testify on an important matter in Federal court in Philadelphia and am unable to cast my vote in favor of the pay freeze measure. This suit, of which I am the chief plaintiff, seeks to overturn a decision by the Lieutenant Governor of Pennsylvania which, in effect, disenfranchises voters in Bucks County by delaying the special election for my former State Senate seat until July of this year. I cannot stand by and allow my constituents in Bucks County to be without a voice in the Pennsylvania State Senate for nearly 7 months. I must do all within my means to see that the Lieutenant Governor's decision is not allowed to stand.

Mr. BARRETT of Nebraska. Mr. Speaker, despite the good pay freeze amendment adopted by the Senate to H.R. 920, the emergency unemployment compensation extension, it remains overall a bad bill. It needlessly adds to the Federal budget deficit and, for that reason, I continue to oppose it.

When the Senate considered H.R. 920, it added an amendment that would prohibit Members of Congress from receiving a cost-of-living-adjustment [COLA] in 1994. I wholeheartedly support the amendment as the first step in reining in congressional spending and doing our part toward deficit reduction.

But for the 103d Congress, the extension of unemployment benefits in H.R. 920 is our first test of fiscal discipline, and by passing the bill we fail that test, while asking the American family to suffer the consequences of adding nearly $6 billion to the Federal budget deficit. The message from our constituents has been loud and clear—are we ever going to listen?

They are tired and frustrated with Congress' fiscal irresponsibility, and with H.R. 920 we are only giving them more of the same disgusting performance.

It is even more disappointing to know that we could have brought this bill to the floor and debated amendments that would have provided the means to pay for the extension of unemployment benefits. But those amendments were defeated on a party line vote in the Ways and Means Committee and weren't allowed by the Rules Committee to be offered on the House floor.

Obviously, the bulldozer is in high gear, but it's pushing a bill that is not needed. Granted, unemployment remains a problem in some States, but just last year we passed legislation allowing those States with problems to extend benefits without Federal action. With the economy in recovery, H.R. 920 is not needed and spends Federal dollars we simply can't afford.

I'm pleased that Congress is on record for freezing its pay for 1994, but that action was lost in the passage of H.R. 920 with its $6 billion price tag. We saved a few million to only fall billions more behind.

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

The SPEAKER pro tempore. All time has expired.

Pursuant to House Resolution 115, the previous question is ordered on the motion, and pursuant to House Resolution 115, the question on concurring in the Senate amendment will be divided.

The first question before the House is on concurring in sections 1 through 6 of the Senate amendment.

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

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

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

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 247, nays 156, not voting 27, as follows:

[Roll No. 53]

YEAS—247

Abercrombie	Brooks	Darden
Ackerman	Browder	de la Garza
Andrews (ME)	Brown (CA)	DeFazio
Andrews (NJ)	Brown (FL)	DeLauro
Andrews (TX)	Brown (OH)	Dellums
Applegate	Byrne	Derrick
Bacchus (FL)	Cantwell	Deutsch
Baesler	Cardin	Diaz-Balart
Barlow	Chapman	Dicks
Barrett (WI)	Clay	Dixon
Becerra	Clyburn	Dooley
Beilenson	Coleman	Durbin
Bentley	Collins (GA)	Edwards (CA)
Berman	Collins (IL)	Emerson
Bevill	Collins (MI)	Engel
Bilbray	Condit	English (AZ)
Bishop	Conyers	Eshoo
Blackwell	Cooper	Evans
Blute	Coppersmith	Everett
Boehlert	Costello	Fazio
Borski	Coyne	Fields (LA)
Boucher	Cramer	Filner
Brewster	Danner	Fingerhut
Fish	Maloney	Rowland
Flake	Manton	Roybal-Allard
Foglietta	Margolies-Mezvinsky	Sabo
Ford (MI)	Markey	Sanders
Frank (MA)	Martinez	Sangmeister
Frost	Matsui	Sarpalius
Furse	Mazzoli	Sawyer
Gallo	McCloskey	Schenk
Gejdenson	McDermott	Schroeder
Gephardt	McHale	Schumer
Gibbons	McHugh	Scott
Gilchrest	McKinney	Serrano
Gillmor	McNulty	Sharp
Gilman	Meehan	Shepherd
Glickman	Meek	Sisisky
Gonzalez	Menendez	Skaggs
Gordon	Mfume	Skelton
Green	Mineta	Slattery
Hall (OH)	Mink	Slaughter
Hamburg	Moakley	Smith (IA)
Hamilton	Molinari	Smith (NJ)
Harman	Mollohan	Snowe
Hastings	Moran	Solomon
Hayes	Morella	Spratt
Hefner	Murphy	Stark
Hilliard	Murtha	Stokes
Hinchey	Nadler	Studds
Hoagland	Natcher	Stupak
Hochbrueckner	Neal (MA)	Swett
Hoekstra	Neal (NC)	Synar
Holden	Oberstar	Tanner
Horn	Obey	Tauzin
Hoyer	Olver	Tejeda
Hughes	Ortiz	Thornton
Jacobs	Orton	Thurman
Johnson (CT)	Owens	Torkildsen
Johnson, E.B.	Pallone	Torres
Johnston	Pastor	Torricelli
Kanjorski	Payne (NJ)	Towns
Kaptur	Payne (VA)	Traficant
Kennedy	Pelosi	Unsoeld
Kennelly	Peterson (FL)	Upton
Kildee	Peterson (MN)	Velazquez
Kleczka	Pickle	Vento
Klink	Pomeroy	Visclosky
Kopetski	Poshard	Volkmer
Kreidler	Price (NC)	Walsh
LaFalce	Quinn	Washington
Lambert	Rahall	Waters
Lancaster	Rangel	Watt
Lantos	Reed	Waxman
LaRocco	Regula	Wheat
Lehman	Reynolds	Whitten
Levin	Richardson	Williams
Lewis (GA)	Ridge	Wise
Lipinski	Roemer	Woolsey
Lloyd	Rogers	Wyden
Long	Ros-Lehtinen	Wynn
Lowey	Rose	Yates
Machtley		

NAYS—156

Allard	Dickey	Hutchinson
Archer	Doolittle	Hutto
Armey	Dornan	Hyde
Bachus (AL)	Dreier	Inglis
Baker (CA)	Duncan	Inhofe
Baker (LA)	Dunn	Inslee
Ballenger	Edwards (TX)	Istook
Barrett (NE)	English (OK)	Johnson (GA)
Bartlett	Ewing	Johnson (SD)
Barton	Fawell	Johnson, Sam
Bateman	Fowler	Kasich
Bereuter	Franks (CT)	Kim
Bilirakis	Franks (NJ)	King
Bliley	Gallegly	Kingston
Boehner	Gekas	Klug
Bonilla	Gingrich	Knollenberg
Bunning	Goodlatte	Kolbe
Burton	Goodling	Kyl
Buyer	Goss	Laughlin
Callahan	Grams	Lazio
Calvert	Grandy	Leach
Camp	Gunderson	Levy
Canady	Hall (TX)	Lewis (CA)
Castle	Hancock	Lewis (FL)
Clement	Hansen	Lightfoot
Clinger	Hastert	Linder
Coble	Hefley	Livingston
Combest	Herger	Mann
Crane	Hobson	Manzullo
Crapo	Hoke	McCandless
Cunningham	Houghton	McCollum
Deal	Huffington	McCrery
DeLay	Hunter	McCurdy
McInnis	Porter	Smith (OR)
McKeon	Pryce (OH)	Smith (TX)
McMillan	Quillen	Spence
Meyers	Ramstad	Stearns
Mica	Ravenel	Stenholm
Michel	Roberts	Stump
Miller (FL)	Rohrabacher	Sundquist
Minge	Roth	Talent
Montgomery	Royce	Taylor (MS)
Moorhead	Santorum	Taylor (NC)
Myers	Saxton	Thomas (CA)
Nussle	Schaefer	Thomas (WY)
Oxley	Schiff	Vucanovich
Packard	Sensenbrenner	Walker
Parker	Shaw	Weldon
Penny	Shays	Wolf
Petri	Shuster	Young (FL)
Pickett	Skeen	Zeliff
Pombo	Smith (MI)	Zimmer

NOT VOTING—27

Barcia	Geren	Rostenkowski
Bonior	Greenwood	Roukema
Bryant	Gutierrez	Rush
Carr	Henry	Strickland
Clayton	Jefferson	Swift
Cox	Klein	Tucker
Dingell	McDade	Valentine
Fields (TX)	Miller (CA)	Wilson
Ford (TN)	Paxon	Young (AK)

□ 1247

So sections 1 through 6 of the Senate amendment to H.R. 920 were concurred in.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. MAZZOLI). The Chair will advise the Members that the question, having been divided, now before the House is on concurring in section 7 of the Senate amendment which, the Chair advises, deals with the cost-of-living adjustment.

The question, therefore, is on concurring in section 7 of the Senate amendment to H.R. 920.

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

RECORDED VOTE

Mr. SANTORUM. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 403, noes 0, answered "present" 3, not voting 24, as follows:

[Roll No. 54]

AYES—403

Abercrombie	Beilenson	Burton
Ackerman	Bentley	Buyer
Allard	Bereuter	Byrne
Andrews (ME)	Berman	Calvert
Andrews (NJ)	Bevill	Camp
Andrews (TX)	Bilbray	Canady
Applegate	Bilirakis	Cantwell
Archer	Bishop	Cardin
Armey	Blackwell	Carr
Bacchus (FL)	Bliley	Castle
Bachus (AL)	Blute	Chapman
Baesler	Boehlert	Clay
Baker (CA)	Bonilla	Clement
Baker (LA)	Borski	Clinger
Ballenger	Boucher	Clyburn
Barlow	Brewster	Coble
Barrett (NE)	Brooks	Coleman
Barrett (WI)	Browder	Collins (GA)
Bartlett	Brown (CA)	Collins (IL)
Barton	Brown (FL)	Collins (MI)
Bateman	Brown (OH)	Combest
Becerra	Bunning	Condit

Conyers	Horn	Mollohan
Cooper	Houghton	Montgomery
Coppersmith	Hoyer	Moorhead
Costello	Huffington	Moran
Coyne	Hughes	Morella
Cramer	Hunter	Murphy
Crane	Hutchinson	Murtha
Crapo	Hutto	Myers
Cunningham	Hyde	Nadler
Danner	Inglis	Natcher
Darden	Inhofe	Neal (MA)
de la Garza	Inslee	Neal (NC)
Deal	Istook	Nussle
DeFazio	Jacobs	Oberstar
DeLauro	Johnson (CT)	Obey
DeLay	Johnson (GA)	Olver
Dellums	Johnson (SD)	Ortiz
Derrick	Johnson, E.B.	Orton
Deutsch	Johnson, Sam	Owens
Diaz-Balart	Johnston	Oxley
Dickey	Kanjorski	Packard
Dicks	Kaptur	Pallone
Dixon	Kasich	Parker
Dooley	Kennedy	Pastor
Doolittle	Kennelly	Payne (NJ)
Dornan	Kildee	Payne (VA)
Dreier	Kim	Pelosi
Duncan	King	Penny
Dunn	Kingston	Peterson (FL)
Durbin	Kleczka	Peterson (MN)
Edwards (CA)	Klein	Petri
Edwards (TX)	Klink	Pickett
Emerson	Klug	Pickle
Engel	Knollenberg	Pombo
English (AZ)	Kolbe	Pomeroy
English (OK)	Kopetski	Porter
Eshoo	Kreidler	Poshard
Evans	Kyl	Price (NC)
Ewing	LaFalce	Pryce (OH)
Fawell	Lambert	Quillen
Fazio	Lancaster	Quinn
Fields (LA)	Lantos	Rahall
Filner	LaRocco	Ramstad
Fingerhut	Laughlin	Rangel
Fish	Lazio	Ravenel
Flake	Leach	Reed
Foglietta	Lehman	Regula
Ford (MI)	Levin	Reynolds
Fowler	Levy	Richardson
Frank (MA)	Lewis (CA)	Ridge
Franks (CT)	Lewis (FL)	Roberts
Franks (NJ)	Lewis (GA)	Roemer
Frost	Lightfoot	Rogers
Furse	Linder	Rohrabacher
Gallegly	Lipinski	Ros-Lehtinen
Gallo	Livingston	Rose
Gejdenson	Lloyd	Roth
Gekas	Long	Rowland
Gephardt	Lowey	Roybal-Allard
Gibbons	Machtley	Royce
Gilchrest	Mann	Rush
Gillmor	Manton	Sabo
Gilman	Manzullo	Sanders
Gingrich	Margolies-Mezvinsky	Sangmeister
Glickman	Markey	Santorum
Gonzalez	Martinez	Sarpalius
Goodlatte	Matsui	Sawyer
Goodling	Mazzoli	Saxton
Gordon	McCandless	Schaefer
Goss	McCloskey	Schenk
Grams	McCollum	Schiff
Grandy	McCrery	Schroeder
Green	McCurdy	Schumer
Gunderson	McDermott	Scott
Gutierrez	McHale	Sensenbrenner
Hall (OH)	McHugh	Serrano
Hall (TX)	McInnis	Sharp
Hamburg	McKeon	Shaw
Hamilton	McKinney	Shays
Hancock	McMillan	Shepherd
Hansen	McNulty	Shuster
Harman	Meehan	Sisisky
Hastert	Meek	Skaggs
Hastings	Menendez	Skeen
Hayes	Meyers	Skelton
Hefley	Mfume	Slattery
Hefner	Mica	Slaughter
Herger	Michel	Smith (MI)
Hilliard	Miller (CA)	Smith (NJ)
Hinchey	Miller (FL)	Smith (OR)
Hoagland	Mineta	Smith (TX)
Hobson	Minge	Snowe
Hochbrueckner	Mink	Solomon
Hoekstra	Moakley	Spence
Hoke	Molinari	Spratt
Holden		Stark
Stearns	Thomas (WY)	Waters
Stenholm	Thornton	Watt
Stokes	Thurman	Waxman
Studds	Torkildsen	Weldon
Stump	Torres	Wheat
Stupak	Torricelli	Whitten
Sundquist	Towns	Williams
Swett	Traficant	Wise
Swift	Unsoeld	Wolf
Synar	Upton	Woolsey
Talent	Velazquez	Wyden
Tanner	Vento	Wynn
Tauzin	Visclosky	Yates
Taylor (MS)	Volkmer	Young (FL)
Taylor (NC)	Vucanovich	Zeliff
Tejeda	Walker	Zimmer
Thomas (CA)	Walsh	

NOES—0

ANSWERED "PRESENT"—3

Boehner	Smith (IA)	Washington

NOT VOTING—24

Barcia	Fields (TX)	Paxon
Bonior	Ford (TN)	Rostenkowski
Bryant	Geren	Roukema
Callahan	Greenwood	Strickland
Clayton	Henry	Tucker
Cox	Jefferson	Valentine
Dingell	Maloney	Wilson
Everett	McDade	Young (AK)

□ 1304

So section 7 of the Senate amendment to H.R. 920 was concurred in.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mrs. CLAYTON. Mr. Speaker, the House of Representatives passed H.R. 920 which extended the emergency unemployment compensation program until October 2, 1993. A further provision in this bill froze the annual cost-of-living adjustment for fiscal year 1994. This legislation was a truly progressive step in light of the prevailing circumstances facing American lawmakers.

I regret that I was unable to record my vote for this bill due to unfortunate conditions. Because of a longstanding commitment, I was in North Carolina addressing a group of peanut growers and farm cooperatives. My scheduled travel plans would have allowed me to return in Washington with enough time to cast my vote on this matter. However, due to high winds and rain, my flight was delayed precipitating my late arrival in Washington, DC.

I want to emphasize to my constituents, my colleagues, and the American people that I deeply support this legislation. I voted on an earlier version which was submitted to the Senate and subsequently amended and returned to the House. In light of our current economic and fiscal dilemma, I believe that the extension of unemployment benefits is a sensible step to alleviate the misfortune of those who have found themselves displaced by hard economic times. In addition, I am pleased to see that Congress has taken a position of leadership by making a sensible decision to share the needed sacrifice through the freeze in the cost-of-living increases for congressional salaries.

As a new Member of Congress, I am proud to save the needs of both North Carolina's First District and the Nation. It is my sincere desire that Congress will continue to do those things which enhance the welfare and prosperity of this great Nation.

PERSONAL EXPLANATION

Mr. STRICKLAND. Mr. Speaker, during rollcall votes Nos. 53 and 54 on H.R. 920 I was unavoidably detained. Had I been present I would have voted "aye."

PERSONAL EXPLANATION

Mr. BARCIA. Mr. Speaker, during rollcall votes Nos. 53 and 54 on H.R. 920 I was unavoidably detained. Had I been present I would have voted "yes."

PERSONAL EXPLANATION

Mr. RUSH. Mr. Speaker, during rollcall vote No. 53 on H.R. 920 I was unavoidably detained. Had I been present I would have voted "aye."

PERSONAL EXPLANATION

Mr. CALLAHAN. Mr. Speaker, during the vote on rollcall No. 54, I was in the Senate in a meeting and missed the vote. Had I been here, I would have voted "aye."

PERSONAL EXPLANATION

Mr. EVERETT. Mr. Speaker, during the vote on rollcall No. 54, I was in the Senate in a meeting and missed the vote. Had I been here, I would have voted "aye."

PERSONAL EXPLANATION

Mr. KLEIN. Mr. Speaker, today, during consideration of the legislation to extend unemployment compensation benefits, I inadvertently missed rollcall vote No. 53.

As a strong supporter of the legislation to provide additional unemployment benefits from March 6 to October 2, I would like the RECORD to show that I would have voted in favor of the legislation. It is critical that those unemployed workers who have exhausted their 26 weeks of regular unemployment benefits continue to be eligible to receive additional benefits based on the level of unemployment in their State. I strongly support this extension.

PERSONAL EXPLANATION

Mr. DINGELL. Mr. Speaker, I unavoidably missed rollcall vote No. 54, the emergency unemployment benefits extension. Had I been present I would have voted "aye."

LEGISLATIVE PROGRAM

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

Mr. SOLOMON. Mr. Speaker, I yield to the gentleman from Missouri [Mr. GEPHARDT], the majority leader, to enlighten the membership on the schedule for the remainder of the day and next week.

Mr. GEPHARDT. Mr. Speaker, I thank the gentleman for yielding.

There are no more votes today. Business has been completed. There will not be votes tomorrow.

On Monday, March 8, the House will meet at noon. There will not be legislative business. Tuesday, March 9, the House will meet at noon to consider a bill on suspension, H.R. 490, to convey certain lands to the Columbia Hospital for Women.

On Wednesday, March 10, and probably Thursday, March 11, we will be meeting at 2 on Wednesday and at 11 a.m. on Thursday to take up H.R. 4, which is the National Institutes of Health Revitalization Act, subject to a rule.

On Friday, the House will meet at 11. There will not be legislative business.

Mr. SOLOMON. Mr. Speaker, if I might just inquire of the majority leader, I see one suspension vote on Tuesday, but there is a likelihood that there could be votes on Tuesday.

Mr. GEPHARDT. Mr. Speaker, if the gentleman will continue to yield, the gentleman is correct. There could be votes on that day, and Members should expect that.

We obviously also have activity going on in the many committees that will be necessary.

Mr. SOLOMON. Mr. Speaker, I thank the majority leader. The majority leader also mentioned that the NIH bill might be coming up on Wednesday.

I would point out that the gentleman from Massachusetts [Mr. MOAKLEY], chairman of the Committee on Rules, had announced that he would appreciate amendments being filed by a Monday noontime deadline. I would point out that the Committee on Energy and Commerce tells me that they probably will not have their report filed until Tuesday noon.

I would also hope that the membership is not bound to have amendments in before we have had the opportunity to read it, although we will make every effort to have amendments in by noon.

Mr. GEPHARDT. Mr. Speaker, I understand what the gentleman is saying. We will consult with the chairman. There may be an update on that decision.

Mr. SOLOMON. Mr. Speaker, I thank the majority leader.

ADJOURNMENT TO MONDAY, MARCH 8, 1993

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon on Monday next.

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

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

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

There was no objection.

NRA OPPOSES BRADY BILL, SEEKS TO DISCREDIT ATTORNEY GENERAL NOMINEE RENO

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

Mr. SCHUMER. Mr. Speaker, today's rollcall article about efforts by the NRA and others to discredit Attorney General nominee Janet Reno can only be described as stomach turning. It shows the despicable depths to which the NRA and others are willing to descend to try to stop the Brady bill and other gun control measures from becoming law.

The article reports that unsubstantiated rumors attempting to smear Ms. Reno have been passed to the Senate Judiciary Committee and to the press. Everyone agrees that there is no substantiation and no truth to these rumors but that does not stop the NRA from spreading them. Truth and the NRA have never been very close companions.

What everyone does know to be the truth is that Janet Reno supports the Brady bill. When Janet Reno becomes Attorney General she will be the first sitting Attorney General in history to support the Brady bill. And the NRA can't stand that. The NRA is so scared of a Justice Department in support of the Brady bill that it is willing to spread lies and innuendo in an effort to ruin the sterling reputation of the woman about to become the Nation's highest law enforcement officer.

Shame on them, Mr. Speaker. And shame on anyone else who stoops that low.

RECOGNIZING HEROIC SACRIFICE OF BATF SPECIAL AGENTS IN WACO, TX

Mr. HOYER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate concurrent resolution (S. Con. Res. 12) to recognize the heroic sacrifice of the special agents of the Bureau of Alcohol, Tobacco and Firearms in Waco, TX.

The Clerk read the title of the Senate concurrent resolution.

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

Mr. LIGHTFOOT. Mr. Speaker, reserving the right to object, and I will not object, I yield to the gentleman from Maryland [Mr. HOYER] for the purpose of explaining his request.

□ 1310

Mr. HOYER. Mr. Speaker, I thank the distinguished gentleman from Iowa [Mr. LIGHTFOOT] for yielding to me.

Mr. Speaker, this is a resolution that was passed by the Senate, a resolution that I have introduced, along with a number of other Members of this House on both sides of the aisle.

The Senate resolution mirrors the House resolution, which is to recognize the heroic sacrifice of the special agents of the Bureau of Alcohol, Tobacco and Firearms who recently lost their lives on the 28th in Waco, TX, in an effort to clear out the radical residents of that compound.

Mr. Speaker, I made the point the other day that keeping law and order is a dangerous endeavor at best. I pointed out, and the resolution points out, that over 184 agents of the Bureau of Alcohol, Tobacco and Firearms have lost their lives since the 1860's, when it was formed. This honor roll now includes the four agents killed in Texas on February 28.

Mr. Speaker, let me again intone their names, young men, dedicated to the proposition that law and order will be maintained in this, the freest Nation on the face of the Earth; they were fighters for democracy and freedom, and they lost their lives in the ongoing effort to maintain freedom, democracy, and justice in this Nation: Special Agent Steve Willis, of the Bureau's Houston post; Special Agent Robert J. Williams, of Little Rock, AR; and Special Agents Conway LeBleu and Todd McKeehan of New Orleans.

Mr. Speaker, this resolution passed by the Senate, and now I hope to be shortly passed by us, is but a very small token of the respect, of the admiration, and of the sorrow reflected by the Representatives of the American people who serve on this floor and the gratitude that each of us feels, and the awareness that each of us has that the contributions of these young men and of their colleagues are critical if free men and free women are to continue to enjoy the benefits of a free society.

Mr. Speaker, I thank my friend for yielding, and would suggest that perhaps he might yield to my distinguished colleague, the gentleman from Texas [Mr. EDWARDS], who represents the area of Waco.

Mr. LIGHTFOOT. Further reserving the right to object, Mr. Speaker, I am happy to yield to the gentleman from Texas [Mr. EDWARDS].

Mr. EDWARDS of Texas. Mr. Speaker, I consider it a privilege to be able to

speak in support of this resolution, and want to commend the gentleman from Maryland [Mr. HOYER] for his leadership on this resolution. It is my belief that the greatness of America lies in the quite compassion and courage of average citizens, citizens who act unselfishly day in and day out in service to others, citizens who never expect to see their faces on television or their names in newspaper headlines.

Such is the case with agents of the Bureau of Alcohol, Tobacco and Firearms. Every day ATF agents all across America put their lives on the line for us. Without fanfare they take on drug dealers and illegal gunrunners, never knowing if their next raid will, in fact, be their last.

On Sunday, millions of Americans saw the unforgettable image of ATF agents being met with a lethal hail of bullets as they climbed the roof of John Howell's Mount Carmel compound in my district in Texas.

On Monday at a hospital nearby, I met seven of those ATF agents wounded in the raid. In their minds, they simply had done their duty. In my mind, they are modern-day heroes, not only those seven agents but the four who were killed and all ATF agents all across America who exhibit quite courage each and every day.

ATF agents, along with their selfless families, epitomize the very meaning of public service. Unlike our troops returning home from Desert Storm, they will not be welcomed home with parades and confetti. However, from this terrible tragedy in Texas, Mr. Speaker, Americans everywhere have gained a new appreciation for the job of ATF agents. We owe a deep debt of gratitude to all of those agents. It is your quite courage, it is your unselfish service, that have once again shown us the very best in America.

Mr. Speaker, I thank the gentleman for yielding to me.

Mr. LIGHTFOOT. Mr. Speaker, continuing my reservation of objection, I rise to join the chairman of our Subcommittee on Treasury, Postal Service, and General Government of the Committee on Appropriations, the gentleman from Maryland [Mr. HOYER], in support for the resolution that is before us.

As I said in my remarks yesterday when this resolution was introduced, we here in Congress must make it our business to honor the work of law enforcement officials that are willing to make that ultimate sacrifice in the name of law and order. I think this resolution takes a step toward fulfilling that obligation by at least commemorating the efforts of the four Bureau of Alcohol, Tobacco, and Firearms agents who gave their lives in that standoff against the religious extremists in Waco, TX.

Also, our feelings go out to the people who live in Waco. Having lived just a few miles up the road from Waco a few years back, there are a lot of good people in Texas who I am sure are extremely disturbed by the happenings that are going on there.

In addition to that, in the last few days we find many have questioned the tactics employed by the BATF in this confrontation. We live in an age where events still unfolding are given supposedly a definitive instant analysis by the news and others. People who do not know the situation in Waco somehow feel they are qualified to offer an opinion on what should or should not have been done.

What the BATF must focus on now, and I think what we should all be supporting, is ending this tragedy without further bloodshed. We must not forget the agents who are in Waco ready to make the same sacrifice that Steve Willis, Robert J. Williams, Conway LeBleu, and Todd McKeehan and those other agents who have already been wounded there have made. Still many are there putting their lives on the line.

Through this measure we will show the loved ones of those agents who have been slain and wounded that we have not forgotten, that their contributions will not go unnoticed or without honor.

As a member of the subcommittee which oversees BATF, and as a former member of the law enforcement community, I am very proud of these men and their families.

This Congress and this Nation owes a tremendous debt of gratitude to all the members of BATF for what they do every day to make our streets and our communities safer. I do not think that most people realize that in BATF's mission they deal with the most dangerous of criminals. Many times we do not hear about their efforts, and that is because they do such a good job.

We owe very special thanks to the men and women involved in this operation currently underway in Waco. Again, I thank the chairman for his work on this valuable and needed resolution, and urge all my colleagues in the House to support the measure.

Mr. HOYER. Mr. Speaker, will the gentleman yield?

Mr. LIGHTFOOT. I yield to the gentleman from Maryland.

Mr. HOYER. Mr. Speaker, I appreciate the gentleman's statement, which I thought was one certainly that I agree with 100 percent, and thank him for his efforts.

Mr. Speaker, I also want to thank the gentleman from Illinois [Mr. ROSTENKOWSKI], the gentlemen from Texas [Mr. ARCHER and Mr. PICKLE], and the gentleman from New York [Mr. HOUGHTON], of the full committee and the subcommittee of the Committee on Ways and Means, and the gentleman from Texas [Mr. BROOKS] and the gentleman from New York [Mr. FISH], the chairman and ranking member of the Committee on the Judiciary, who both had jurisdiction over this matter and who have let it go forward in such an expeditious manner, out of respect and honor for these brave agents.

The gentleman raised in his statement the observation that there is an inclination to second guess the actions of the ATF in this instance, or the actions of any individual organization, when loss of life or significant injury occurs as a result of an action.

It is tragic when, as a result of the carrying out of one's duties, loss of life occurs. As I pointed out earlier, 184 agents have, in fact, lost their lives since the 1860s. It is a short distance from this Chamber to Judiciary Square here in the District of Columbia, to a law enforcement memorial that has over, I believe, 12,000 names on it of law enforcement officials who, since the founding of our country, have lost their lives in the performance of their duties.

□ 1320

It is a stark and sad but incontrovertible fact that those in the Armed Forces and those in our domestic defense corps, as I refer to them, are at risk, and being at risk from time to time will pay the ultimate price. But it is important for us to remember this: The four agents who lost their lives were members of ATF's elite, special operations teams. These are the teams that take on the most hazardous jobs of apprehending armed and dangerous criminals.

Last year ATF's special operations teams went into action, Mr. Speaker, more than 230 times without the loss of life in the process of bringing to justice many vicious criminals. Also, last year, investigations by ATF's small force of 2,200 agents caused charges to be brought against more than 13,000 bombers, arsonist, gunrunners, dope dealers, and other dangerous offenders.

We have asked them to confront some of the most dangerous, irrational and unstable elements of our society. They are at risk and they pay the price. Let us always remember them, their families, and the organizations that they serve and the country that they love.

I thank the gentleman for continuing to yield.

Mr. LIGHTFOOT. I thank the gentleman and appreciate the additional information he added. I think he points out really how little most people comprehend what ATF is up against. And personally, it is very galling to me that someone, because they have a microphone on the airwaves, or a computer and writes to the newspapers, who were not there, who have never been trained, who know nothing about the operation, suddenly come forth with all of their own wonderful illumination of what happened, when in reality they know

very, very little. And I think it is a disservice not only to those men but to our country as a whole that we get off into that kind of a debate not armed with the facts.

Mr. Speaker, the gentleman from Louisiana [Mr. LIVINGSTON], who lost one of the agents out of his district is on his way to the floor.

Mr. HOYER. Mr. Speaker, if the gentleman will continue to yield, while the gentleman from Louisiana is on his way, one of the ironies of this event is the subcommittee which I chair and the gentleman from Iowa [Mr. LIGHTFOOT] is the ranking minority member, also oversees the Secret Service, and one of the young men who lost their life is the son of an agent of the Secret Service of the United States. So this is a family that has committed itself to the defense of lives and liberty in this country, and that family continues to serve after paying such a very high price. The loss of a child, in my opinion, is almost incomprehensible for a parent. That agent was not there, but we send out as well our sympathy to him in particular as well as all of the other families. I hope the gentleman from Louisiana [Mr. LIVINGSTON], will arrive because to have in your district and to visit, as the gentleman from Texas [Mr. EDWARDS], did earlier this week the individuals, when you see the persons, and they are not statistics, it is not 400 or 500, it is an individual, a fellow citizen who has the courage and the commitment to participate in what is critical to maintaining a free society.

I see our colleague from Louisiana has arrived on the floor, and again I thank the gentleman for yielding.

Mr. LIGHTFOOT. Mr. Speaker, continuing my reservation of the right to object, I am glad to yield to the gentleman from Louisiana [Mr. LIVINGSTON].

Mr. LIVINGSTON. Mr. Speaker, I thank the gentleman for yielding and thank my colleagues for their indulgence, because I definitely wanted to be here on the floor to speak on behalf of this resolution and to make note of the fact that the Alcohol, Tobacco and Firearms Office, in which worked most of the wounded and killed was in my district, in the very same office building in which my own district office is located. These fine young people were doing their job, and in the course of that effort several of them have given their lives and others have been critically wounded.

In any event, if they survive or if they did not, their families are going to live with this tragedy throughout their entire lives. I just want to say my heart goes out to those who were killed or wounded, to all of their families from my wife, my family, my constituents, and all of southeast Louisiana in which their office was. Not all of these folks actually lived in southeast Louisiana. They were scattered around between Texas, Louisiana, Tennessee, and Mississippi. But they were all fine people who were dedicated to the job for which their agency was created, and that is trying to make the streets of our cities and our communities and our States as safe as can possibly be.

Unfortunately, they were soldiers who fell in battle, and we can only say that they deserve our greatest and warmest thanks and praise for their efforts. And we can offer at the same time our best hopes and wishes that this will not have to happen again.

I do not know that it would have made much difference in this instance, but coincidentally, 2 hours ago we had a press conference about a bill that I have introduced into this body, H.R. 93, which is intended to rid the streets of those habitual violent offenders who time and time again take advantage or intrude on the rights of their neighbors. That bill known as the LIFER bill, which is an acronym for life imprisonment for egregious recidivist, is a simple and straight forward criminal bill of sorts which says that if any single person is convicted of three violent felonies, the first two being in State or Federal jurisdiction, but if the third is in Federal jurisdiction he would have then been declared three strikes and you are out, and he would be sent to prison for the rest of his natural life. Any person who impinges on the rights of his neighbors violently, threatens his neighbors or threatens the use of force, or uses force against his neighbors three times really does not deserve our compassion and should go to prison forever.

In this case, unfortunately, this bill probably would not have had much of an effect because the perpetrators in this case, for the most part, as much as we know today, had not had previous convictions. So it would not have saved these men had those persons been convicted under this law and ultimately suffered the penalties.

But violence predominates now throughout America and it is one of our worst problems that confront the country. And we depend as a Nation and as a people upon the good efforts of our law enforcement officers.

I was a criminal prosecutor for 6 out of 9 years that I practiced law before I came to Congress. I felt that law enforcement was more worthy of my efforts than the private practice of law. I felt a sense of accomplishment, and I believed in what I was doing.

□ 1330

But in those 6 years, I came to become aware of the sacrifices that are made by law enforcement officers, local, State, and Federal, on a daily basis. They put their lives on the line every single day, and sometimes those sacrifices are called, and sometimes they are wounded and sometimes they are killed.

There is no easy explanation. There is no excuse for what happened here, and all we can do is hope that it will not happen again.

But we can tip our hats, and we can send our praise and our thanks to the families of these brave people who have given their lives to make this a safer country for all of us, and I do so at this time.

Mr. EDWARDS of Texas. Mr. Speaker, will the gentleman yield?

Mr. LIGHTFOOT. Further reserving the right to object, Mr. Speaker, I am happy to yield to the gentleman from Texas.

Mr. EDWARDS of Texas. Mr. Speaker, if I could just speak on behalf of all of the people of central Texas and the Waco area, I want to express to the gentleman and to the family of the slain agent from your district that we will forever share in their sorrow and never forget their service to our community.

It has been said that no man can have greater love than to give his life for a friend, and in this case, we had ATF agents putting their lives on the line virtually for strangers, and I think that is the kind of caring, unselfish sacrifice that has made this such a great and a good country.

I do want to express our deep sorrow to the families in your district and the friends of the slain agent, and, please, let them know on our behalf that in central Texas they shall never be forgotten.

Mr. LIVINGSTON. If the gentleman will yield further, I thank the gentleman for his comment. I know the families of these brave ATF officers thank him as well.

To complete the record, I have the names of the gentlemen who were slain: Conway LeBleu, age 30, left a wife and two children; Todd McKeehan, age 28, left a wife; Robert Williams left a wife. All three were killed. Ken King was shot in the chest and survived. He was shot with a .50-caliber machinegun. It went through his body armor, his body, and out through his body armor. He was shot several other times in other places, and, God willing, he will live to talk about the event. Bill Beauford is another one who was shot and may lose his leg as a result of this tragedy.

All of these people are just brave, brave folks, and I do not have the names of the other agents who were involved in the conflict. But I do not mean to exclude anybody simply by failure to mention their names. But I would say that anything said here, at least from this Member, and I am sure from all of the others in this House is from our hearts. Our sentiments go out to your families, and we thank you for your service.

Mr. LIGHTFOOT. Mr. Speaker, further reserving the right to object, I thank the members for their comments.

Yesterday in our committee hearing, our chairman very appropriately called for a moment of reflection at the start of the hearing, and I would just like to close by asking everyone, in whatever God they believe, to take a little time to thank these people.

Mr. SCHUMER. Mr. Speaker, I rise in support of the resolution honoring the slain ATF officers in Waco. Mr. Speaker, this time they all did not go home. Special agents Steve Willis, Robert J. Williams, Conway LeBleu, and Todd McKeehan gave the ultimate sacrifice. Fifteen of their partners were injured or wounded.

I saw, as we all did, the gunfire begin from within that compound. I saw what Secretary Bentsen called the incredible bravery of all the agents involved.

Mr. colleagues know that I would like to see that assault weapons and mail order machinegun parts and .50 caliber weapons of war are not available to criminals or zealots.

Until we do that we are going to have to rely on the incredible bravery of agents like Willis, Williams, LeBleu, and McKeehan. Men and women who as a daily business look for the places where dangerous persons have illegally stockpiled antipersonnel weapons and just go in and get them. Unless some factor goes wrong, some factor they maybe can't control. Then they do not go home.

Some people are shocked that law enforcement officers have died and are full of questions. Those of us who know what it is that ATF does are deeply saddened. Maybe we need to recognize that for all their work-a-day invulnerability, we are asking a bit much. Maybe we can give more to these fallen than our mourning and a place on a long wall at Judiciary Square. Maybe we can think about them a little harder, and pay attention to them a little more, and share in their knowledge that they are not invulnerable—only well-trained, experienced, committed and awesomely brave. Maybe we can alter the balance in favor of them, their counterparts and ourselves.

In Waco, TX, 4 special agents of the Bureau of Alcohol lie dead and 15 of their comrades wounded.

We cannot know exactly what happened, yet. But we do know that these agents were doing something that they and their brother and sister agents do every day. They were moving in on another group of individuals whose violent philosophy and awesome stockpile of weapons were a threat to others and themselves.

We must ask ourselves whether we reflect enough on the task these agents volunteer to perform for us. Another day, another armed gang rounded up. Do we think about them enough or talk about them enough? They tracked down over 13,000 violent career criminals, armed gangsters, bombers and arsonists last year and they bring them in and they convict them and they do not make a big deal of it.

Over 230 times last year ATF special response teams opened the way where armed offenders were holed up and it was likely that there would be shooting. They opened the way, did their job, and went home, all of them. What level of professionalism, training and personal commitment does that speak to?

Did we pay attention yesterday when ATF's Associate Director Dan Hartnett was asked why his agents would go into a location where zealots were known to have machine-guns and .50 caliber guns? His answer tells the story—he said that was precisely why they did go in.

I understand that we will have zealots; I do not understand why zealots have machineguns and bombs and .50 caliber weapons. Thank God that if we do, we have men and women in ATF who will go in for all of us.

Did we watch those agents who got caught in a deadly fire because at some point a vital element of surprise was lost? Their discipline and their control were remarkable. They did not blast away indiscriminately, that is not what they are trained to do. They established a perimeter, held it and some went out unarmed to aid their fallen partners. Fallen heros that we mourn and salute today.

Mr. PICKLE. Mr. Speaker, one of the most frustrating things about government service is that when hard-working public servants go above and beyond the call of duty, seldom are they recognized for it. It is generally only when there are problems of one kind or another that they are noticed.

As chairman of the Ways and Means Oversight Subcommittee, I am familiar with the ever-increasing responsibilities and activities of the Bureau to enforce Federal laws regulating alcohol, tobacco, explosives, and firearms. Its agents face danger on a daily basis.

Fortunately, these highly trained agents rarely suffer injury or loss of life, but, as the events of recent days have demonstrated, tragedy is still an ever-present part of the job.

The resolution before the House recognizes the heroic sacrifice of Bureau of Alcohol, Tobacco and Firearms Special Agents Steve Willis, Robert J. Williams, Conway LeBleu and Todd McKeehan, who were killed, as well as the 15 other agents wounded in Waco, TX, including Claire E. Rayburn of Austin. These agents remind us of the thousands of brave souls in law enforcement who put their lives on the line every day for our safety and protection.

Regrettably, the ordeal in my home State continues. Let us all hope and pray that there will be a peaceful resolution very soon.

Mr. LIGHTFOOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. HINCHEY). Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 12

Whereas Special Agents Steve Willis, Robert J. Williams, Conway LeBleu and Todd McKeehan, of the Bureau of Alcohol, Tobacco and Firearms, were killed by hostile gunfire in the performance of a heroic effort to disarm a hostile cult and to protect the lives of innocent persons, including children, living in its compound;

Whereas these men, along with 15 other special agents who were wounded during this confrontation, were members of the Bureau of Alcohol, Tobacco and Firearms elite Special Response Teams, whose members are highly-trained and experienced in the execution of high-risk operations;

Whereas such Special Response Teams have been deployed over 230 times in the past year with no injury to any agent, including during a highly-publicized siege involving a fugitive white supremacist and during the Los Angeles civil disturbances in 1992;

Whereas 182 special agents of the Bureau of Alcohol, Tobacco and Firearms have been killed in the line of duty since Prohibition; and

Whereas the men and women of the Bureau of Alcohol, Tobacco and Firearms mourn the loss of their brother officers, but maintain discipline and a commitment to the protection of our citizens at the risk of their own lives on a daily basis: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the sacrifice and dedication of the agents of the Bureau of Alcohol, Tobacco and Firearms is a cornerstone of our system of justice and cause for both sorrow and pride.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HOYER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on Senate Concurrent Resolution 12, the Senate concurrent resolution just concurred in.

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

There was no objection.

ORDER OF BUSINESS

Mr. SOLOMON. Mr. Speaker, under a previous order of the House, the gentleman from Indiana [Mr. BURTON] today had reserved 60 minutes as the leadoff special order today. He has asked me to ask unanimous consent to act as a substitute in his place as a sponsor of legislation I wish to speak to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

USDA MEAT INSPECTOR CALLS INSPECTION PROCEDURES A HEALTH RISK

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois [Mrs. COLLINS] is recognized for 5 minutes.

Mrs. COLLINS of Illinois. Mr. Speaker, at a hearing of the Subcommittee on Commerce, Consumer Protection and Competitiveness on February 18, Mr. William Lehman, a U.S. Department of Agriculture import meat inspector working on the United States-Canada border, warned that free trade with Canada has weakened inspection of imported meat and is likely to result in more food poisoning deaths in the future, like those that recently occurred in the Northwest.

In particular, he testified that he had been given instructions by Agriculture Department officials to give Australian meat that was transhipped through Canada, the same abbreviated inspection that Canadian meat receives, as a result of our free-trade agreement with Canada. He also made the subcommittee aware of a recent Agriculture Department rule change which now allows foreign countries to import ground meat into the United States and testified that grinding meat makes it almost impossible to detect bruises, abscesses, fecal contamination, or other conditions that otherwise would permit an import inspector to reject a shipment of imported meat.

Over the past 2 years, the subcommittee has held numerous hearings looking at the impact of trade agreements on the health and safety of the American public. At hearings 2 years ago, Mr. Lehman testified that the Department of Agriculture had implemented a streamlined program for the inspection of meat imported from Canada. Under this program two troubling policies are allowed. First, Canadian, not USDA inspectors, are allowed to determine which samples of meat are inspected, and second, only 1 of the 10 truckloads of Canadian meat even had to stop at our border.

Following the hearing 2 years ago, I requested a GAO investigation and sent letters to then Secretary of Agriculture Madigan. Last summer, he ordered the practices Mr. Lehman criticized to be stopped. Now only USDA inspectors are allowed to pull samples of Canadian meat for inspection, and the Canadian meatpackers are no longer told in advance which truckload will be inspected.

When children recently died in the Northwest and many more became seriously ill from meat contamination, I instructed the subcommittee staff to again speak with Mr. Lehman, and I was very disturbed to learn that the same individuals in the Department of Agriculture, who in the past advocated the flawed streamlined program, were once again using free trade as an excuse not to carefully inspect meat that ends up on American tables.

This time, the issue was not Canadian meat. Instead, in his testimony before our subcommittee on February 18, Mr. Lehman said that, "In the last six weeks, seven truckloads—averaging 40,000 pounds each—of boneless frozen beef slaughtered in Australia have entered the United States through Canada." Now this meat was still in its original packaging, marked product of Australia.

According to a bulletin sent by the Customs Service to its inspectors in the field and based on information obtained from the Department of Agriculture:

Trade reports allege that extensive quantities, multiple boatloads of Australian beef is destined for Canada, where with little processing, it will be shipped into the United States * * *. Such trade would obviously circumvent the constraints of the U.S. Meat Import Act.

The Meat Import Act places a 4-cents-per-pound duty on Australian meat and subjects Australian meat to an annual quota. In addition, an opinion prepared for the subcommittee by the American Law Division of the Library of Congress says that the Meat Import Act would also require that Australian meat shipped through Canada be reinspected as Australian meat when it enters the United States.

Yet, Mr. Lehman testified that when he asked his Agriculture Department superiors how to treat this Australian meat, he was told, "to treat the meat as if it were Canadian and let it pass without inspection. That means that here was no product exam, no species test, nothing." Mr. Lehman then commented, "I don't even know if what was in those boxes was beef." The question is why is Australia sending its meat through Canada. Is it to avoid our duty on imported meat, to exceed its annual import quota to the United States, or to take advantage of the excessively lax meat inspection deal the United States has with Canada.

Perhaps the unfortunate illness and death from E. coli bacteria contained in the meat served by the Jack-in-the Box in Washington State could have been avoided had proper meat inspections been made of all meat.

Mr. Mark Manis, Director of the Agriculture Department's Import Division of Food Safety and Inspection Service, also testified at the hearing. Mr. Manis admitted to me that he made the decision that this Australian meat should be treated as Canadian meat, and directed that Mr. Lehman be so instructed. But, when I asked if he still agreed with that decision, he said that he did not; instead, he said he now recognizes that he made a mistake in instructing Mr. Lehman to give Australian meat shipped through Canada the same type of inspection that Canadian meat receives.

While it is certainly appreciated that Mr. Manis now recognizes the mistake he made, the unfortunate fact is that at least seven such shipments of Australian meat are known to have come through Canada, totaling about 300,000 pounds of meat. None of this meat was inspected in the manner Mr. Manis now says it should have been.

Mr. Manis also revealed that Australian meat suppliers are not now believed to have been the source of the contamination of the Jack-in-the-Box hamburgers. But, he said the company which is suspected of supplying contaminated meat to Von's, Jack-in-the-Box's processor, is known to have obtained its meat from nine different sources, one of which is Canadian.

In and of itself, increasing the number of inspections on the Canadian border will not protect the American consumer from bad Canadian meat or bad Australian meat, as long as those countries are permitted to export meat to the United States that is in a partially ground form. Grinding meat allows a foreign meat packer to disguise bad meat in such a way that its condition cannot be detected by an inspector.

The reality is that at this moment in time, the only form of inspection that we can perform is an inspection that relies on the ability of an inspector to detect contamination or other conditions that would render the meat unacceptable, by visually looking at it, touching it, feeling it, and smelling it. We do not yet have the ability to perform a timely bacterial test that would tell the inspector instantly whether the meat has bacterial contamination.

As a result, we have no choice, for the time being, but to rely on the experience and expertise of our meat inspectors both on the border and in domestic meat packing facilities. Permitting the importation of ground meat makes it virtually impossible for our inspectors to determine whether the condition of imported meat is suitable for the American public to consume.

I, therefore, strongly urge that the recent rule change on the importation of ground meat be reexamined. Until we have the capability of determining whether such meat is contaminated bacterially, we must not restrict our inspectors' ability to identify problems with imported meat that might produce bacterial contamination, like that which recently killed and harmed so many people in the Northwest.

In conclusion, I want to compliment Agriculture Secretary Espy for the steps he is taking to reevaluate all aspects of the meat inspection program. He recently met with whistleblowers who have made proposals for reforms in the Department. He also announced that funds would be included in the President's budget proposal to fill 160 of the 550 inspector positions left unmanned by the previous administrations.

Free trade must never be given a higher priority than our Government's clear and foremost responsibility to protect the health and safety of the American public. In the case of meat inspection, we know the severe limitations of our inspection program. Rather than reducing the need for inspection, free trade may actually create reasons to increase our country's inspection efforts.

□ 1340

CHANGE THE CONGRESS: ELIMINATE THE SELECT COMMITTEES

The SPEAKER pro tempore (Mr. HINCHEY). Under a previous order of the House, the gentleman from Wyoming

[Mr. THOMAS] is recognized for 5 minutes.

Mr. THOMAS of Wyoming. Mr. Speaker, I want to visit for just a few minutes; I want to talk about change.

Mr. Speaker, I want to talk about change in an institution that resists change, and I want to talk a little bit about a current opportunity we have to make some important changes.

Mr. Speaker, this is an era of congressional reform or an era in which congressional reform has great incentive, reform that can bring about efficiency, reform that can bring about procedural improvement, cost savings, and not affect the recognition or importance of the issues.

The public is measuring the results of congressional action. Through the thousands of voices in the last election, Congress heard, or should have heard, clearly that people want change in business as usual. They want: cut spending, be more accountable, and work for the people instead of preserving the status quo, the institutional feeling that has been associated with this Congress.

We need to do something about the dual jurisdiction of committees that causes great territorial disputes turf wrestling. We need to do something about the number of committees so that there is one for every member of the majority party. We need to do something about the limitation of opportunities to discuss issues on the floor that provide alternatives.

But when Congress has an opportunity to prove that the voices of change are heard, that we can change the status quo, there are many here, including the majority leadership in particular, that chooses instead to keep the select committees rather than cut the fat. They want to keep bodies that are redundant, exercise no particular legislative purpose in offering bills, and spend tons of bucks on travel.

The fact is this is not an argument or a discussion about the issues that these committees deal with. It is not a discussion about aging, not a discussion about hunger or drugs or children. Those issues clearly are vital and important to this body and will be carried on by standing committees.

The standing committees write the bills and initiate the measures that deal with aging, hunger, children, and drugs. The select committees are redundant.

Mr. Speaker, those who are new to Congress face a test. Many of us, or most of us, campaigned for the privilege of being here by running on a reform platform. All of us pledged to change Congress and we missed one chance to change it. We missed it in the first day we were here on the rules opportunity to limit the terms of committee chairmen. Those who promised change voted "no." I am surprised.

But we have another chance, and this is a very important chance. This is not a minor vote. It is a critical test of political will. Bit by bit Congress will change, but not if we allowed ourselves to be bent.

I have not been here long either, but I am sure freshmen have already noticed that Congress does not change easily and does a lot to justify itself to demonstrate self-preservation even in the face of logic.

The selects are an issue where some have tried to defy the logic of reform. Truthfully, there is no other alternative.

Cut the selects, and we can prove we are able to move on to other issues of reform, such as campaign reform, budget reform, procedural reform, and on and on.

Mr. Speaker, it is a simple issue. Already this body has voted to cut one select. Rather than face embarrassment, the issue is put back in the lobbies to see if some minds can be changed. But I suggest very sincerely and very respectfully that the voters are not going to change their minds. They want Congress to change and they want their representatives to buckle up and come to the strapping post and do what they promised to do.

Hand in hand with cutting the selects is the appropriations that should go straight to the Treasury and not be dispersed among the remaining committees. Here is an opportunity to have a bona fide, honest-to-goodness cut of spending, and that, my friends, is key.

Earnest attempts to change Congress is what this country needs. If you cannot commit to change Congress on the issue of doing away with selects, then those were hollow platforms that we all campaigned on.

LINE-ITEM VETO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. KIM] is recognized for 5 minutes.

Mr. KIM. Mr. Speaker, I was a businessman. I am a freshman Congressman. I came to Congress to reform the Congress.

During the 1992 campaign people were demanding change. President Bush was painted as the status quo, while candidates Clinton and Perot were the voices of change. And the voters wanted change. People were frustrated because they viewed the Government as an indifferent body, depleted of any concern for the average paying citizen.

President Clinton was elected on many promises to effect change. He said that, many, many times, time after time, that he was the agent of change. But the hunger for change seems to be diminishing. We can talk and talk until the last cow comes home about reform; but nothing will be done as long as we maintain the system that fosters the pork-barrel legislation.

To really begin to close the spending floodgate, we must empower the President with the line-item veto. All but seven States give their chief executive the power of the budgetary line-item veto. This is a power that any chief executive should have if spending is to be controlled. Costly and useless projects are often the rewards for the long-time members and loyal insiders, at the expense of the American taxpayer. A President should have the power to veto these projects from the budget to manage the cost of Government.

Often, the pork-barrel projects are amendments to worthy bills. The President has to veto a good bill in order to get rid of the bad amendment. This is ridiculous. This totally limits the executive power to control budget expenditure.

It is amusing, the talk blaming the President. The President does not spend tax dollars, this Congress does. The Congress is the only body that appropriates and spends our tax dollars, and this Congress right here is wholly responsible for the billions spent for irresponsible, pork-barrel project scams.

□ 1350

Now I ask my colleagues, how can a President be blamed for spending policies if he cannot control the spending?

I say to the American people: Let's take President Clinton at his word. During his campaign he supported the line-item veto, just as Presidents Reagan and Bush did. The difference now is the simple fact that a Democrat President has a Democrat Congress.

Mr. Speaker, will President Clinton act to influence the Democrats to vote to give him the line-item veto? Will he keep his campaign promises?

Congress is the only body that has the power to control spending. It is time for the American people to demand no less of our President. Let us work together to make sure he keeps the promise.

CURRENT LEVEL OF SPENDING AND REVENUES FOR FISCAL YEARS 1993–97

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Minnesota [Mr. SABO] is recognized for 5 minutes.

Mr. SABO. Mr. Speaker, on behalf of the Committee on the Budget and as chairman of the Committee on the Budget, pursuant to the procedures of the Committee on the Budget and section 311 of the Congressional Budget Act of 1974, as amended, I am submitting for printing in the CONGRESSIONAL RECORD the official letter to the Speaker advising him of the current level of revenues for fiscal years 1993 through 1997 and spending for fiscal year 1993. Spending levels for fiscal years 1994 through 1997 are not included because annual appropriations acts for those years have not been enacted.

This is the second report of the 103d Congress for fiscal year 1993. This report is based on the aggregate levels and committee alloca-

tions for fiscal years 1993 through 1997 as contained in House report 102–529, the conference report to accompany House Concurrent Resolution 287.

The term "current level" refers to the estimated amount of budget authority, outlays, entitlement authority, and revenues that are available—or will be used—for the full fiscal year in question based only on enacted law.

As chairman of the Budget Committee, I intend to keep the House informed regularly on the status of the current level.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE BUDGET,
Washington, DC, March 3, 1993.

Hon. THOMAS S. FOLEY,
Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: To facilitate enforcement under sections 302 and 311 of the Congressional Budget Act of 1974, as amended, I am herewith transmitting the status report on the current level of revenues for fiscal years 1993 through 1997 and spending estimates for fiscal year 1993, under H. Con. Res. 287, the Concurrent Resolution on the Budget for Fiscal Year 1993. Spending levels for fiscal years 1994 through 1997 are not included because annual appropriations acts for those years have not been enacted.

The enclosed tables also compare enacted legislation to each committee's 602(a) allocation of discretionary new budget authority and new entitlement authority. The 602(a) allocations to House Committees made pursuant to H. Con. Res. 287 were printed in the statement of managers accompanying the conference report on the resolution (H. Report 102–529).

Sincerely,

MARTIN OLAV SABO,
Chairman.

Enclosures.

REPORT TO THE SPEAKER OF THE U.S. HOUSE OF REPRESENTATIVES FROM THE COMMITTEE ON THE BUDGET ON THE STATUS OF THE FISCAL YEAR 1993 CONGRESSIONAL BUDGET, ADOPTED IN HOUSE CONCURRENT RESOLUTION 287

REFLECTING COMPLETED ACTION AS OF MARCH 2, 1993

[On-budget amounts, in millions of dollars]

	Fiscal year—	
	1993	1993–97
Appropriate level:		
Budget authority	1,246,400	6,669,200
Outlays	1,238,700	6,472,700
Revenues	845,300	4,812,900
Current level:		
Budget authority	1,247,892	(1)
Outlays	1,241,794	(1)
Revenues	849,333	4,807,168
Current level over (+) / under (−) appropriate level:		
Budget authority	+1,492	(1)
Outlays	+3,094	(1)
Revenues	+4,033	−5,732

[1] Not applicable because annual Appropriations acts for those years have not been enacted.

BUDGET AUTHORITY

Any measure that provides new budget or entitlement authority for fiscal year 1993 that is not included in the current level estimate for that year, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in H. Con. Res. 287 to be exceeded.

OUTLAYS

Any measure that 1) provides new budget or entitlement authority that is not included in the current level estimate for fiscal year 1993, and 2) increases outlays for fiscal year 1993, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in H. Con. Res. 287 to be exceeded.

REVENUES

Any measure that would result in a revenue loss that is not included in the current level revenue estimate and exceeds $4,033 million for fiscal year 1993, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in H. Con. Res. 287. Any measure that would result in a revenue loss that is not included in the current level revenue estimate for fiscal years 1993 through 1997, if adopted and enacted, would cause revenues to be less than the appropriate level for those years as set forth in H. Con. Res. 287.

DIRECT SPENDING LEGISLATION

[Fiscal years, in millions of dollars]

	1993			1993–97		
	Budget authority	Outlays	New entitlement authority	Budget authority	Outlays	New entitlement authority
HOUSE COMMITTEE						
Agriculture:						
Appropriate level	0	0	0	13,656	12,806	15,190
Current level	1	1	0	3	3	0
Difference	1	1	0	−13,653	−12,803	−15,190
Armed Services:						
Appropriate level	0	0	0	0	0	0
Current level	26	−41	26	313	−330	311
Difference	26	−41	26	313	−330	311
Banking, Finance and Urban Affairs:						
Appropriate level	0	0	0	0	0	0
Current level	−60	−60	0	−118	−118	0
Difference	−60	−60	0	−118	−118	0
District of Columbia:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference	0	0	0	0	0	0
Education and Labor:						
Appropriate level	0	0	1,472	0	0	21,564
Current level	−128	−148	1,347	−132	−177	21,384
Difference	−128	−148	−125	−132	−177	−180
Energy and Commerce:						
Appropriate level	35	35	0	187	187	0
Current level	−166	−166	−25	−601	−601	−51
Difference	−201	−201	−25	−788	−788	−51
Foreign Affairs:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference	0	0	0	0	0	0
Government Operations:						
Appropriate level	0	0	0	0	0	0
Current level	−8	37	−8	−20	−20	−20
Difference	−8	37	−8	−20	−20	−20
House Administration:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0

DIRECT SPENDING LEGISLATION—Continued

[Fiscal years, in millions of dollars]

	1993			1993–97		
	Budget authority	Outlays	New entitlement authority	Budget authority	Outlays	New entitlement authority
Difference	0	0	0	0	0	0
Interior and Insular Affairs:						
Appropriate level	0	0	0	0	0	0
Current level	−38	−38	0	2	2	0
Difference	−38	−38	0	2	2	0
Judiciary:						
Appropriate level	251	251	251	251	139	251
Current level	210	210	260	244	244	300
Difference	−41	−41	9	−7	105	49
Merchant Marine and Fisheries:						
Appropriate level	0	0	0	0	0	0
Current level	4	4	0	−366	−366	0
Difference	4	4	0	−366	−366	0
Post Office and Civil Service:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference	0	0	0	0	0	0
Public Works and Transportation:						
Appropriate level	2,000	22	0	10,595	22	0
Current level	2,050	28	0	2,050	−44	0
Difference	50	6	0	−8,546	−66	0
Science, Space, and Technology:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference	0	0	0	0	0	0
Small Business:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference	0	0	0	0	0	0
Veterans' Affairs Transportation:						
Appropriate level	0	0	339	0	0	6,566
Current level	170	170	341	−76	−76	2,239
Difference	170	170	2	−76	−76	−4,327
Ways and Means Technology:						
Appropriate level	0	0	0	352	352	1,213
Current level	3,590	3,590	3,475	5,719	5,719	5,564
Difference	3,590	3,590	3,475	5,367	5,367	4,351
Permanent Select Committee on Intelligence:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference	0	0	0	0	0	0

DISCRETIONARY APPROPRIATIONS, FISCAL YEAR 1993

[In millions of dollars]

	Revised 602(b) subdivisions		Current level		Difference	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Agriculture, Rural Development	13,874	13,420	13,873	13,420	−1	0
Commerce, State, Judiciary	22,852	21,923	22,477	21,923	−375	0
Defense	255,560	266,963	253,618	264,699	−1,942	−2,264
District of Columbia	688	698	688	698	0	0
Energy and Water Development	22,080	21,409	22,080	21,409	0	0
Foreign operations	14,701	13,301	14,071	13,300	−630	−1
Interior	13,230	12,666	12,505	12,617	−725	−49
Labor, Health and Human Services, and Education	62,161	62,428	62,144	62,380	−17	−48
Legislative	2,328	2,297	2,275	2,274	−53	−23
Military Construction	8,389	9,370	8,389	9,365	0	−5
Transportation	12,815	33,555	12,626	33,555	−189	0
Treasury-Postal Service	11,278	12,003	11,283	12,003	5	0
VA-HUD-Independent Agencies	66,172	65,307	66,042	65,303	−130	−4
Grand total	506,128	535,340	502,071	532,946	−4,057	−2,394

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 3, 1993.

Hon. MARTIN O. SABO,
Chairman, Committee on the Budget, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended, this letter and supporting detail provide an up-to-date tabulation of the on-budget current levels of new budget authority, estimated outlays, and estimated revenues for fiscal year 1993 in comparison with the appropriate levels for those items contained in the 1993 Concurrent Resolution on the Budget (H.Con.Res. 287). This report is tabulated as of close of business March 2, 1993. A summary of this tabulation follows:

[In millions of dollars]

	House current level	Budget resolution (H. Con. Res. 287)	Current level +/ − resolution
Budget authority	1,247,892	1,246,400	+1,492

[In millions of dollars]

	House current level	Budget resolution (H. Con. Res. 287)	Current level +/ − resolution
Budget authority	1,247,892	1,246,400	+1,492
Outlays	1,241,794	1,238,700	+3,094
Revenues:			
1993	849,333	845,300	+4,033
1993–97	4,807,168	4,812,900	−5,732

Since my last report, dated February 3, 1993, there have been no changes that affect the current level of budget authority, outlays or revenues.

Sincerely,

ROBERT D. REISCHAUER,
Director.

PARLIAMENTARIAN STATUS REPORT, 103D CONGRESS, 1ST SESSION, HOUSE ON-BUDGET SUPPORTING DETAIL FOR FISCAL YEAR 1993 AS OF CLOSE OF BUSINESS MARCH 2, 1993

	Budget authority	Outlays	Revenues
ENACTED IN PREVIOUS SESSIONS			
Revenues			849,333
Permanents and other spending legislation	764,101	737,205	
Appropriation legislation	732,061	743,943	
Offsetting receipts	(240,524)	(240,524)	
Total previously enacted	1,255,638	1,240,625	849,333
ENACTED THIS SESSION			
Entitlements and Mandatories			
Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted[1]	(7,746)	1,170	
Total current level[2]	1,247,892	1,241,794	849,333
Total budget resolution	1,246,400	1,238,700	845,300
Amount over budget resolution	1,492	3,094	4,033

[1] Includes changes to the baseline estimate for appropriated mandatories due to the following legislation: Technical Correction to the Food Stamp Act (Public Law 102–265); Higher Education Amendments (Public Law 102–325); Prevent Annual Food Stamp Price Adjustment (Public Law 102–351); Veterans' Compensation COLA Act (Public Law 102–510); Preventive Health Amendments (Public Law 102–531); Veterans' Benefits Act (Public Law 102–568); Veterans' Radiation Exposure Amendments (Public Law 102–578); and Veterans' Health Care Act (Public Law 102–585).

[2] In accordance with the Budget Enforcement Act, the total does not include $1,145 million in budget authority and $6,988 million in outlays in emergency funding.

Notes: Amounts in parenthesis are negative. Numbers may not add due to rounding.

DOMESTIC ANTITERRORIST REWARD ACT OF 1993

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. SOLOMON] is recognized for 60 minutes.

Mr. SOLOMON. Mr. Speaker, concerning the New York Trade Center bombing, a wire service story earlier today reported that a smell of decaying flesh was coming out of the remaining debris being removed from the site indicating that more bodies may still be buried there, and that is the reason I rise today, to call attention to the Nation's problem that is deadly serious that has once again reared its head on American soil. It is terrorism.

Mr. Speaker, last Friday's bombing blast in New York City has reminded us that this threat is not something confined to Third World countries or to countries at war. It has reminded us of our own vulnerability and the great debt we all owe to the various security forces throughout this country at the Federal, the State, and local levels. It has reminded us that, yes, there are barbarians at the gate, barbarians whose cowardice, whose insidiousness, and disrespect for human life knows no bounds. Mr. Speaker, let this be a reminder of our need for vigilance.

That is why I point to this poster. Let this be a cold awakening to those who want to gut our defense budget, our intelligence budget, and our security structures in this country.

If there can be any silver lining in this tragedy, Mr. Speaker, which has claimed at least 5 innocent lives, wounded more than 1,000 people, and disrupted still thousands more lives, it would be if the Nation woke up and recognized this fact.

Despite the end of the cold war, the world remains an unstable and very dangerous place. In fact, there are reasons to believe that the terrorist threat is greater now than ever before and could even get worse in the future.

This is true for several reasons, Mr. Speaker. First, the collapse of the Soviet Union has shattered the links between that empire and the multitudinous terrorist groups that were aligned with it in opposition to the United States and the West. It has long been known, and has now been amply documented by the new, democratic Government of Russia, that the Soviet Union funded, trained, armed, and exercised great influence over an array of terrorist groups throughout the world.

While this was heinous, and contributed to many unspeakable acts and tragic revolutions, there were times when the Soviets, in the interests of good relations with the West, encouraged restraint on their clients.

They did not do it often, but they did it at times. Today, this restraint is gone, and the terrorist groups, though perhaps less well-funded, are operating independently. This makes their movements even harder to track.

Their hatred for the United States and the West continues unabated, and what is more, they are just as well armed as ever, perhaps even more so.

With the Chinese Government continuing to arm rogue elements around the world, and with Russian military personnel and defense workers trying to turn a quick buck, obtaining arms is no problem for these terrorist groups anywhere in the world, and, as the World Trade Center bombing tragically displayed, even crude, homemade devices can cause great damage.

Another development which may actually increase the threat of terrorism is European integration. We are talking about Europe 1992. While visa-free travel in Europe is no doubt a positive phenomenon on balance, it makes the life of the terrorist that much easier. Now, once in Europe, a terrorist can shift locations endlessly, skipping from one police jurisdiction to another, without ever going near a public official.

Mr. Speaker, a few years back, we took action to help our security agents track down suspected terrorists abroad who were suspected of terrorist acts against American citizens and their property overseas. I sponsored an amendment which eventually became law, which is cited by this poster, that created a bounty for terrorists who attacked U.S. citizens and U.S. interests abroad for up to $2 million. That is the law today. Now that American soil has again been violated by the plague, it is time to make this bounty apply to acts of terrorism here at home, as well.

That is why, Mr. Speaker, I have just today introduced a bill along with the gentleman from New York [Mr. GILMAN], the ranking Republican on the Committee on Foreign Affairs who I have had the privilege of serving with for many years, along with the gentlewoman from New York [Ms. MOLINARI], the gentleman from Florida [Mr. GOSS], and the gentleman from Indiana [Mr. BURTON]. We have introduced this bill called the Domestic Antiterrorist Reward Act of 1993 which would raise the bounty for acts of domestic terrorism, currently standing at $500,000, up to the same $2 million, the same amount currently available for bounties leading to the arrest and conviction of terrorists who attack American citizens overseas, and I say to the Members of Congress, let's show the victims of this outrageous act that we will not rest until the perpetrators are caught. Let's give our security agents, so unfairly maligned in some circles, a little assistance.

Just knowing that one of their own might turn them in for a $2 million bounty is in itself a deterrence against terrorism, a deterrence that could save the lives of American citizens right here in this country, as well as overseas.

So, Mr. Speaker, at this time I yield to my very good friend, the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I would like to thank my good friend and colleague from the State of New York, Mr. SOLOMON, for organizing today's special order on terrorism. In addition, I would like to commend the Congressman from New York [Mr. SOLOMON] for introducing legislation to boost the maximum reward for information on domestic terrorist incidents from $500,000 to $2 million. I am pleased to be an original cosponsor of that measure.

As many of our colleagues will recall, a few years ago, Congressman SOLOMON led the effort in the House to increase the reward for information on international terrorist incidents from $500,000 to $2 million. Our current effort is to bring the domestic reward into parity with the international reward.

Mr. Speaker, virtually every American household saw the dramatic television footage of the World Trade Cen-

ter explosion on Friday of last week. Sadly, in my district, bordering New York City, the tragedy struck close to home and claimed the life of Robert Kirkpatrick, a carpenter and locksmith, whose neighbors described as generous to a fault. Robert, whose office was on the second level of the trade center's parking garage, was one of the five people killed in that incident. In addition, over 1,000 were injured as a result of the bomb blast.

Over the years, due to the extraordinary efforts of our Nation's law enforcement officials, Customs Service and intelligence agencies, the United States has been virtually free of terrorist incidents. However, as the World Trade Center bombing tragically demonstrates, we are certainly not free of this criminal scourge.

Several years ago, I introduced legislation calling on President Reagan to convene a summit meeting of world leaders to adopt a program against international terrorism. Today, with the collapse of the Soviet Union and our growing level of cooperation with the republics, there exists an opportunity to further curtail terrorist activity. For this reason, I will be introducing next week a comprehensive antiterrorism bill, and I invite the support of my colleagues.

Terrorism ranks as a primary concern for Americans, and demands the attention of our Government, which has a clear responsibility to provide for the safety of its citizens. However, we are all frustrated that our Government, a world superpower, with vast intelligence and military powers cannot always stop terrorists. Additionally, we must beware of treating terrorists as anything other than what they are: Criminals; for if we do, we are playing their game, which is to gain publicity.

It is vital that the United States continue to adhere to the principles of the Nixon terrorism committee which stated that terrorists should be prosecuted for criminally defined acts of terrorism. While there is a significant expense involved in extraditing and trying a terrorist, the result, a public trial which removes any grandeur from the terrorist, is likely to assist in curtailing the spread of terrorism.

Following the gulf war, the world was granted a reprive from terrorism. However, terrorism has not ceased, it has temporarily gone into remission. Many of the states that previously supported terrorism have only shelved their terrorist infrastructures for temporary storage.

I believe that there are several steps which that can be taken to strengthen our Nation's approach to terrorism. While democracies must preserve the ideals upon which they are founded, I believe that democracies can and should also have a strong response to terrorism. Our Nation, working with other nations, can severely curtail the freedoms under which terrorists have operated during the past decade.

My legislation seeks to strengthen the U.N position against terrorism, to utilize our vast economic resources and political pressure against states which support terrorism to strengthen bilateral and multilateral cooperation against terrorist organizations, focus on encouraging media restraint in reporting terrorist incidents, and to strive to alleviate the social and economic problems which contribute to the rise of terrorist activity.

The United States has had an official policy on terrorism since 1972, when President Nixon created the counterterrorism office following the massacre of the Israeli athletes at the Munich Olympics. However, over the past 20 years, it has became increasingly apparent that terrorism is a growth industry. Following the dramatic Iranian hostage ordeal of 1979, the Congress and the Executive branch cooperated to expand antiterrorist measures.

While not approaching the levels of terrorist incident in the mid-1980's, according to the U.S. State Department Patterns of Global Terrorism Report, international terrorist incidents increased by 22 percent in 1991. However, while the report clarifies that much of the 1991 increase was due to the gulf war, it is also apparent that terrorism remains a problem.

While no antiterrorism policy is 100 percent effective, there are several disturbing trends in terrorism that must be addressed. The first trend is the prevalence of state-sponsored terrorism. With the success of terrorism as a foreign policy tool demonstrated repeatedly over the past two decades, terrorism has attracted its devotees.

Second, the revelations of the post-Persian Gulf war regarding the extent of the Iraqi nuclear program, coupled with the open pursuit of nuclear weapons by Iran and North Korea, the specter of nuclear terrorism suddenly becomes very real.

The United States cannot ignore the possibility of nuclear terrorism or the real threat of continued state sponsorship of terrorist organizations. There are several important opportunities available to the United States that were not available 2 years ago. Most importantly, the collapse of the Soviet Union and the Western World's current level of cooperation with the Commonwealth of Independent States presents an opportunity to form a coalition of the major economic states of the world to work toward the eradication of state sponsored terrorism. Second, the success of the coalition's actions to avert terrorist incidents during the Persian Gulf conflict indicates an opportunity to further curtail international terrorism by focusing additional resources and international political will on the terrorism problem.

The current high-intensity controls over nuclear materials will likely ensure for the short term that nuclear materials will not fall into the hands of terrorist organizations. However, with the increasing use of nuclear power worldwide, as well as the instability of the former Soviet Union's vast arsenal of nuclear weapons, the world community cannot solely rely upon the International Atomic Energy Agency and the Non-Proliferation Treaty to prevent a determined terrorist organization from obtaining nuclear material.

Because of the time, material, and expertise needed to construct even a crude nuclear device, the international community should cooperate to develop a shared intelligence and military response to realistic nuclear terrorist threats. While this issue is one that all nations will not agree upon, the United States should begin working within the United Nations to expand the convention against terrorism to include nuclear terrorism.

With adequate intelligence, the United States can monitor, and to a certain extent, predict the actions of certain international terrorist organizations. Leading up to the tragic bombing of Pan Am flight 103 in December 1988, there were several warning clues that should have alerted authorities to the potential for a disastrous incident. Since that tragedy, airline security has improved, as has international cooperation on intelligence activities. However, there is still room for improvement.

State-sponsored terrorism represents a higher intensity level of terrorism which could potentially become a serious national security threat to the United States because state sponsorship of terrorism greatly expands resources for terrorists, the level of violence and the organizational effectiveness of state-sponsored terrorist organizations represents a direct threat to our democratic institutions. A state-sponsored terrorist organization has several significant advantages, including: access to intelligence; financial support; sophisticated munitions, most notoriously plastic explosives and difficult to detect munitions; and lastly, technical expertise.

State-sponsored terrorism dropped significantly during 1991, mainly because of factors related to the Persian Gulf war, but also due to the drastically changed global balance of power. The collapse of the Soviet Union and the cessation of its support for states sponsoring terrorist organizations worldwide, dealt a blow to organized terrorism, both in terms of financial support to terrorist supporting regimes such as North Korea and Cuba, as well as to terrorist organizations such as the Palestinian Liberation Organization [PLO].

Unlike the world situation a few years ago, today's global balance pre-

sents several opportunities to address state sponsored terrorism. Following the collapse of the Soviet Union, the United States and the Western nations have an opportunity to increase the pressure on states which support terrorism, including those states that frequently pay ransoms to terrorist supporting states. With a concerted effort to pressure the six terrorist supporting states economically and politically to abandon their terrorist organizations, the United States and its allies can effectively dismantle the elaborate support apparatus that has grown over the past decade.

A national strategy against terrorism must be a coherent, coordinated, multilevel approach to all the different aspects of terrorism. The current world political situation is such that a focused effort to end state-supported terrorism would have a reasonable chance of success.

With the collapse of the Soviet Union, and the end of the cold war struggle, the United States and the G–7 are situated to place enormous economic pressure on states which support terrorism. The current sanctions against Libya are an excellent example of a process that is sufficiently flexible.

The United States should also work with its allies to request media restraint in reporting terrorist incidents. The Chicago Sun Times and the Daily News are to be commended for their policies which include paraphrasing terrorist demands to avoid propaganda, banning the participation of reporters in negotiations, coordinating coverage through supervising editors in contact with police.

The United States also take the lead in increasing intelligence cooperation on terrorist activity, by focusing mainly on improving intelligence sharing among nations. The focus should also include improving intelligence and counterterrorism activities with business. While the number of attacks against businesses abroad has declined, American businesses remain an easy target for terrorism because of the necessary openness they must maintain in order to conduct business. On the other hand, U.S. Government facilities, following several tragic bombings during the 1980's have significantly improved their security by hardening the installations and increasing security. Because businesses with overseas interests have taken steps to improve their own counterterrorism activities, the Department of State as the lead agency for the protection of Americans abroad should take on the responsibility to coordinate with businesses overseas to coordinate counterterrorism activities. Additionally, because businesses will almost always pay ransom for abducted personnel, the terrorists have come to view business kidnapings as a prime source of funding. It would be worthwhile for the businesses to coordinate action with the U.S. Government in order to curtail future kidnaping through education and advance warnings.

Additionally, the causes of terrorism must not be overlooked. Terrorism is brought about in many cases because of serious human rights problems or economic difficulties. While efforts to promote democracy will not be a panacea to the causes of terrorism, it will strengthen international will to resist terrorism. Additionally, the current focus on peace talks in the Middle East represents an important step in bringing the parties to the conflict together to eliminate the rhetoric and hatred which has been the cause of nearly 50 percent of the terrorist incidents of the past two decades.

The Nixon committee also stated that the U.S. Government would seek the reduction or elimination of the causes of terrorism at home and abroad. In situations in which the underlying problems leading to terrorism represent legitimate concerns, the United States should work, along with the United Nations, to reduce or eliminate these threats.

U.S. policy toward terrorism has been focused and refined since its first inception in 1972, and currently represents a fairly coherent and effective strategy. However, because of the dramatic changes in the world balance of power over the past 5 years as well as the growing threat from state-sponsored and nuclear terrorism, the focus on counterterrorist activities must be strengthened and expanded.

□ 1400

Mr. Speaker, I again commend the gentleman from New York [Mr. SOLOMON] for bringing up this measure today, to increase the rewards for information concerning domestic violence that is brought about by terrorists against our own people here in the United States. I urge our colleagues to join in this effort to bring about the adoption of this legislation.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman from New York, the ranking Republican on the Committee on Foreign Affairs, for being a sponsor of this major piece of legislation.

Mr. Speaker, I might also say I was just handed a notice that informs me that the White House is confirming that an arrest has been made concerning the Trade Center bombing. It is a person of foreign origin.

Mr. Speaker, let me just point out what the existing law does. I would take an opportunity just to read this poster. This poster appears all over the world in various countries where terrorist acts have been taken against American citizens.

This poster says:

$2 million reward. The United States Government is authorized to make payment of up to $2 million for information aiding in the prevention of terrorist acts outside the United States against U.S. citizens or property, or for information leading to the arrest or conviction of any person who has committed a terrorist act against United States citizens or property. Any person with information is urged to contact the nearest United States embassy or consulate, or, if unable to do so, to write * * *.

And it gives an address here in this country.

Here is another poster that appears in every country throughout the world. It says, "There's a price we pay for terrorism, and there's a price we will pay to stop it."

It goes on and says:

Three American hostages have not come back from Lebanon. Their agonizing captivity ended not in freedom, but in cold blooded execution at the hands of their captors. To bring these murderers to justice, the United States Government offers rewards of up to $2 million. The money is available under a program to obtain information that helps punish past terrorist acts or to prevent future ones. If you have any information * * *.

And it goes on to explain what one should do.

Mr. Speaker, this poster carries the picture of Col. William Higgins, the marine colonel murdered in 1991, Peter Kilburn, murdered in 1986, and William Buckley, whom we all remember, murdered in 1985.

Mr. Speaker, the point of our legislation today is to make this program, which is now available for acts of terrorism overseas, available for domestic acts of terrorism within the territory of the United States, such as the U.S. Trade Center building in New York that was just recently bombed. We hope to get this legislation enacted immediately. It will go a long way toward deterring acts of terrorism against American citizens in this country.

CONDITIONS IN THE SOVIET UNION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, the nations of the former Soviet Union have reached a critical moment in their respective histories. The euphoria, at least reflected in the Western press, the American press particularly, of the previous Soviet Union's 1991 so-called revolution has faded, and a harsh reality has taken hold. The crumbling Russian economy is hurting people and has nearly halted any progress toward stabilizing a more democratic government, even though there have been very substantial changes since 1989 involving the redrafting of the Constitution and the setting up of a full parliamentary or a congressional system very much patterned on ours, and on our committee system, incidentally.

□ 1410

It has been very little reported in our press. The environment of the former Soviet Union is becoming so unstable that those heroes of 1991, at least as reflected in our press, must fight for their political lives today. President Boris Yeltsin's popular rating has plummeted from 90 percent to about 30 percent in just about a year, compelling him to retract many of the reforms he was proposing that had so excited some of our intelligentsia in the West.

As the astute French observer of the last century, Alexis de Toqueville observed, the fates of the United States and Russia are intimately intertwined. They were the two superpowers, growing up together, while the rest of the world stagnated.

In his words, "Their starting point is different and their courses are not the same."

He writes, "Yet each of them seems marked out by the will of heaven to sway the destinies of half of the globe."

All through my public career, and even before, I have been a very concentrated and sustained student of the history of that part of the world with specific delineation of the parallel developments of the United States, and what we have commonly called, Russia. It is very similar, even in its developmental stages, from the joinder of these diffuse States and cultures.

One other aspect that never has really been conveyed to us, and through the years, after I did enter public office, and on the city council had occasion to meet some officials that had been given permission to travel in the United States, and I found that in the respective States, such as Armenia or Azerbaijan, that the citizens there had a choice of language.

The official language, for instance, in the State of Armenia, was Armenian, not Russian. The choice given a student, as one proud parent was telling me, whereby his son chose to go to an English language school. He could have gone to an Armenian language education school, or he could have gone to a French language school. He chose English and became an engineer. And that was impressive to me because, coming from an area in which we have up to now, thank goodness, and I have done everything in my power to make sure that it is a blending and not a confrontation or a conflict of cultures.

I saw the respect that I felt was missing in our part of the country, where back in the 1920's and before the war in the 1930's, in a well-intended effort to Americanize, steamroller tactics were used that I thought were very destructive, and which took the war and then subsequent developments, to reveal and bring out at certain points in the late 1960's and early 1970's, in a sort of dangerous way.

Fortunately, I think the record will show that I was able to contribute my might to creating a situation where we would have the blessing of extracting from the two very substantial cultures, the best from each, rather than confrontational areas, such as, unhappily, we see in our neighboring country to the north in Canada with the French-speaking Quebec Province and the continuing effort to separate and become an autonomous French-speaking state. Also in some parts of our country, in Florida, for instance, where you see a conflict, not a confluence, which was the theme that we chose when I initiated the legislation that led to the first world's fair, south of St. Louis, in my city of San Antonio, in 1968, known as Hemisphere.

And our theme was the confluence of civilizations.

In other words, what we have now in Russia is not connected, for instance, at least from reading our press, with the very dangerous potential conflagration that can spread to a real world situation in East Europe, or the middle East Europe, and the fact that we just do not have access to the information and knowledge we ought to have. And that has been true for many years, since the end of the hot shooting phase of World War II and the advent of the so-called cold war, which has resulted in what I call the cold war culture from which we are still suffering the affliction thereof and is hobbling, even in our assessment of what is happening, not only throughout the world but even now in our own country.

And the fact that we have had events, for instance, in 1990, in November, after the reform movements in Russia had gone very far and the movement toward autonomy had initiated, I saw nowhere in the American press, the report of the treaty that was entered into between the Soviet Union at the time still or the Russian leader, Gorbachev, and the German leader, the Minister Kohl. And that agreement provided for a grant of credit for a money investment from the German Republic at that time of about 87 billion deutsche marks or somewhere right underneath or below $50 billion.

Now, that was a substantial amount, but it was a treaty. And there were certain understandings. And one of them was that this aid was to help Russia in order that it could stabilize its transition from its withdrawal, not only from East Germany but from the areas now in contention in Europe. And also the stipulated agreement, that in turn, Germany would agree to not have more than a 300,000-man army, so that I notice a report that came out just a week or so ago, from Germany, in which Mr. Kohl was advancing the reduction and to about that amount or number of 300,000.

□ 1420

In the meanwhile, we do not read about the terrible, in fact, unbelievable, barbaric conflict that has turned loose in Middle Europe or Eastern Europe, and the potential for a real conflagration, and in a way, a spillover from our venture into the Persian Gulf so-called war.

It involves Turkey, because if the events continue, and they do not seem to have been deterred one bit, as they are, Turkey will not stand by. In fact, and again, I did not see it reported in the American press, but it entered into treaties with Bulgaria and Albania. Bulgaria and Turkey have had a history, and in fact, even in the area of the Yugoslavian, the previous Yugoslavian country or republic, Turkey at one time was the dominant force.

It was Russia that fought the Turks, lost many a soldier in the last century defending the so-called Slavs. There is an identification between that country. In fact, there is more fear now of Germany, than there has been of Russia, in countries including Poland and into the Slavic territories.

The reason goes back to the fact that we, of course, do not, and have not, too publicly admitted that had it not been for the defense of the Slavs that Hitler had ordered either be exterminated or those that could successfully be enslaved, be enslaved, and incidentally, let me say by way of parentheses that two of the most stalwart German generals who had that order from Hitler would not carry it out. They had more compassion than what we can say we showed in the Persian Gulf war, and for which we still must face the consequences.

We cannot go out and kill off over 200,000 human beings, whether they are Moslem Arabs or not, men, women, and children, 15-, 16-, 17-year-old conscripts who were fleeing, and while fleeing we massacred them; we cannot do that without some ultimate reaction, and what has happened is simply the revolt of Islam, not just in the Middle East but worldwide, from Pakistan through the areas of contention now, where Serbia, going into this territory known as Bosnia, where you have had all these groups, the Islamic, Muslim, as well as the Christian and others living in peace for generations, and suddenly we have this terrible, terrible, barbaric, one of the most barbaric incidents happening in the entire history of the 20th century, which surely has been the most bloody and the most retrogressive into barbarism in the history of mankind.

So we are emerging into the 21st century with this terrible handicap on us. Yet we must also realize that there have been only two nations of any major size that in the last 200, 300 years have not gone to war against each other. Those two are Russia and the United States.

De Toqueville's observation in the last century was very apt. Our acquisition, for example, of Alaska would never have been possible if there had

not been, even in the days of the Tsars, the basic affinity or respect for the United States that seems to have permeated through history.

Now, though, we are going to see, in my opinion, we are seeing the prophesy of this very substantial Russian leader, Arbitov, who in 1988, in late 1988, was the man who was the leading minister or expert on the United States.

He told a group of Americans, academicians as well as officials, he said, "Let me tell you what is about to happen." They asked him, "What is this happening here? We are on the threshold of something that we sense is happening in the Soviet Union: glasnost, perestroika." He said, "Let me tell you what we are going to do. We are going to do you the biggest harm anybody could do. We are going to get rid of your worst enemy, and that is so-called international communism, or the so-called evil empire."

He said it so smilingly that, sure enough, that is what has happened. We still do not know how to react. We got so used, over these decades, to seeing Communists everywhere and forgetting history and going into ventures that, had we had the correct perspective of that part of the world, we would not have lost 55,000 Americans in Vietnam and we would not have lost near that amount or about the same amount in Korea, because all along we have visualized a monolithic, monolithic Communist power and forgotten history.

We were always persuaded soon after, after 1945, that the biggest menace would be Russia coming through Central Europe and through middle Germany. For what? It always seemed to me to be so fantastic and out of reality, and yet it caused, when I would speak out, people to look at me as if maybe perhaps I was suspect.

Nevertheless, that is where we are today. We are still not assessing. The reason I rise today is to point out how this, again, misperception has led to a costly venture for the taxpayers, in this case with the intention of helping the Soviet Union, or what is left of it, regain some stability.

The United States Government can indeed, certainly if the German Government has, help determine whether Russia and the other republics make positive change. In order to do that we have to do it intelligently, which we have not to date.

Our Government has employed numerous aid programs in its efforts to assist the nations or the republics of the former Soviet Union. The Bush administration took the wrong route, channeling foreign aid through the back door without careful consideration of the aid's purpose, and this in full view of what we had been talking about in the case of the same approach toward Iraq, and the fateful consequences to the taxpayer, and to the well-being and eventual policy of the United States.

Today I will show that that administration's political scheming allowed Russia to be granted aid for which it did not qualify, and that as a result the previous administration has placed the United States taxpayer squarely in harm's way.

The main programs that the Bush administration utilized to quietly aid the former Soviet Union were the Department of Agriculture's Commodity Credit Corporation, the same old boy involved in the BNL Bank out of Atlanta and Iraq, and a similar credit guarantee program at the Export-Import Bank. These programs were created to help creditworthy nations purchase products from American companies.

□ 1430

Because Russia was not creditworthy, the Bush administration had to politicize the process and bypass the controls designed to protect American interests, keep the aid flowing. Providing such assistance without careful consideration of its benefits and risk is of little use to anyone, including the former Soviet Union. The former Soviet States have not made payments on some of the United States guaranteed loans for more than 3 months now. Delinquencies at this point total over $400 million.

One bank, and remember what I have said all through, at the bottom of all of this is financing and banks, one bank has already made claim on a guarantee. When it is all said and done, the previous administration's disregard for the risks involved in credit guarantees may cost American taxpayers more than $4.5 billion, as we struggle with our own budget deficit. And that is all we hear today, day and night. This is an expense we can ill-afford.

A straightforward policy to aid Russia would have been more effective and beneficial to both sides, but to do that you would have to come out here, you would have to debate it, you would have to figure out if indeed an intelligent and a real, meaningful, action program was being carried out, and not one that would end up in not only defeating the purpose for which it was instituted, but disappointing the recipient as well as ourselves.

The current administration should learn from the mistakes of the past. I only hope they do.

Up to now I have written a letter to Secretary Espy after I reported the bank, a French bank, but also other American banks standing by, suing on the basis of some guarantees on interest, and some of this Agricultural Commodity Credit guaranteed loan. In the future we must of necessity and hopefully will debate our options for assisting Russia and other nations of the former Soviet Union. The Bush administration did not see fit to do so. Obviously it was confronted with the major problem. I am trying to understand. It was an election year. The pressure was great, the European countries, from throughout the world about what is the United States going to do to help. But the vast majority of United States assistance to the former Soviet Union has flowed from the Department of Agriculture.

USDA's Commodity Credit Corporation is authorized to develop and administer programs to expand U.S. agricultural export markets. During the early 1980's, the CCC devised the Credit Guarantees Program to accomplish this mission. The general sales manager of the 102 program, which is the technical name they give this, and it is often referred to as a GSM 102, and that is the way I will refer to it. The program targets countries that have potential for additional food purchases but require credit to make the purchases because they are short on cash. Instead of providing credit directly, the CCC guarantee operates to attract credit from the private sector to finance sales of U.S. agricultural commodities. The institution that provides the credit must be located within the United States. But last year we had one guarantee program, and incidentally, it was not sent to our Banking Committee, that changed that, and it is the first time in that guarantee program any sovereign nation has gotten into. But that is another matter.

The CCC will normally guarantee 98 percent of the principal plus a portion of the interest on the loan. All loans must be on terms of 3 years or less than 3 years. Prior to the beginning of each fiscal year, USDA, through its Commodities Division and Attache Service of the Foreign Agricultural Service enters into discussions with foreign countries interested in the GSM program. CCC then allocates the amounts of credit guarantees among selected countries, establishing specific country lines by commodity.

These proposed allocations are then presented for advice to an inner-agency group, the National Advisory Council on International Monetary and Financial Affairs. And if any of you have been following the remarks I have been making for 3 years with respect to this NAC, so-called, or Inter-Agency Council, then you will know why I am just generally referring to it now.

Food assistance to the former Soviet Union has been provided almost entirely through the GSM 102 program. I have provided this explanation of how the program is supposed to operate in order to describe the way in which the Bush administration manipulated and misused the program in the case of the former Soviet Union, almost identically as it did in the case of Iraq. The first example of the Bush administration's misuse of the program involves the National Advisory Council, or the NAC that I referred to. The NAC is

composed of representatives from the Treasury Department, the Federal Reserve, the State Department, the Agency for International Development, the Commerce Department, the Export-Import Bank and the U.S. Trade Representative. The Department of Agriculture is not an official member of the NAC. USDA does participate when the NAC is making a decision on one of its programs.

Each agency brings its own expertise to the process. The NAC thoroughly reviews program proposals, openly debates the merits and the shortcomings of each one, let me say openly until I went into the matter, and then lo and behold they closed the doors, and we had a protest. But as far as I know, they never re-opened them again in the case of our efforts to get the information with respect to the Iraqi guarantees.

This group then votes its approval or disapproval. While the NAC's decision is technically not binding, USDA has never implemented a program that was voted down by the NAC. As we learned in the case of loan guarantees to Iraq, the Bush White House often did not want to hear what the NAC had to say. One reason was that many NAC members take seriously our Government's obligation to protect the taxpayers and even national security. I brought that out time and time again where the Federal Reserve representative at NAC was saying no, we advise against this. We had even the Export-Import expert on the creditworthiness of a nation saying no, this nation is not creditworthy. Iraq had defaulted with about five or six European countries, and yet we have the national defense, security, or Intelligence representative saying hey, this has dangerous implications for military use.

Despite all of that, NAC was pushed aside and those loans were processed anyway. So that we know that the Bush administration had gotten used to subverting the process by going around NAC. And since these members did not hesitate to speak out their views, that was a responsibility, and they felt uncomfortable.

There is another downside of the NAC process, and that is that members' views are recorded in great detail. The Bush White House was never anxious to make opposing views open, and the administration fought hard to prevent the Congress from obtaining the NAC documents which regarded the views of agencies which opposed Mr. Bush's policies of supporting Saddam Hussein with generous credit that Iraq was highly unlikely to repay. We reported that previously.

The case of Iraq offers an excellent example of why the White House has an interest in subverting the NAC process when the time came to make decisions on the Soviet Union. Throughout the 1980's several NAC agencies consistently opposed the huge levels of agricultural aid the Bush and Reagan administrations were sending to Iraq.

□ 1440

Without their diligence, our foreign aid bill to Saddam Hussein would have been much higher than the $2 billion plus that we are currently now paying for. Those agencies knew that Iraq was not creditworthy, and they correctly believed that the American taxpayer would eventually be stuck paying, repaying, the loans, and that is why they went around them.

Before 1989, the opposition of some NAC members did not prove to be an insurmountable obstacle to the aid program for Saddam. We brought that out time and time again. We had the intervention of the Secretary of State, the Deputy Secretary of State, Eagleburger, even the National Security Council.

So when USDA proposed a $1 billion GSM program for Iraq for 1990, several NAC members then protested. We put all of that in the RECORD.

Then though the President signed the National Security Directive No. 26 which mandated that the policy was to help Iraq and, of course, that reduced the barriers; the Bush White House did not want to deal with the bureaucratic problems that were involved when it came to the GSM program for the U.S.S.R. They did not want open, honest debate. They did not want an accounting of the potential costs to the taxpayer of guaranteeing loans to a country that obviously could not repay. The White House also did not want to hear arguments that the program would do little good for the former Soviet Union.

The fact is that those nations are capable of producing more than enough food to feed their people. Most shortages in the former Soviet Union exist because of a breakdown in the distribution process. For example, Russia loses up to half of its milk production because they do not have simple milk chillers that we take for granted in America. They are not available. Fixing this problem should be simple. Yet the U.S. Government has done almost nothing to deal with it.

Many experts have argued that providing credit guarantees for food imports to those nations merely postpones well-known and badly needed reforms and prolongs the transition to self-sufficiency.

In any case, the Bush White House knew what it wanted and would not stand for interference with its wrongheaded plan. The solution was to simply run over the NAC. In an unprecedented move in December 1990, the White House completely avoided NAC's scrutiny and announced a $1 billion GSM program for the U.S.S.R.

Now, that does not involve the congressional process. The White House then chose to add insult to the NAC on top of the injury inflicted on the taxpayer. The $1 billion proposal was submitted for NAC consideration after the decision had already been made. Imagine how the NAC members felt sitting around their meeting table and discussing a proposal that was already a done deal.

If a NAC member believed that this program would be too costly for the taxpayer, a view that would have been very correct, what could that member do? Absolutely nothing. But that was what the White House wanted. No discussion; no dissent; no consideration for the taxpayers, it turned out. Asking the NAC for advice on a done deal was a transparent trick to make the decision appear to be prudent, the result of careful consideration.

But the decision was not prudent. Thus we are now paying for Mr. Bush's mistake in Iraq and will soon begin to pay for the same mistake in the former U.S.S.R.

While the offer of $1 billion may have seemed like a large allocation at the time, it was only a small beginning compared to what was on the horizon. Six months after the first announcement, the White House was up to its tricks again. This time the stakes were even higher.

In June 1991, the White House announced that the U.S.S.R. would receive another $1.5 billion in credit guarantees. The same backdoor scheme was used. The White House once again presented the NAC with no choice but to just rubberstamp it. By the middle of 1991 the U.S.S.R. creditworthiness had deteriorated so far that the Bush administration could not find banks to risk even the nearly 2 percent of the loan not covered by the guarantee. In other words, while the administration tripped over itself to put taxpayers out on a limb for 98 percent of each loan, banks knew that the loans were losers. It was too dangerous for them to climb onto that limb for only 2 percent of the risk. This should have been a clear signal that GSM was the wrong program and that the risk to the taxpayer had become totally unacceptable.

But the Bush administration never was very good at reading signals. What was their solution? They decided that the best course was to put the taxpayer at risk for the entire bill, 100 percent of the loan. But the banks still would not take the risk even with 100 percent of the principal and 4½ percent of the interest guaranteed by the taxpayer. The few percentage points of unguaranteed interest was just too much to chance for those banks. You can guess the Bush administration's solution: Heap more risk on the taxpayer. They simply guaranteed higher interest rates.

Thus, since September 1991 the taxpayer has been responsible for the entire principal and almost all of the interest associated with every sale in the program of the former Soviet Union.

The Bush administration continued this pattern for 2 years, issuing nearly half of all GSM guarantees to Russia and other former Soviet Republics. This was done despite the fact that Russia has the lowest credit rating of any GSM participant.

By November of last year the former Soviet Union had received over $5 billion in guarantees, and the administration was offering even more.

On November 30, however, the inevitable occurred. The USDA received its first notice that Russia was delinquent. There has not been 1 penny in payment since. Delinquencies now total more than $400 million, and there is no sign that repayment will resume any time soon.

Over the next few years, the nations of the former Soviet Union will owe over $4.5 billion. If these nations are unable to make the payments, the U.S. taxpayer will have to step in.

The burden that this program places on our Federal deficit is just one more mess that President Clinton will have to clean up, and I do not know what will be the recommendation other than generally the decision has been made to continue to help Russia somewhat. Now, whether it is going to be this way, I have not had a reply from my letter to the newly appointed Secretary of Agriculture, and, of course, he has just taken over, so we are patient.

I would like to note parenthetically that the fate of the GSM Program for the former Soviet Union may be symptomatic of broader problems with the GSM Program. A recent General Accounting Office study estimated that the cumulative cost of the program will be at least $6.5 billion, or 48 percent of USDA's exposure in the total of outstanding guarantees and accounts receivable. These costs are especially disturbing in light of the fact that the study was unable to find any empirical evidence that the program has even met its basic goal of increasing U.S. exports worldwide. That is, indeed, sad.

In 1990, after learning how the administration had abused the GSM Program for the benefit of Saddam Hussein, the Congress enacted, and Mr. Bush signed, new legislation which we propelled to reform the GSM Program and prevent similar disasters from occurring again. The Food, Agriculture, Conservation, and Trade Act of 1990 explicitly prohibits the Secretary of Agriculture from making credit guarantees available to any country that the Secretary determines cannot adequately service the debt associated with such a sale.

This provision was written to prevent precisely the situation we are now facing. This law also prohibits the use of credit guarantees for foreign aid, which is what we were constantly yelling about in the case of Iraq, or foreign policy purposes which was a disculpation given itself by the Bush administration and the Reagan administration. Nor can anyone doubt that the administration violated both of these provisions. Hardly so, even though the Congress passed the law and the President signed it.

It was obvious that it was being violated. Clearly the White House chose to overlook the law when it guaranteed $5 billion in loans to the former Soviet Union.

A 48-percent loss record hardly demonstrates prudence of even basic competence.

The former Soviet Union also participates in several programs operated by the Export-Import Bank. Now, we have jurisdiction of the Export-Import Bank in the Banking Committee.

Also, there are important differences; these programs are similar to the GSM Program in that they guarantee repayment of loans used to purchase U.S. exports.

□ 1450

The Eximbank is also authorized to issue direct loans for this purpose. Taxpayer's exposure due to Eximbank programs is small when compared to the GSM Program, but Exim is considering much larger transactions even now. Exim has also seen fit to continue lending to the Russian Government while that same Government refuses to meet its obligations to USDA.

Currently, all of Exim's exposure is in the form of sovereign risk, government. Sovereign risk means that repayment of the loan is the responsibility of the Russian Government, as opposed to a private Russian entity. Until last week, exposure in this category totaled only about $125 million. However, despite the fact that the Russian Government has not paid USDA in over 3 months, Exim authorized an unsecured direct loan to Russia last week for over $85 million, thus increasing the exposure level to over $210 million. I am sending a letter to the Acting Chairman of the Export-Import Bank on this matter today. I would like to know how the Bank can justify the issuance of more loans to a nation which is refusing to meet its obligations to a sister agency. This loan is questionable for another reason. By law, Eximbank cannot issue loans unless its Board of Directors determines that there is a reasonable assurance of repayment. That is the letter of the law. How can anyone believe that there is a reasonable assurance that Russia will repay the debt when it is so clearly demonstrating its inability to do so with CCC?

The Bank is considering other types of lending arrangements for Russia that would not involve sovereign risk. The most important of these is the Oil and Gas Framework Agreement, the terms of which are still being negotiated. If an accord is struck, Exim could provide $2 billion in loans and guarantees for Russia's oil and gas industry to purchase United States equipment and services. Repayments of these loans would be made by neither the Russian Government nor by Russia's oil and gas industry. Instead, the framework would require that the customers of Russia's oil and gas industry deposit payments directly into an offshore escrow account to which Eximbank would have first access.

We are trying to carefully monitor the progress of these negotiations and will do the best we know how. But I think that it is very tenuous.

The international lending decisions of every Government institution are profoundly influenced by another little-known interagency body, the interagency country risk assessment system, referred to as ICRAS. ICRAS influences lending decisions by determining the budgetary costs to an agency for each loan or loan guarantee the agency issues.

ICRAS is an outgrowth of the Federal Credit Reform Act of 1990, which mandated changes in the budgetary of Federal credit. Loans and guarantees issued by the Government are now assigned a subsidy cost. Subsidy costs depend on the risk level associated with the transaction. For example, a loan judged to have a high risk of nonrepayment will incur a high subsidy cost to the agency issuing the loan.

ICRAS was established to make the risk assessment process consistent across the Government. This group is chaired by the Office of Management and Budget and includes representatives from the Treasury Department, State Department, Department of Agriculture, Defense Security Assistance Agency, Export-Import Bank, Overseas Private Investment Corporation, Agency for International Development, and the Federal Reserve. ICRAS evaluates a nation's creditworthiness and assigns the nation to 1 of 11 risk categories.

When making lending decisions, agencies must remain within the constraints of the subsidy budget appropriated for each program. It is through this budget process that ICRAS wields its power. If ICRAS assigns a high-risk rating to a country, it becomes more difficult for each agency to provide that country with assistance and still remain within the subsidy budget. A high-risk assessment effects a nation's likelihood of receiving credit assistance in another way also. Some agencies are prohibited from issuing particular types of loans to nations that are above a certain risk level. In those cases, the subsidy cost does not matter. A high-risk rating can thus entirely eliminate a nation from consideration.

Although ICRAS was created to perform objective analysis, the committee has learned that in several important cases, the group has slanted the risk analyses for political reasons. On a

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number of occasions, the State Department delayed ICRAS meetings because it disagreed with the technical staff's assessment of Russia's creditworthiness. Obviously, the State Department believed that the assigned risk level was too high. As I explained, a risk level that is too high would eliminate Russia from participation in some programs. The rating might have forced the administration to admit the potential cost to the taxpayer of these proposals. The State Department's tactic was, as usual, to raise the discussion to the political level. There has even been an ICRAS meeting on Russia at the Assistant Secretary level. Does anyone think that it is an Assistant Secretary's job to objectively decide whether Russia is an acceptable or an unacceptable risk? Clearly, when the process reaches that level, the system has become infused with the political considerations it was intended to screen out to begin with. Economists at several Government agencies have informed the committee that the State Department succeeded at this game during while the Bush administration held power. Russia has consistently received credit ratings that it does not deserve.

Politicizing ICRAS made it easier for the Bush administration to assign a risk rating that would suit its purposes. A lower risk rating makes it easier for the agencies to issue Russia loans, but it brings great risk to the taxpayer.

I am mildly surprised that ICRAS members were even offered the opportunity to debate Russia's creditworthiness, given the way the White House abused the NAC process. The White House could have worked over ICRAS in a similar fashion by simply telling ICRAS what risk level the group must determine.

We can no longer operate assistance programs by distorting credit ratings for Russia or any other country, or issuing guarantees for loans that clearly will not be repaid. We can no longer make important decisions without deliberation. Backdoor aid does little good for Russia and no good for us. We must soberly examine what types of assistance Russia needs and what types of assistance we are able to provide.

I urge the current administration to reconsider the Bush administration's confused policies toward the former Soviet Union. Foreign aid should never be delivered through the backdoor. We should openly debate our options and be honest about the assistance and that cost to the taxpayer. Russia does need our help, and so do others, but we must provide the assistance openly, and we must understand the costs. There is no free lunch, it has often been said, as the GSM's mounting disaster so clearly shows. The only way to get a program that is effective and makes sense is to do it in the old-fashioned way. As President Truman said: "Tell us what needs to be done, and go about it." The Marshall plan was expensive, it was highly controversial—but it worked. The needs of Russia and other former Soviet States are great. But our response has to make sense, and should never again take the backdoor approach followed by the former administration, and which I hope this administration has resolved to avoid.

VOLUNTARY RESTRAINT AGREEMENTS: FOREIGN STEEL

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 60 minutes.

Mrs. BENTLEY. Mr. Speaker, this week the congressional steel caucus held its first hearing of the 103d Congress. Testimony was heard from the head of the Steel Workers Union and representatives of the American Iron and Steel Institute, the Specialty Steel Industry, the Steel Service Center Institute, the Steel Manufacturers Association, and the Committee on Pipe and Tube Imports.

The good news is that during the period of the voluntary restraint agreements [VRA's], the U.S. steel industry invested more than $35 billion in modernizing their plants and becoming the most productive steel producers in the world.

The bad news is that the dumping of foreign steel into this country in the late 1970's and early 1980's—before the VRA's were put on—so devastated the industry—that over the last decade—employment in steel production dropped from 500,000 to 180,000.

The notion that the steel industry needed protection from the dumping of subsidized foreign steel by the use of VRA's bitterly was fought by the proponents of free trade—the followers of Adam Smith. But, the proof of the pudding is in the eating, and the month that the VRA's ran out, rampunt dumping of foreign subsidized steel began again.

The preliminary determinations by the Department of Commerce—last month—that 21 foreign nations have systematically dumped steel into our markets should give all of us hope that the next step, before the International Trade Commission [ITC] to assess the amount of damage to our companies, will be equally positive and supportive of the industry.

It is about time that the law of the Congress, the intent of the most representative branch of Government, is recognized by the executive branch and, we hope, will be respected by the judicial branch when damages are assessed by the ITC.

As you are all aware, in the past, trade laws have not been allowed to proceed to conclusion for the steel industry. Settlements have been negotiated with foreign governments in actions which have been invariably detrimental to the domestic industry.

Already, the European Community once again seems to be moving in that direction with the announcement that the multilateral steel agreement meetings reconvened in Geneva, February 24–26. These are the negotiations on which the Europeans walked out, refusing to give up subsidies to their companies.

Now, they respond to the Commerce decision as though it was done purely to get them back to negotiating. Wrong. I am led to believe by all of my sources, that this time, the American steel industry will hold the course—win, lose, or draw on the ITC decision.

I applaud their position. It is a good sign, a heartening sign. I am impressed that the new Trade Representative, Mr. Kantor, has announced that the United States will retaliate against government procurement rules adopted by the EC that favor EC telecommunications and electrical equipment manufacturers.

The Washington Post reported February 2:

> The first of the sanctions which would take effect March 22 if the dispute is not resolved, would forbid a number of federal agencies from purchasing a limited range of European products.

It is past time that the United States break the old Marshall plan mindset that Europe and Japan, damaged by World War II, needed, and in some way, deserved special treatment by the rich, victorious United States. We not only encouraged this dependence, to keep them from slipping into the hands of the Communist, but, over the last 40 years, as those countries—Socialist all—accepted this privileged position, they began to reach for more. To the point, that now, any resistance on our part brings charges that we are starting trade wars.

While the Marshall plan proved to be a brilliant political tool against the spread of communism and was, certainly, an incredibly humane concept on the part of a victorious nation over the vanquished—the need for such treatment is long past.

To the contrary, among the industrial nations that we helped rebuild, we are the only ones suffering a trade deficit of monumental proportions, the only net debtor nation of the lot, and we have the largest domestic debt.

This burden has been borne disproportionately by the manufacturing base of this country. Over the years that steel has invested tens of billions of dollars in modernization, the greatest competitor for borrowing money has been the Treasury of the United States ever pushing up the interest rates.

And when those rates broke, on the back of a recession in a national election year, the steel industry and its

customers had credit lines closed, sources of borrowing dried up in the face of the banks moving in to buy Treasury notes rather than lending money on the streets. So, the business expansion needed was nipped in the bud by the banks focusing on a guaranteed 3 to 4 percent spread between return on their T bill investments and an almost record low return on savings invested with them.

Under such financial restrictions, we can hope that—at least—our domestic steel producers will not have to continue to compete unfairly with nations which underwrite their industries' losses, their industries' compliance with environmental laws.

Steel has a good story to tell.

In the past few years the steel industry has accomplished miracles:

Since 1981, despite scarce, high capital in the country, the industry has raised and increased investment in steel by billions of dollars.

Production in raw steel, continuously cast, has gone from 21.6 million in 1981 to 66.6 million in 1990 with a smaller work force. I am proud that in manhours per ton of steel we are lower than Japan, Germany, the United Kingdom, and France.

Employment costs which includes percentage of operating cost, and hourly compensation are lower than the United Kingdom, Canada, Korea, Mexico, Brazil, and Taiwan according to World Steel Intelligence.

From 1979 to 1985, hourly output in factories increased 2.8 percent annually.

From 1985 to 1990 output in factories rose 3.5 percent.

Compensation for Americans as a whole, changed radically in 5 years. In 1985 it averaged $13.01 for production workers, but by 1990, France, Canada, Norway, and Germany were surpassing American pay levels.

Obviously what we have been talking about in modernization equates to fewer jobs. So, what we need is greater sales to translate these investments into profits and more jobs. For that reason, I believe it is important to watch the procurement actions of government. I know that under GATT pressure the U.S. Governors have decided to abolish buy America, but the recent actions by the EC to protect their own telecommunications industry may make the States rethink this position.

In 1990 there were 12,169 procurement actions which resulted in an award of $5.1 billion to foreign firms. Without reviewing each job it is difficult to tell about the price, but I can tell you one thing, most of the foreign firms probably were subsidized and, of equal importance, supported by their government in the bidding procedure. Something that does not happen with American business.

With the numbers of new unemployed—50,000 at Sears, 20,000 at Boeing, 2,000 at Kodak, 6,000 at United Technologies, plus the earlier layoffs at GM and IBM—the trade agreements now being negotiated—NAFTA and GATT—must be crafted very carefully to make sure that there is a reciprocity built in—for our industries—to balance the positive effect of the value added tax [VAT] on both European exports and imports. The VAT added to every import serves as an average 19 percent tariff—the VAT rebated to the manufacturer-exporter serves as an average 19 percent export bonus.

In mentioning the accomplishments of the steel industry, I want to point out that American manufacturers in general are doing a much more competent job than the media credits, as these figures testify. For whatever reasons, over this last decade, the popular image of U.S. industry presented on TV and in the movies has been of polluters, malevolent employers who deliberately expose employees to toxic substances—heartless big business—images reinforced by the explosion of investigative TV news shows that make their ratings exposing the rogue, the scoundrel.

Long gone is the image of the employer-benefactor, made popular by the celluloid Jimmy Stewarts, the Spencer Traceys, the Robert Youngs—front page reports on the real characters of the 1980's the Milkins, the Keatings, the Altmans of BCCI fame—employers who seemingly chose to benefit themselves rather than benefit their shareholders, their workers have changed the perception of the average American about American business.

We know—certainly I do—dealing with the Greater Baltimore business community that Milkin and Keating are stereotypical bad guys and Jimmy Stewart, stereotypical of the all-time favorite good guy, and in my long experience in my business community, I've never really dealt with either one of those extreme types.

However, if the movies are going to give us films such as Wall Street with its Milkin-type hero saying, "Greed is good," then, it is only fair that they season the public perception with a major movie on the struggle of a small company—the only industry left in a small town—to overcome the increased costs—estimated since 1989 to have grown by a whopping 34 percent—to implement the growing numbers of Government laws and regulations laid on American businesses.

I would hope they would put a human face on the countless numbers of men and women who have invested the work and savings of a lifetime in creating a business and jobs—some of them discovering 10 to 15 years into the effort—that their industry has slipped into the never-never land of the Superfund and that suddenly, a plant which was valued at $4 or $5 million is no longer an asset, but a liability.

That the formerly friendly bank now wants their homes as equity, that the business which they once thought to leave their children has now become a twilight industry, a vertible albatross.

I can tell you, Mr. Speaker, there's a lot of heroism left in this country, a lot of fortitude and just plain old American stick-to-it-ism out in the business community or we would have much greater unemployment than we have now.

And, we need to get that story out. We need to have the great numbers of Americans seeking jobs, or hoping for better jobs, young people counting on building careers in good, stable companies, unemployed defense workers and the increasing numbers being let out of the services, all of these people need to know the problems of American industry.

Steel has a good story to tell. I have spent my career in the Congress fighting for machine tools and fasteners, fighting for steel and foundries, fighting for buy America. I have pushed for a Marshall plan for America. Back in 1987 I introduced a resolution calling for a Government commission to study a Marshall plan for our own country.

No takers, then. But, I find it interesting that the Democrat leaders in announcing their budget plans for 1992, called for a Marshall plan for America. I understand that imitation is the sincerest form of flattery.

As the Congress moves more and more in its demand that companies stand in loco parentis to employees, overlaying all of the requirements of Socialist nations upon a capitalist system, without picking up the tab, as the real Socialists do, it is incumbent upon those of us who know the burdens and real costs of creating jobs to tell the people what the Government regulations are doing to their hopes of finding jobs.

In like manner, the new tax proposals should be studied for the impact on jobs creation over the next 4 years. In proposing an energy tax, heavy manufacturing will be hit the hardest—service sector jobs impacted the least. Steel, auto manufacturing, glass, foundries—every one struggling right now, just to stay afloat will be hit with higher costs some of which must be passed on in product cost—making them less competitive with foreign products—pushing inflation.

If the tax package is being sold to the country as favoring taking money away from the rich and redistributing it to the poor, in the proposed business taxes, it is just the opposite. Proposed tax credits for investment will pay off only to the companies who are making a profit. Wealthy corporations will pay more taxes, but they also are able to take advantage of the tax credit provisions.

But to a whole host of companies—the airlines, basic industries, construction—added energy taxes could push them over the edge and there are

darned few profits for them to either reinvest or take a tax credit against.

For whatever reason, the proposals in this new tax package pits the interest of the have corporations against the have nots—and Goliath wins this one—successful small businesses pitted against the struggling startups—another strong win for Goliath—and agriculture is pitted against everyone else—not only because of program cuts, but because energy costs impact so much on the cost of not only what they do, but what they purchase.

If dividing and conquering works, this tax program should go through. But, it is so devisive of industry—so weighted against the most fragile of our industries and small businesses, including our farmers—that every day which passes with one more revelation of the true cost to the economy of one more of these taxes—makes the chance of its passage lessen.

Government does not create wealth. Government has never created a value-added job. Effective government can only support an atmosphere which allows value-added jobs and wealth to be created. Dividing and conquering may be good politics, but I question that it is good governance.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. TUCKER (at the request of Mr. GEPHARDT), for today, on account of official business.

Mr. BONIOR (at the request of Mr. GEPHARDT), for today, on account of illness.

Mr. GREENWOOD (at the request of Mr. MICHEL), for today, on account of official business.

Mr. PAXON (at the request of Mr. MICHEL), for today, on account of death in family.

Mr. DINGELL (at the request of Mr. GEPHARDT), for today, on account of illness.

Mr. GEREN of Texas (at the request of Mr. GEPHARDT), for today, on account of family business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. THOMAS of Wyoming) to revise and extend their remarks and include extraneous material:)

Mr. THOMAS of Wyoming, for 5 minutes, today.

Mr. KIM, for 5 minutes, today.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. SABO, for 5 minutes, today.

Miss COLLINS of Michigan, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. THOMAS of Wyoming) and to include extraneous matter:)

Mr. SOLOMON, in two instances.

Mr. GOODLING.

Mr. SHAW.

Mr. DICKEY.

Mr. GILMAN, in two instances.

Mr. THOMAS of California.

Mr. WELDON.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. LIPINSKI.

Mr. MONTGOMERY.

Mr. BERMAN.

Mr. WILLIAMS.

Mr. MANN.

Mr. NADLER.

Mr. CLEMENT.

Mr. GLICKMAN.

Mr. BONIOR.

Mr. LAFALCE.

Mr. WAXMAN.

ENROLLED BILL SIGNED

Mr. ROSE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 920. An act to extend the emergency unemployment compensation program, and for other purposes.

ADJOURNMENT

Mrs. BENTLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 20 minutes p.m.) under its previous order, the House adjourned until Monday, March 8, 1993, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

840. A letter from the Director, the Office of Management and Budget, transmitting revised supplemental appropriations language for the Social Security Administration's limitation on administrative expenses, pursuant to 31 U.S.C. 1107 (H. Doc. No. 103-54); to the Committee on Appropriations and ordered to be printed.

841. A letter from the National Council on Disability, transmitting the Council's special report entitled, "Study on the Financing of Assistive Technology Devices and Services for Individuals With Disabilities," pursuant to 29 U.S.C. 781(a)(8); to the Committee on Education and Labor.

842. A letter from the National Council on Disability, transmitting the Council's special report entitled, "Sharing the Risk and Ensuring Independence: A Disability Perspective on Access to Health Insurance and Health-Related Services," pursuant to 29 U.S.C. 781(a)(8); to the Committee on Education and Labor.

843. A letter from the National Council on Disability, transmitting the Council's special report entitled, "Serving the Nation's Students With Disabilities: Progress and Prospects," pursuant to 29 U.S.C. 781(a)(8); to the Committee on Education and Labor.

844. A letter from the Acting Assistant Secretary of State for Legislative Affairs, transmitting the Department's report entitled, "Assistance Related to International Terrorism Provided by the U.S. Government to Foreign Countries," pursuant to 22 U.S.C. 2349aa-7; to the Committee on Foreign Affairs.

845. A letter from the Board of Directors, Export-Import Bank of the United States, transmitting a report of activities under the Freedom of Information Act for calendar year 1992, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

846. A letter from the Director, Regional Office, Department of Veterans Affairs, transmitting the Department's Regional Office activities covering the period October 1, 1992 through December 31, 1993; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MOAKLEY: Committee on Rules. H. Res. 115. A resolution providing for consideration of the Senate amendment to the bill (H.R. 920) to extend the emergency unemployment compensation program, and for other purposes (Rept. 103-26); Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GONZALEZ (for himself, Mr. VENTO, Mr. FRANK of Massachusetts, Mr. KENNEDY, Mr. FLAKE, Mr. MFUME, Ms. WATERS, Mr. GUTIERREZ, Mr. RUSH, Ms. ROYBAL-ALLARD, Ms. VELAZQUEZ, and Mr. HINCHEY):

H.R. 1214. A bill to provide for the regulation of banks and savings associations by a single Federal independent regulatory commission, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ANDREWS of New Jersey:

H.R. 1215. A bill to amend title VII of the Civil Rights Act of 1964 to require a reasonable attorney's fee to be awarded to the Equal Employment Opportunity Commission as a prevailing party; to the Committee on Education and Labor.

H.R. 1216. A bill to amend the Internal Revenue Code of 1986 and the Housing and Community Development Act of 1987 to provide tax incentives for investments in enterprise zone businesses and domestic businesses; jointly, to the Committees on Ways and Means and Banking, Finance and Urban Affairs.

H.R. 1217. A bill to amend the Internal Revenue Code of 1986 to provide estate tax relief

for victims of the terrorist-caused airplane crash near Lockerbie, Scotland, in 1988; to the Committee on Ways and Means.

H.R. 1218. A bill to provide for economic growth by reducing income taxes for most Americans, by encouraging the purchase of American-made products, and by accelerating transportation-related spending, and for other purposes; jointly, to the Committees on Ways and Means, Public Works and Transportation, Banking, Finance and Urban Affairs, Post Office and Civil Service, and Appropriations.

By Mr. ENGEL (for himself, Mr. HYDE, and Mr. SHAYS):

H.R. 1219. A bill to amend the Airport Noise and Capacity Act of 1990 to exempt noise and access restrictions on aircraft operations to and from metropolitan airports from Federal review and approval requirements under that act, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. GEKAS:

H.R. 1220. A bill to provide the penalty of death for certain Federal crimes; to the Committee on the Judiciary.

By Mr. GLICKMAN:

H.R. 1221. A bill to provide for the reduction of agricultural program debt and for donations of grain to the countries of the former Soviet Union in exchange for certain actions on their part; to the Committee on Foreign Affairs.

By Mr. GOODLING (for himself, Mr. SHAYS, Mr. SHUSTER, Mr. SANTORUM, Mr. GALLEGLY, Mr. FAWELL, and Mr. INHOFE):

H.R. 1222. A bill to amend title 18, United States Code, to impose stiffer penalties on persons convicted of lesser drug offenses; to the Committee on the Judiciary.

By Mr. HUGHES:

H.R. 1223. A bill to amend the Older Americans Act of 1965 to establish the National Resource Center for Grandparents; to the Committee on Education and Labor.

By Ms. KAPTUR (for herself and Mr. HUGHES):

H.R. 1224. A bill to amend section 207 of title 18, United States Code, to further restrict Federal officers and employees from representing or advising foreign entities after leaving Government service; to the Committee on the Judiciary.

By Ms. KAPTUR:

H.R. 1225. A bill to amend the Federal Election Campaign Act of 1971 to prohibit contributions and expenditures by multicandidate political committees controlled by foreign-owned corporation, and for other purposes; jointly, to the Committees on House Administration and the Judiciary.

H.R. 1226. A bill to provide for the establishment of a Professional Trade Service Corps, and for other purposes; jointly, to the Committees on Ways and Means, Post Office and Civil Service, and the Judiciary.

By Mr. LEACH:

H.R. 1227. A bill to establish the Federal Bank Agency, to abolish the positions of the Comptroller of the Currency and Director of the Office of Thrift Supervision, to consolidate and reform the regulation of insured depository institutions, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. LEVIN (for himself, Mr. LEWIS of Georgia, and Mr. CAMP):

H.R. 1228. A bill to amend the Internal Revenue Code of 1986 with respect to the treatment of effectively connected investment income of insurance companies; to the Committee on Ways and Means.

By Mr. LEWIS of Florida (for himself, Mr. MCCURDY, Mr. ROHRABACHER, Mr. ROYCE, Mr. BLUTE, Mr. CALVERT, and Mr. GRAMS):

H.R. 1229. A bill to provide for the establishment of a joint aviation research and development program between the Federal Aviation Administration and the Department of Defense, and for other purposes; jointly, to the Committees on Science, Space, and Technology and Armed Services.

By Mr. MORAN:

H.R. 1230. A bill to amend the Internal Revenue Code of 1986 to disallow deductions for expenses for advertising tobacco products or alcoholic beverages on television or radio, in newspapers or magazines, or on billboards; to the Committee on Ways and Means.

By Mr. MURPHY (for himself and Mr. FORD of Michigan):

H.R. 1231. A bill to amend the act of March 3, 1931 (known as the Davis-Bacon Act), to revise the standard for coverage under that act, and for other purposes; to the Committee on Education and Labor.

By Ms. NORTON (for herself, Mr. FORD of Tennesse, and Mr. TOWNS):

H.R. 1232. A bill to direct the Secretary of Health and Human Services to waive the application to the District of Columbia Chartered Health Plan, Inc., of the requirement under title XIX of the Social Security Act that limits the maximum number of individuals enrolled with a health maintenance organization who may be beneficiaries under the Medicare or Medicaid Programs; to the Committee on Energy and Commerce.

By Mr. PETERSON of Minnesota (for himself, Mr. POMEROY, Mr. WILLIAMS, Mr. ROSE, Ms. LONG, Mr. MINGE, Mr. KOPETSKI, Mr. LAROCCO, Mr. VOLKMER, Mr. CONDIT, and Mr. SARPALIUS):

H.R. 1233. A bill to improve monitoring of the domestic uses made of certain foreign commodities after importation, and for other purposes; to the Committee on Ways and Means.

By Mr. QUILLEN:

H.R. 1234. A bill to provide that positions held by civilian technicians of the National Guard be made part of the competitive service; jointly, to the Committees on Armed Services and Post Office and Civil Service.

By Mr. REGULA:

H.R. 1235. A bill to amend the Federal Election Campaign Act of 1971 to provide for voluntary expenditure limitations, to restrict the practice of "bundling" of contributions, to provide for tax credit and deduction for contributions to candidates for Congress, to require full disclosure of independent expenditures, to eliminate PAC contributions to individual candidates, and for other purposes; jointly, to the Committees on House Administration, Ways and Means, and Post Office and Civil Service.

By Mr. REGULA (for himself, Mr. BORSKI, Mr. VISCLOSKY, Ms. KAPTUR, Mr. LIPINSKI, Mr. RIDGE, and Mr. BROWN of Ohio):

H.R. 1236. A bill to correct the tariff rate inversion on certain iron and steel pipe and tube products; to the Committee on Ways and Means.

By Mrs. SCHROEDER (for herself, Mr. EDWARDS of California, Mr. CRAMER, Mr. KOPETSKI, Mr. RAMSTAD, Mr. SHAYS, and Mr. SMITH of Oregon):

H.R. 1237. A bill to establish procedures for national criminal background checks for child care providers; to the Committee on the Judiciary.

By Mr. SHAW (for himself and Mr. GEKAS):

H.R. 1238. A bill to establish constitutional procedures for the imposition of the death penalty for terrorist murders and for other purposes; to the Committee on the Judiciary.

By Mr. SHAW (for himself and Mr. CARDIN):

H.R. 1239. A bill to require the Secretary of the Treasury to establish a 6-month amnesty to encourage payment of back domestic service employment taxes; to the Committee on Ways and Means.

By Mr. SHAW:

H.R. 1240. A bill to amend title II of the Social Security Act and the Internal Revenue Code of 1986 to increase from $50 per quarter to $2,000 per year the threshold level at which cash remuneration payable to a domestic employee in any year becomes subject to Social Security employment taxes, to provide for annual adjustments in such threshold amount, and to annualize the payment of domestic service employment taxes; to the Committee on Ways and Means.

By Mr. SOLOMON (for himself, Ms. MOLINARI, Mr. GOSS, and Mr. GILMAN):

H.R. 1241. A bill to amend title 18, United States Code, to provide for increased reward amounts in domestic terrorist cases; to the Committee on the Judiciary.

By Mr. THOMAS of California (for himself, Mr. MATSUI, Mr. SUNDQUIST, Mr. PACKARD, Mr. BUNNING, Mr. COX, Mr. JACOBS, Mr. MINETA, and Mr. HANCOCK):

H.R. 1242. A bill to amend the Internal Revenue Code of 1986 to provide for fair treatment of small property and casualty insurance companies; to the Committee on Ways and Means.

By Mr. TORRICELLI (for himself, Mr. BURTON of Indiana, Mr. PALLONE, Mr. GILMAN, and Mr. MURPHY):

H.R. 1243. A bill to prohibit any foreign person from acquiring, directly or indirectly, Allison Transmission, a division of General Motors Corp.; jointly, to the Committees on Energy and Commerce, Banking, Finance and Urban Affairs, and Foreign Affairs.

By Mr. WISE:

H.R. 1244. A bill to establish a deficit reduction account and a Build America Account in the Treasury of the United States; to the Committee on Ways and Means.

By Mr. WYNN:

H.R. 1245. A bill to amend title 10, United States Code, to assist members of the Armed Forces who are discharged or released from active duty to obtain employment with law enforcement agencies and health care providers; to the Committee on Armed Services.

By Mr. SWETT:

H.J. Res. 132. Joint resolution recognizing the Desert Shield/Desert Storm Memorial Light at the Shrine of Our Lady of Grace in Columbia, NH, as a memorial of national significance; to the Committee on Post Office and Civil Service.

By Mr. CLEMENT:

H.J. Res. 133. Joint resolution to express the sense of the Congress that the President recognize the role rural communities play in the economy of the United States and express this recognition through appropriate emphasis on rural economic development when preparing the administration's economic proposals; to the Committee on Agriculture.

By Mr. GEKAS (for himself and Mr. SCHUMER):

H.J. Res. 134. Joint resolution designating April 25 through May 1, 1993, as "National Crime Victims' Rights Week"; to the Committee on Post Office and Civil Service.

By Mr. MINETA (for himself, Mr. OBERSTAR, Mr. RAHALL, Mr. SHUSTER, Mr. PETRI, Mr. DE LUGO, Mr. LIPINSKI, Mr. WISE, Mr. DEFAZIO, Mr. COSTELLO, Mr. LAUGHLIN, Mr. SANGMEISTER, Mr. SWETT, Ms. NORTON, Mr. BLACKWELL, Mr. COPPERSMITH, Ms. DANNER, Mr. BARCIA, Mr. FILNER, Mr. CLINGER, Mr. BOEHLERT, Mr. EWING, Mr. HUTCHINSON, Mr. KIM, Mr. BLUTE, and Mr. MCKEON):

H.J. Res. 135. Joint resolution to designate the months of May 1993 and May 1994 as "National Trauma Awareness Month"; to the Committee on Post Office and Civil Service.

By Mr. STOKES (for himself, Mr. WYNN, Ms. MEEK, Miss COLLINS of Michigan, Mr. SCOTT, Mr. TUCKER, Mr. RANGEL, Mr. RUSH, Mr. JEFFERSON, Mr. FRANKS of Connecticut, Mr. LEWIS of Georgia, Ms. MCKINNEY, MR. BISHOP, Mr. WATT, Mrs. CLAYTON, Ms. WATERS, Mr. CONYERS, Mr. TOWNS, Mr. PAYNE of New Jersey, Mr. MFUME, Mr. FLAKE, Mr. DIXON, Ms. NORTON, Mr. OWENS, Mr. CLYBURN, Mr. FORD of Tennessee, Ms. E.B. JOHNSON, Mr. BLACKWELL, Mr. HILLIARD, Mr. DELLUMS, Ms. BROWN of Florida, Mr. CLAY, Mrs. COLLINS of Illinois, Mr. FIELDS of Louisiana, Mr. REYNOLDS, and Mr. WASHINGTON):

H.J. Res. 136. Joint Resolution designating the month of April 1993 as "National African-American Health Awareness Month"; jointly, to the Committees on Post Office and Civil Service and Energy and Commerce.

By Ms. NORTON:

H. Con. Res. 59. Concurrent resolution expressing the sense of Congress that any health care reform program enacted by Congress should not discriminate in the treatment of services relating to mental illness and substance abuse; to the Committee on Energy and Commerce.

By Mr. MOAKLEY:

H. Res. 115. Resolution providing for consideration of the Senate amendment to the bill (H.R. 920) to extend the emergency unemployment compensation program, and for other purposes; considered and agreed to.

By Mr. WELDON (for himself, Mr. CLINGER, Mr. TORKILDSEN, Mr. ZIMMER, and Mr. SHAYS):

H. Res. 116. Resolution to amend the Rules of the House of Representatives to require the Committee on Ways and Means to include in committee reports the identity, sponsor, and revenue cost of single-taxpayer relief provisions contained in reported bills; to the Committee on Rules.

By Mr. WISE:

H. Res. 117. Resolution limiting the official mail allowance for Members of the House for the second session of this Congress to 80 percent of that allowance for the first session, and for other purposes; to the Committee on House Administration.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 58: Ms. PELOSI.

H.R. 64: Mr. LEVY.

H.R. 65: Mr. BILBRAY, Mr. GEJDENSON, Mr. CLINGER, Mr. KENNEDY, and Mr. LEVY.

H.R. 66: Mr. ZELIFF.

H.R. 67: Mr. KENNEDY.

H.R. 68: Mr. LIPINSKI.

H.R. 108: Mr. LEWIS of Florida and Mr. OLVER.

H.R. 127: Mr. DURBIN, Mr. SKAGGS, Mr. WALSH, Mr. HOLDEN, Mrs. BENTLEY, Mr. VENTO, Mr. REED, Mr. EVANS, Mr. MAZZOLI, Mr. NEAL of Massachusetts, Mr. TALENT, Mr. DELLUMS, Mr. LAFALCE, Mrs. UNSOELD, Mrs. MALONEY, Mr. SWIFT, Mr. PRICE of North Carolina, Mr. STOKES, Mr. MCCLOSKEY, and Mr. OBERSTAR.

H.R. 140: Mr. DOOLITTLE, Mr. PETERSON of Minnesota, Mr. SWETT, Mr. CRAMER, Mr. SARPALIUS, Mr. TAYLOR of Mississippi, and Mr. RAVENEL.

H.R. 162: Mr. ANDREWS of Texas, Mr. CAMP, Mr. BILIRAKIS, Mrs. BYRNE, Mr. CLINGER, Miss COLLINS of Michigan, Mr. CRAPO, Mr. EVANS, Mr. FIELDS of Texas, Mr. GILMAN, Mr. GREENWOOD, Mr. HOBSON, Mr. KNOLLENBERG, Mr. MOLLOHAN, Ms. NORTON, Mr. PAXON, Mr. PICKETT, Mr. ROTH, Mr. SANDERS, Mr. SANGMEISTER, Mr. SENSENBRENNER, Mr. STEARNS, Mr. STUPAK, Mr. VOLKMER, and Mr. ZIMMER.

H.R. 163: Mr. ZIMMER and Mr. BAKER of California.

H.R. 166: Mr. RAMSTAD, Mr. GRAMS, and Ms. DUNN.

H.R. 303: Mr. BILBRAY, Mr. CLINGER, Mr. CRAMER, Mr. LEVY, and Mr. RICHARDSON.

H.R. 325: Mr. EDWARDS of California, Mr. MYERS of Indiana, Mr. CLINGER, Mr. NEAL of North Carolina, Mr. WYNN, Mr. JEFFERSON and Mr. FLAKE.

H.R. 326: Mr. NADLER, Ms. MEEK, Mr. WYNN, Mr. MARKEY, Mr. MEEHAN, Mr. KENNEDY, and Mr. FROST.

H.R. 388: Mr. BAKER of California.

H.R. 417: Mr. PORTER, Mr. LINDER, and Mr. PAXON.

H.R. 419: Mr. LANTOS.

H.R. 526: Mr. BONIOR.

H.R. 549: Mr. SHAYS, Mr. INGLIS, and Mr. BLUTE.

H.R. 635: Mr. KING.

H.R. 658: Mr. DINGELL.

H.R. 659: Mr. DINGELL.

H.R. 667: Mr. LEVY.

H.R. 672: Mr. MACHTLEY, Mr. TORKILDSEN, Mr. FRANK of Massachusetts, Mr. LIPINSKI, Mrs. MORELLA, Mr. MEEHAN, Mr. EVANS, Mr. TRAFICANT, and Mr. SCHUMER.

H.R. 679: Mr. MCHUGH, Mr. BURTON of Indiana, Mr. BARTLETT, Mr. BLUTE, Mr. BLACKWELL, Mr. BARRETT of Wisconsin, Mr. SENSENBRENNER, Mr. SARPALIUS, Mr. BISHOP, Mr. WYNN, Mrs. MEYERS of Kansas, and Mr. BUYER.

H.R. 684: Mr. BARTLETT.

H.R. 692: Mr. HINCHEY, Mr. STOKES, Ms. PELOSI, Mrs. SCHROEDER, Mr. WHEAT, Mr. DIXON, and Ms. VELAZQUEZ.

H.R. 749: Miss COLLINS of Michigan.

H.R. 796: Ms. PELOSI, Mr. ABERCROMBIE, Mr. FAZIO, Ms. WOOLSEY, Mr. LEHMAN, Mr. WAXMAN, Mr. GUTIERREZ, Mr. ANDREWS of Texas, Mrs. KENNELLY, Ms. BYRNE, Mr. MILLER of California, Mrs. SCHROEDER, Mr. WASHINGTON, Mr. YATES, Mr. KREIDLER, Mr. EDWARDS of California, Mrs. JOHNSON of Connecticut, Ms. MEEK, and Mr. RANGEL.

H.R. 818: Ms. WOOLSEY, Mrs. COLLINS of Illinois, Ms. MEEK, and Mr. ROMERO-BARCELO.

H.R. 830: Mr. WYNN, Mr. OXLEY, Mr. BONILLA, Ms. DUNN, Mr. KNOLLENBERG, Mr. NEAL of North Carolina, Mr. KING, Mr. SENSENBRENNER, Mr. RIDGE, and Mr. COBLE.

H.R. 882: Mr. MCCRERY and Mr. WILSON.

H.R. 894: Mr. EVERETT.

H.R. 918: Mr. GENE GREEN, Mr. FILNER, Mr. FROST, Mr. ROMERO-BARCELO, Mr. STOKES, Mr. FOGLIETTA, Ms. NORTON, Mrs. CLAYTON, Ms. MEEK, and Mr. FIELDS of Louisiana.

H.R. 940: Mr. VALENTINE, Mr. WATT, Mr. BLACKWELL, Ms. MEEK, Ms. E. B. JOHNSON, Mr. RANGEL, Mr. KILDEE, and Mr. UNDERWOOD.

H.R. 967: Mr. LAROCCO, Mr. HENRY, Mr. RAVENEL, Mr. STUMP, Mr. PAXON, Mr. SWIFT, Mr. BARRETT of Nebraska, Mr. CAMP, Mr. ALLARD, Mr. UPTON, and Mr. GEKAS.

H.R. 1025: Mr. LEACH, Mr. ENGEL, Mr. GONZALEZ, Ms. MARGOLIES-MEZVINSKY, Mr. LAFALCE, Ms. BROWN of Florida, Mr. MOAKLEY, Mr. WATT, Mr. MANN, Ms. ROYBAL-ALLARD, Mr. WYDEN, Mr. RUSH, Ms. SCHENK, Ms. WOOLSEY, Mr. LEVIN, Mr. KLECZKA, Ms. HARMAN, Mr. MENENDEZ, Mr. RANGEL, Ms. E. B. JOHNSON, Mr. CASTLE, and Mr. CLAY.

H.R. 1026: Mr. MINGE, Mr. MCHUGH, Mr. EVERETT, Mr. BUYER, Mr. TAYLOR of North Carolina, Mr. CRAPO, Ms. BROWN of Florida, Mr. POMBO, and Mr. KIM.

H.R. 1048: Mr. MINGE.

H.R. 1067: Mr. CANADY, Mr. SOLOMON, and Mr. WALSH.

H.R. 1090: Mr. BISHOP.

H.R. 1098: Mr. BOEHNER.

H.R. 1142: Mr. JOHNSON of South Dakota, Ms. DANNER, and Mr. MCHUGH.

H.R. 1152: Mr. MAZZOLI, Mrs. MINK, Mr. MINGE, Mr. RANGEL, Mr. COLEMAN, and Mr. MFUME.

H.R. 1153: Mr. GALLEGLY, Mr. BEILENSON, Mr. LIPINSKI, Mr. ROHRABACHER, Mr. COLEMAN, and Mr. LEVY.

H.R. 1161: Mr. ZIMMER.

H.R. 1164: Mr. FRANKS of New Jersey and Mr. WASHINGTON.

H.J. Res. 10: Mr. BAKER of California and Ms. SLAUGHTER.

H.J. Res. 20: Mr. BROWN of Ohio, Mr. FRANK of Massachusetts, Mr. DEFAZIO, Mr. MAZZOLI, Mr. JOHNSON of South Dakota, Mr. MINGE, Mr. BOUCHER, Mr. CARR, Mr. SMITH of New Jersey, Mr. FINGERHUT, and Mr. UNDERWOOD.

H.J. Res. 22: Mr. HUTTO and Mr. WALSH.

H.J. Res. 30: Mr. INGLIS, Mr. EVERETT, and Mr. FAWELL.

H.J. Res. 92: Mr. KING, Mr. FROST, Mr. MCNULTY, Mr. ANDREWS of New Jersey, Mr. MURTHA, Mr. RAVENEL, Mr. SLATTERY, Mr. MCDERMOTT, Mr. MCCLOSKEY, Mr. MATSUI, Mr. MONTGOMERY, Mr. DOOLITTLE, Mr. DELLUMS, Mr. MANTON, Mr. GONZALEZ, Mr. FALEOMAVAEGA, Ms. DELAURO, Mr. PARKER, Mr. COBLE, Mr. TRAFICANT, Mr. MCCOLLUM, Mr. LEVY, Mrs. UNSOELD, Mr. WAXMAN, Mr. EVANS, Mr. SCOTT, Mr. BOUCHER, Mr. SPRATT, Mr. ACKERMAN, Mr. JACOBS, and Mr. MARTINEZ.

H.J. Res. 106: Mr. BARLOW, Mr. BROWDER, Mr. EWING, Mr. FROST, Mr. GINGRICH, Mr. HUGHES, Mr. KASICH, Mr. MURTHA, Mr. PARKER, Mr. PETERSON of Minnesota, Mr. ROGERS, Mr. SERRANO, Mr. SMITH of Texas, Mr. STUMP, and Mr. WHITTEN.

H.J. Res. 118: Mr. GORDON, Mr. HAMILTON, Mr. JEFFERSON, Mr. KLECZKA, Mr. MAZZOLI, Mr. NEAL of Massachusetts, Mr. WAXMAN, Mr. KASICH, and Mr. WOLF.

H.J. Res. 119: Mr. BARCIA, Mr. LEVIN, Mr. CHAPMAN, Mr. GORDON, Mr. MANTON, Mr. MONTGOMERY, Mr. NEAL of Massachusetts, Mr. SARPALIUS, Mr. KASICH, Mr. MCHUGH, and Mr. QUINN.

H. Con. Res. 15: Mr. MINGE and Mr. BEILENSON.

H. Con. Res. 44: Mr. MCDADE.

H. Res. 43: Mr. SMITH of New Jersey.

H. Res. 53: Mr. CRAMER, Mr. SWETT, Mr. CONDIT, and Ms. FOWLER.

H. Res. 86: Mr. ACKERMAN, Mr. BEILENSON, Mr. BLUTE, Mr. CARDIN, Mr. CLAY, Mr. COSTELLO, Mr. DEFAZIO, Ms. ESHOO, Mr.

GALLEGLY, Mr. GEJDENSON, Mrs. JOHNSON of Connecticut, Mr. LANTOS, Mr. MCNULTY, Mr. MACHTLEY, Mr. MANTON, Mr. MARTINEZ, Mr. MORAN, Mr. REED, Mr. ROYCE, Mr. SENSENBRENNER, Mr. SHAYS, Mr. STOKES, Mr. TRAFICANT, Mr. WAXMAN, Mr. WOLF, and Ms. WOOLSEY.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 962: Mr. ROGERS.

PETITIONS, ETC.

Under clause 1 of rule XXII,

16. The SPEAKER presented a petition of the University of Washington, Seattle, WA, relative to DOD policies regarding discrimination on the basis of sexual orientation; to the Committee on Armed Services.

SENATE—*Thursday, March 4, 1993*

(Legislative day of Wednesday, March 3, 1993)

The Senate met at 10:30 a.m., on the expiration of the recess, and was called to order by the Honorable BYRON L. DORGAN, a Senator from the State of North Dakota.

PRAYER

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

Let us pray:

The word of the psalmist, "Behold, how good and how pleasant it is for brethren to dwell together in unity!" (Psalm 133:1) United we stand. Divided we fall.

Eternal God, Father of us all, help the Senate to live up to its symbol as a living model of the unity of the Nation. As the Senators consider issues basic to the health of the Nation, and as they make decisions which secure or threaten the future, may they demonstrate the unparalleled power they have. Save them from being a body in which the whole is less than the sum of its parts. Grant wisdom; dampen partisanship and an independent spirit.

Gracious Lord, struggling with weighty problems about which all have deep convictions and, in spite of constituent pressure, grant the Senate the gift of compromise which will resolve gridlock and open the door to resolution.

We pray in the name of Him who is Truth incarnate. 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 4, 1993.

To the Senate:

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

ROBERT C. BYRD,
President pro tempore.

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

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 11:45 a.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

Mr. GRASSLEY addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Iowa is recognized to speak for 10 minutes.

THE TAX IMPACT ON AGRICULTURE AND RURAL COMMUNITIES

Mr. GRASSLEY. Mr. President, I have spoken earlier on my general opposition to the proposed energy tax, the disproportionate impact it would have on the lower and middle class, and the disastrous effect it would have on the economy of the United States.

I will not belabor those points again today.

I rise instead, Mr. President, to address the impact that such a tax would have on agriculture—not only in my home State of Iowa, but also in the Nation as a whole.

Whether it be the row crop and livestock producers in Iowa, or the farmers raising any of the many food or fiber products across this great country, farmers are almost wholly dependent upon fuel. Be it gasoline, diesel, liquid petroleum, natural gas—fuel is the lifeblood that drives American agriculture. Farmers primarily depend on fuel to operate their machinery to plant, tend, and harvest their crops. But, Mr. President, these are only the direct costs.

Indirectly, they rely on fuel to have their seed, fertilizer, and other farm inputs delivered; they rely on fuel to haul their harvest and livestock to market; they rely on fertilizers, herbicides, and pesticides that are energy-intensive products; they rely on fuel derivatives like motor oils.

These direct and indirect costs are substantial. For every gallon of fuel used by the farmer, the farmer uses another gallon indirectly. Thus, under an energy tax, farmers would pay twice: once for the direct use of fuel, and again for the increased input costs.

By way of example, given a 25.7-cent-per-million Btu rate, and a 59.9-per-million Btu oil rate, gasoline prices would increase 7.5 cents a gallon, diesel fuel 8.3 cents, and liquid petroleum, 2.3 cents. The direct average cost for a typical 430-acre midwestern grain farm would be $800 a year. The indirect costs, another $800 a year, making a grand total of $1,600 per year for an average farm.

As a consumption tax, President Clinton's proposal would increase production expenses and lower net farm income. Under Clinton's plan, a farmer could expect a decrease of farm income from somewhere between 2 to 2.5 percent.

Mr. President, some businesses would grudgingly accept an energy tax, well aware that they can pass these costs onto the consumer.

To be sure, those businesses may suffer some, losing sales to higher costs—but on the whole, added costs will be passed along to the consumer. But the farmer has no similar luxury. Farmers, as we all know, are not price setters; they are price-takers. Are we to tell the farmer to just add a dime to the price of a bushel of corn or beans? Are we to tell them to just add a quarter to the price of beef or pork?

Weather, worldwide demand, politics—domestic and foreign—determine the price the farmer receives in the market. Added costs from a consumption tax would come off the farmers already precarious financial condition. Indeed, the farmer is in a double bind: he pays the higher costs that are passed on to him, but cannot likewise ask more for his product.

President Clinton has also proposed a user fee on barges navigating the Nation's inland waterways. For those unfamiliar with the marketing of grain, most American grain destined for export travels via barge to ports on the gulf, where it is then shipped to its foreign destination. The proposal would increase the tax on fuel used by barges from its current 19 cents a gallon to $1.19 a gallon.

Such a tax would add between 9 to 18 cents a bushel to the transportation costs of grain, depending on the distance to the deep water ports. Given the competitiveness of the world grain markets, very little, if any, of the increased costs could be passed on to foreign buyers; the added costs a shipper would have to bear would probably be passed back to the farmer.

Given that a State like Iowa exported approximately 400 million bushels of corn in 1991, the costs to Iowa—to the State in general and the farmer in particular—would be enormous. Under a conservative estimate, farmers producing for export would incur additional expenses of $18 per acre; that,

Mr. President, would be the death knell for many Iowa producers.

Finally, Mr. President, since I last took the floor to speak on this issue, I have learned that a Member of the House of Representatives is proposing an environmental tax on fertilizers and pesticides to pay for, among other things, cleanup of the Boston Harbor and funding for city sewer systems. Such a tax would substantially raise the price of farm inputs that farmers depend on to raise their crops.

Indeed, it has been estimated that a 700-acre farm would pay an additional $6,000 a year through such a tax. And like the energy tax, the farmer would again pay twice—not only would they have to pay a tax on the use of farm inputs, but would would absorb about $250 million more in higher fertilizer prices, to cover wastewater traces imposed on wastewaters discharged by fertilizer plants.

And these taxes would not only be felt by the farmer. Many rural communities, already struggling to provide for an elderly population the barest of services through a dwindling tax base, would be cut adrift by such a tax. Six in ten Iowa jobs are related to agriculture; as goes agriculture in Iowa, so go many of its towns and communities.

Any adverse effect that these taxes would have on farming would certainly reverberate through our small communities, possibly with devastating effects. Moreover, off-farm jobs and schools, doctors, and other vital services, grocers and merchants are often located only over considerable distances. And thus a car remains the only lifeline many of the people have to the most basic services.

Mr. President, there is no disputing that Americans who use more gasoline than the national average would bear a disproportionate share of any fuel consumption tax. Iowa has a per capita gas consumption of over 500 gallons per year, while New York's consumption is only 268 gallons. Iowans would thus be saddled with a burden almost twice as great as a New Yorker's. Where is the fairness in that?

Already rural drivers are subsidizing big city mass transit. Now rural Americans are asked to carry an even higher unfair tax burden.

With a combined Btu, inland waterways, and environmental tax, the farmers would pay more than their fair share, sometimes paying both directly and indirectly under these proposals. First, farmers would pay higher gas prices on the farm. Second, farmers would absorb higher prices indirectly passed on by the Btu tax on energy-intensive farm inputs and transportation costs. Third, farmers would pay higher costs as consumers of electricity. Fourth, farmers would pay higher direct fertilizer prices under an environmental tax.

And, fifth, farmers would indirectly shoulder the costs passed back to them through barge user fees imposed on grain shipments on our inland waterways. I respectfully submit that farmers and ranchers are willing to pay their fair share of this Nation's burdens. But how many times does the farmer have to pay? Five different times, at any rate, is simply too much.

As the Washington Post recently noted, though agriculture comprises only 1.8 percent of domestic spending, it will shoulder 6.4 percent of the cuts recently proposed by President Clinton over the next 4 years. To many of us, that should be no surprise. Certainly, over the years, agriculture has been willing to shoulder more than its share of the burdens.

Since 1982, agriculture has been a prominent part of every deficit-reduction package. Farm program spending has been cut by 50 percent since 1986, while many areas of Federal spending have gone untouched. To emphasize, these three select tax proposals are just a small share of the taxes targeted to the agricultural sector.

Nonetheless, these taxes demonstrate the inequity in President Clinton's plan, and reinforce the notion that budget cuts need to be spread evenly. To emphasize, Mr. President, I am not suggesting that agriculture be exempt from all tax increases or budget cuts; I would just hope that other sectors of our country would be asked to make a contribution commensurate with the burdens now being placed on the shoulders of our farmers, ranchers and rural communities by President Clinton's proposal.

But let us not kid ourselves. President Clinton's package is not about taxes; it is not about lining the coffers of the Federal Government.

This is about spending, pure and simple. Taxes—whether it be the Btu tax, the waterway tax, or the environmental tax—would not be necessary if Congress' insatiable thirst to spend was quenched. When will an honest discourse begin? History has shown us time and time again that increasing taxes will not shave a penny off the Federal deficit. And until we examine and curtail the profligate ways of Congress, the American public will be saddled with a deficit that will never be reduced, and the American public will be continued to be sold a bill of goods as deceptive and as fraudulent as the goods sold by the snake oil salesman of old.

Farmers for too long have been at the mercy of events out of their control. If the spring floods do not get them, then the summer drought will. If a late winter does not keep them from planting, then the early snows will keep them from harvesting. Currently, farmers are trying to adjust to reduced farm price supports and a highly competitive world economy.

The stalled GATT talks and Russian credit situation also bode poorly for the agricultural sector. Some of these taxes would simply add another variable to the already iffy proposition the American farmer faces.

Mr. President, these taxes would saddle the farmer with another cost he could not bear, another cost he could not pass on.

I urge my colleagues to cast a hard, critical look at these proposals, and to fully consider the ramifications that such a tax would have on the farmers and ranchers, on the smaller communities in general, and on the most reliable source of safe and plentiful food the world has ever known.

I would ask unanimous consent that the article from the February 28, 1993, Washington Post be printed in the RECORD at this time. Mr. President, I yield the floor.

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

CLINTON CUTS WEIGHTED AGAINST FARMERS, LOBBYISTS SAY

(By William Claiborne)

Facing $8 billion in federal spending cuts and additional user fees over the next four years, farm-state lawmakers and agriculture lobbyists say they will learn to live with the broad outlines of President Clinton's deficit-reduction plan, although they believe they are shouldering an undue share of the proposed spending cuts.

The farm advocates are urging the administration to consider spreading the cuts more evenly in all areas of federal spending, including entitlements. They also plan to push for a closer examination of the impact of the proposed energy tax, which they say could add $600 million in operating costs to farmers, who rank fifth among all user categories in per capita consumption of energy.

"Most producers recognize the beneficial impact of deficit reduction on farmers as well as everybody else, and we are willing to do what needs to be done as long as others assume their fair share of the burden, too," said Grant Buntrock, director of the National Farmers Organization.

"When we think what could have happened," Buntrock said, "frankly we were relieved. But the fact is, proportionally we're taking the biggest cut of any part of the budget."

Clinton's proposal seeks to cut $3.8 billion from programs that protect and subsidize the incomes of major commodity producers, trim $2 billion from the $10 billion annual cost of farm subsidies, and save $1.03 billion over four years by reducing the amount of acreage eligible for crop subsidies for wheat, feed grains, rice and cotton.

Rep. Charles W. Stenholm (D-Tex.), a farmer and chairman of the House Agriculture subcommittee on livestock, dairy and poultry, estimated that although agriculture accounts for only 1.8 percent of domestic spending, it will shoulder 6.4 percent of the cuts over the next four years, ending up 10 percent below its current spending level.

However, he said, only $636 million of the $17.6 billion in the stimulus package and $1.5 billion of the $99 billion of new spending in the investment package are in the agriculture sector.

Farm lobbyists said that absorbing more than three times more cuts—in terms of percentage of budget—than any other domestic sector of the federal government would be

more palatable were it not for the bitter memory of record commodity program cuts in 1989.

After reaching a high of $26 billion in 1987, following a debilitating drought, commodity program spending plunged to $14 billion two years later, putting farmers under financial strains from which many are still trying to recover, spokesmen for farm support groups said.

"Since 1982, agriculture has been a part of every deficit-reduction package. Agriculture has taken its fair share of cuts, while many other areas of federal spending have gone untouched," said Dean Kleckner, president of the American Farm Bureau Federation.

During a trip to his home state of Mississippi and to Louisiana and Texas to promote the Clinton economic plan, Agriculture Secretary Mike Espy repeatedly stressed that agriculture had escaped relatively unscathed from the spending cuts, largely because the administration did not want to weaken its negotiating position with the heavily subsidized European producers during the talks for a General Agreement on Tariffs and Trade (GATT) and the North American Free Trade Agreement.

Staff members on the key agriculture committees that will consider Clinton's farm proposals predicted that the administration's $8 billion target for spending cuts will survive relatively intact, but that the mix of program slashes and subsidy reductions will look different than it does now.

A pivotal figure in deciding what the cuts will look like is Rep. Richard J. Durbin (D-Ill.), who recently became head of the Appropriations subcommittee on rural development, agriculture and related agencies, which oversees more than $60 billion in crop subsidies, food programs and market regulations.

Durbin, who grew up in cities, is considered by some legislative analysts as likely to switch the subcommittee's focus from traditional subsidy and other farm income support issues to food stamp and nutrition programs for poor families, as well as environmental issues.

Among the most contentious cost-saving agriculture proposals that Congress will consider:

Increasing user fees for meat and poultry inspection, a proposal that has been made before and has failed in Congress. It would save $59 million.

Increasing from 15 percent to 25 percent the amount of so-called triple-base acreage on which a farmer will be unable to qualify for crop deficiency payments for certain commodities. The proposal would result in substantial losses of income for thousands of farmers. It would save more than $1 billion over five years.

The ACTING PRESIDENT pro tempore. The time of the Senator from Iowa has expired.

Mr. LOTT. Mr. President, I ask unanimous consent to proceed for 1 minute as in morning business.

The ACTING PRESIDENT pro tempore. The Senator from Mississippi.

Mr. LOTT. I thank the Chair.

(The remarks of Mr. LOTT pertaining to the introduction of S. 499 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The ACTING PRESIDENT pro tempore. The Senator from Vermont is recognized to speak for up to 15 minutes.

RESTRUCTURING RUSSIAN AID

Mr. LEAHY. Mr. President, from 1914 to 1918, we fought the "war to end all wars." Then, 15 years later, Germany was led by a psychotic dictator and in a few more years the world was engulfed in a second conflagration that cost the lives of tens of million human beings.

We fought the Second World War to achieve the four freedoms, one of which of course was the "freedom from fear."

Then for the next 40 years we lived under the specter of the most fearsome threat to humanity—nuclear war. The cold war cost the American taxpayers trillions of dollars and the lives of tens of thousands of U.S. service men and women from Korea to Vietnam.

But in 1989 we won the cold war.

The fundamental question that this Nation must face now is whether we will win the cold war but then lose the peace. We have learned from the lessons of World Wars I and II that winning the peace is just as important as winning the war.

Helping Russia to make the transition from communism to democracy confronts the West with the greatest foreign policy challenge since World War II. No one needs to be reminded that the Russians have thousands of nuclear weapons, making them the only country in the world that can totally destroy the United States.

For the sake of our children, and our children's children, we have to rise to the challenge before us. If we do not find a way to rise to the challenge before us. If we do not find a way to stabilize the Russian economy, American taxpayers are going to end up holding a $4 billion bag of Russian debt. The baggage is too heavy to carry. But we do need to help the Russians. Not only is it in the interests of world peace, it is in our interests.

Let me underscore this, Mr. President. We hold $4 billion in Russian debt. The U.S. Government cosigned those notes. If we do not help their economy we, the U.S. taxpayers, will end up paying for that debt. Does it not make a lot more sense to help them get their economy underway so they might pay the debt themselves and hot have us do it?

We also need to remember, from the perspective of world peace, the danger of political extremism rising out of instability and hopelessness. Failure to change our business as usual stance can only result in unwanted, undemocratic and possibly very dangerous consequences in Russia.

If we continue as we are, not only will the bill get bigger and bigger and the debt burden of the United States heavier and heavier, but the awesome stakes for world peace are going to be raised.

As heavy as the budgetary costs of Russian defaults are, we must not forget the cost of failing to build a lasting democracy in Russia.

If the Communists were still in power in a united Soviet Union, our defense budget next year alone would be $100 billion higher than even that requested by President Bush—$100 billion extra in just 1 year if we were still facing the Soviet Union.

Any effort to help the former Soviet Union make the transition to a functioning democracy will, of course, be costly, but make no mistake—if we fail, the costs to the United States budget will be far greater than the costs of default to the United States agricultural aid programs. The default on our programs and our loans would cost us $4 billion. But if Russia defaults on democracy and fall back into dictatorship, the cost could be an extra $100 billion a year in defense spending to us, to say nothing about the greater threat.

I welcome President Clinton's statement of his intent to increase our direct grant assistance to Russia by $300 million.

The gesture is a critical signal of the new administration's intentions, and a step I urged him to take. In fact, I urge the administration to raise our direct bilateral aid to the former Soviet Republics from the current $450 million to $1 billion, even if the way to pay for it is to slash United States security assistance to other parts of the world, and other parts of the foreign aid program.

A large portion of this aid can be targeted to help provide a social safety net through such programs as provision of foods, including dairy products and other value-added products, to the neediest populations.

We must ask ourselves, as we look at every other part of the world where we are giving foreign aid, whether we ought to cut back on that aid and shift the money to Russia where direct United States national interests are far greater.

We also have to understand that bilateral grant assistance by the United States to Russia and the other Republics is only a small part of the overall assistance effort needed. While extremely helpful, especially when targeted at key sectors of the population and the economy, direct grant assistance by itself can never be provided by the United States or anyone else on a scale large enough to meet Russia's needs.

Currently the Clinton administration is in the process of reviewing the Bush administration's foreign aid allocations for fiscal year 1993 and of deciding on its own fiscal 1994 foreign aid request.

In both of these efforts, I call on the administration, in consultation with Congress, to restructure our bilateral grant assistance program for the States of the former Soviet Union.

Today the situation among the donor countries and institutions is sort of

like a group of people standing in a room and throwing darts at a dart board from all different directions. It would be much better if we join together and really target what we are doing. With the existing effort to help Russia and the CIS, we are trying to do too many things in too many places with too few resources. In fact, our current program is a laundry list of bureaucratic wish lists.

We are not making a difference that can be felt by all Russian people and if the difference cannot be felt by them, what difference does it make at all?

What have we accomplished? We are not giving the Russian people hope that things will get better under democracy and a free market, even though that is what we are trying to do and we need to do.

I urge the administration to decide on an overarching strategy of assistance, one that sets goals and targets our assistance in critical areas where it can make a tangible impact, not one that dribbles out a little in every single program that everybody in the State Department, Congress or elsewhere can think of.

We need a bold new grant assistance program focusing on these critical areas: Alleviation of the suffering of the poorest and most vulnerable sectors of the population; technical assistance in the essential institutions of a free market system especially banking, credit, and property rights modernization of sectors which offer the most immediate prospect for foreign exchange earnings on the part of Russia, particularly energy, agriculture, natural resources; and, as important as anything else, assistance in the building of a democratic society, including the functioning of legislatures and free media, free labor unions, and civic organizations.

As I said before, if we restructure our own bilateral grant assistance program, we would work closely with other major donors, including the European Community, the Europeans themselves, the Japanese, and the international financial institutions.

There has to be much stronger coordination of our efforts, and a more rational sharing of the burdens of assisting the Russians.

The piecemeal "go it alone" approach that the United States and some other donors are following is not working. With United States leadership the West must urgently develop bold and imaginative strategies to ease the way for Russia and the other States of the former Soviet Union to make an effective, peaceful transition to a market economy and lasting democracy.

We must give timely, effective help to those who want to cultivate democratic ideals and to increase cooperation with the West.

I strongly urge the administration to exercise aggressive leadership with the World Bank, the International Monetary Fund, the European Bank for Reconstruction and Development, Japan, and the Western Europeans.

We must devise an international strategy aimed to assist the Russians get through the present crisis and to build a stable democracy.

I understand that not even the United States and the allies together can provide Russia and the Commonwealth of Independent States with the level of assistance they need. But one thing I do know, time is running out. Up to now, we have been trying to give Russia backdoor foreign aid. We have used short-term Department of Agriculture Commodity Credit Corporation-guaranteed loans. We have used the Eximbank guarantees, and we have other types of disguised aid. But the Russians today already are in default on over $415 million of the CCC loans, as I predicted over a year ago they would be.

We have to break free from the hackneyed policies of the past. Let us accept the fact we are talking about foreign aid to Russia and the States of the former Soviet Union. The old rules do not apply, and the stakes are a lot different.

In reality, we are attempting to help a society recreate itself from ground zero. We cannot afford to treat Russia as a development problem. It is a unique situation. It needs innovative responses.

The major source of official debt to Russia from the United States is that debt guaranteed by our GSM–102 short-term export credit guarantee program.

Previously Russia agreed to accept the debt incurred by the former Soviet Union, as well as guaranteed debt which it obtained itself under the program.

I believe that the United States should participate in the multilateral process rather than unilaterally rescheduling the GSM-guaranteed debt.

Several questions must be addressed in the Paris Club debt rescheduling discussions.

First, should the debt of the former Soviet Union receive different treatment than debt incurred by Russia, the Ukraine, and the Commonwealth of Independent States?

Second, how should the debt be divided between Russia and the Ukraine?

Third, what types of new credit programs should be provided after a rescheduling to Russia and the Ukraine?

It is time to stop playing tricks, face up to the real costs and risks in helping Russia deal with its staggering financial problems. We need honesty in our foreign aid programs, and we do not have honesty in our foreign aid program with Russia today.

Department of Agriculture GSM programs are designed to be commercial programs, they are not supposed to be back door foreign aid. It is important to maintain the commercial nature of these programs, whether it is for Russia or the other 30 countries who participate in the program.

So I am saying today, Mr. President, we should not extend new guarantees or loans of a commercial nature to Russia at this time. We should stop right now. The Russians have been suspended from receiving new guarantees under the GSM Program because of their arrearages, and the suspension is not likely to change until they decide once again to meet their obligations to the United States of to a multilateral restructuring in the Paris Club.

We also need to maintain ties with Russia and the other Independent States because they are important trading partners for the United States. The exports of United States agricultural commodities to Russia are very important to our farmers. If the exports are reduced it will increase the costs of our domestic farm programs.

But, in order to strengthen ties we must establish a mutually beneficial aid policy and establish the foundations of a trade alliance.

Clearly, standard loans and guarantees on standard terms are not an effective way of dealing with the deep economic problems of Russia. It is not helping them and it certainly is not helping us and the U.S. taxpayers.

So I propose a two-stage approach to providing new assistance to Russia. The first stage of assistance would be short term. It would take effect immediately. Stage one would assist Russia through its current crisis, until the multilateral community is able to solve the larger question of debt restructuring.

The second style would provide a more balanced package of commercial, technical and humanitarian assistance to complement what the multilateral organizations some of the other bilateral donors have done. Here is how the plan would work:

In the first stage, the United States would provide increased food aid to the Republics and use concessional rather than commercial loans to Russia. To aid in this endeavor, I propose to remove the cap on transportation fees in the Food for Progress Program for Russia and the other Independent States during this year, and to suspend cargo preference requirements for these shipments. The Food for Progress Program can provide long-term credit on concessional terms. I urge the Department of Agriculture to target this program so it meets the short-term needs of the Russian people and that it receive commitments by the Russians to pay the arrearage of the GSM–102 debt in the near future.

During this time of budgetary restraint I propose that the cost for these Food for Progress shipments be paid for in part by excluding the former Soviet Union from new GSM guarantees during 1993.

In addition, I propose authorizing the use of existing export enhancement program to reduce costs for the former Soviet Union.

The export enhancement program largely benefits the export of grain.

If the Russian market is as important to the grain industry as they have indicated to me, they should be willing to bear the increased risk of the program which is needed to maintain that market.

I also believe that we should begin the debate on the type of assistance we could provide to Russia when the multilateral process has moved. This second act will provide a balance of commercial and assistance programs that reflect the ability of Russia to repay its debts.

I would also like to see this assistance tied to economic reforms. That means Russia must agree to perform and to accept conditionally on the assistance. The aid must be tightly linked to economic reforms.

A first step should be to establish separate revolving funds for intermediate term agriculture credits and guarantees for Russia and the Ukraine. The Secretary of Agriculture should have substantial flexibility to negotiate the longer terms of repayment in this commercial program, which should be operated through the Commodity Credit Corporation.

Initial funding for the program should be capped to limit the exposure to the U.S. taxpayers. In addition, Russia and the Ukraine should be allowed to draw on credits or guarantees at a level equal to repayments of any debt guaranteed by the Commodity Credit Corporation.

This will provide an incentive for Russia and the Ukraine to repay outstanding debts guaranteed by the Commodity Credit Corporation, or any amounts of GSM-guaranteed debt that is included in a Paris Club rescheduling.

A second step in this stage will be food aid that is targeted to achieve economic as well as humanitarian objectives.

United States agricultural commodities could be sold through the private sector in Russia and the proceeds used to match private funds from United States businesses that want to establish enterprises in Russia or as seed money for Russians that want to start up projects in agricultural distribution, processing, and marketing.

A third step will be enhanced barter transactions. The current financial problems in Russia are not the result of a lack of exports but an inability to retain the hard currency generated from their export sales. Barter sales make sense under these circumstances.

We also need to be more creative in our barter. Food delivered today in Russia could be bartered for delivery of oil, timber, or other resources to the United States in the future.

We might want to look at using GSM or OPIC programs to provide political risk insurance for U.S. companies interested in this type of barter for future delivery. USDA could also help establish a clearinghouse for companies interested in these type of deals.

Obviously devising a new global assistance strategy cannot all be done before the President meets President Yeltsin during the upcoming summit in April.

But I call on the administration to begin discussions immediately with Congress so President Clinton will be in a position to give President Yeltsin definite assurance of vigorous U.S. leadership. Our future, and theirs, depends on it.

Mr. President, a number of things that I suggested today are going to be controversial. When we start examining our aid levels to other countries in order to find money for more aid to Russia because we decide it is in America's security interests, we are going to hear from lobbyists for every single country now receiving foreign aid saying, "But don't touch ours." We cannot afford everything, Mr. President, and every single country receiving foreign aid today ought to be on notice that the United States must look first and foremost to its national security interests, and responding effectively to the crisis in Russia is in our national security interests. If we have to take money from other countries of lower priority to do it, that has to be carried out.

Limiting or removing cargo preference is also going to be controversial but, again, we have to ask what is in the best interest of the United States, and this step may well be in our best interests. There will be some farm lobbyists who will complain about what I propose on the export enhancement program but, again, we have to decide what is in the best interest of the United States of America and world peace. Those should be the fundamental questions. We ask ourselves as we consider how to respond to be situation in Russia.

We should not allow special interests from any group whatsoever to deter us from doing what is in the best interest of the United States of America, first and foremost. We have to determine what are the steps that will help bring about stability and democracy in Russia so that we do not have to protect our security interests in the future by adding another $100 billion to our defense budget. That is the real prospect we face if Russia becomes an undemocratic country with 20,000 nuclear warheads within its borders.

Mr. METZENBAUM addressed the Chair.

The PRESIDENT pro tempore. The Senator from Ohio [Mr. METZENBAUM] is recognized for not to exceed 5 minutes.

Mr. METZENBAUM. Mr. President, I ask unanimous consent the Senator from Ohio be recognized for a period not to exceed 15 minutes.

The PRESIDENT pro tempore. Is there objection? The Chair hearing no objection, the Senator from Ohio [Mr. METZENBAUM] is recognized for not to exceed 15 minutes.

Mr. METZENBAUM. I thank the Chair and I thank my colleagues on the floor.

(The remarks of Mr. METZENBAUM, Mr. GRAHAM, and Mr. MACK pertaining to the introduction of S. 500 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. GORTON addressed the Chair.

The PRESIDENT pro tempore. The Senator from Washington [Mr. GORTON] is recognized under the previous order to speak for up to 10 minutes.

PUBLIC SCHOOLS REDEFINITION ACT OF 1993

Mr. GORTON. Mr. President, I believe that parents, teachers, and local school administrators in Washington State know far more about educating children than government bureaucrats do. I also believe that school choice will not improve education unless parents and students have real choices. And finally, I am convinced that education reform cannot wait until next year. For these reasons I am proud to be an original cosponsor of S. 429, the Public Schools Redefinition Act of 1993. Yesterday Senators DURENBERGER and LIEBERMAN held a press conference introducing this important legislation and I am pleased to speak in favor of it today on the Senate floor.

Every year we hear reports that our public schools are not improving. Test scores remain low, dropout rates remain high, and new workers continue to lack many necessary skills. But, the innovative ideas necessary to erase this record and renew education in America are not waiting to be discovered—they already exist. In every community, parents, teachers, school administrators, and other community leaders know of specific ways to improve schools. The bureaucracy of the public school system, however, does not allow these ideas to be implemented effectively.

Attempts at public school reform often seem to come from the top down—tinkering with curriculum, altering teaching methods, and trying out new programs. Although these reforms are important, they are beholden to the current system and their results can be scarcely better than marginal. It is time to look at ways to reform schools from the bottom up. The Public Schools Redefinition Act of 1993, will do just that. This bill will allow parents, teachers, and members of the community—these local reformers who

already know what needs to be done—to start their own chartered public schools.

This legislation will provide Federal grants for the planning, equipment purchases, and other startup costs associated with establishing a charter school. In States which already have established charter schools programs, those grants will contain a 5-percent limit on administrative costs. In other States, like Washington, qualifying charter schools may apply for grants directly.

These new charter schools must be outcomes-based schools. They will not be held accountable for the curriculum they teach, but for the performance of their students. Neither will they be subject to the heavy hand of excessive State and Federal regulations. They will be required to comply only with State and Federal regulations on health and safety. This freedom will give local education reformers the chance to put their ideas into practice. The beneficiaries, of course, will be our children.

Charter schools must also be public schools. They cannot charge tuition, teach religion, discriminate, or admit students on a selective basis. The Governor's Council on Education Reform and Funding in Washington State recently recommended that the State encourage choice among publicly funded schools. Charter schools, by providing more and different choices, will serve to expand public school choice both in Washington State and across America.

Mr. President, charter schools are not some wild concept in education reform. Excellent models already exist in both Minnesota and California, and at least a dozen other States are currently considering similar programs at the State level.

Education reform is too important an issue not to act on this year. Although, in an ideal world, I still believe that school choice should include both public schools and private schools, it is time for the Senate to focus on education reform on which we are more likely to agree. Charter schools are both politically viable and effective.

My good friends and colleagues Senators DURENBERGER and LIEBERMAN have expended a great deal of effort in bringing charter schools into the national limelight. I now join them in urging the Clinton administration to include charter schools in any education reform package it may propose.

Mr. President, local education reformers should have their innovative ideas stymied by school system bureaucracies no longer. No longer should parents and students lack real and significant school choices. And no longer should Congress wait until next year to enact meaningful education reform. Therefore I urge my colleagues to join with Senators DURENBERGER, LIEBERMAN, KERREY, and this Senator in support of the Public Schools Redefinition Act of 1993.

The PRESIDENT pro tempore. The Senator from South Dakota [Mr. PRESSLER] is recognized under the order for not to exceed 10 minutes.

BUYERS BEWARE: THE AUTOMOBILE DAMAGE CONSUMER PROTECTION ACT OF 1993—S. 485

Mr. PRESSLER. Mr. President, yesterday I introduced the Automobile Damage Consumer Protection Act of 1993. This legislation addresses one of the most pressing issues currently facing American consumers: automobile title fraud. The time has come for Congress to penalize this crime and protect the consumer.

Every day, many Americans unknowingly buy new or used cars that are rebuilt junk or salvaged vehicles. If repaired improperly, the consumer faces the risks of accidental death or serious injury, as well as increased economic burdens for medical and automobile repair costs. Unintended loopholes in interstate titling procedures facilitate this salvage fraud. Also, there is currently no uniform national law requiring disclosure of major automobile damage when the title is transferred.

As a result, innocent consumers own vehicles with fraudulent titles—titles that have been cleaned up to falsely reflect damage history. This process is known as automobile title washing. Title washing costs consumers nearly $3 billion each year. The root of this problem is simple: Each State treats damaged vehicles differently.

For example, in 1988 my home State of South Dakota passed the most comprehensive automobile damage disclosure law in the Nation. It requires all car owners to report any damage in excess of $2,000 to the State department of motor vehicles. This law protects some but not all South Dakota consumers because it only applies to car sales within the State. The South Dakota law can't prevent interstate title washing. In other words, the main flaw in South Dakota's law is that it does not exist in every State.

With diverse State laws, car owners or sellers can transfer old titles interstate. The interstate transfer cleans them so the new titles no longer reflect previous damage. These clean titles will not list previous damage. Sadly, in these cases, what the consumers don't know could hurt them.

How can we solve this problem? One solution is a national damage disclosure requirement of all States. That is the centerpiece of the legislation I am introducing today, the Automobile Damage Consumer Protection Act.

Specifically, my legislation would mandate a disclosure statement on the title of a vehicle that has sustained damage of $1,000 or more. The concept is to reveal major damage at the point of title transfer. This requirement would apply to all vehicles built new 9 years ago or earlier, which coincides with the Federal Truth in Mileage Act.

Additionally, this bill would establish both civil and criminal penalties for those who willfully and knowingly violate the damage disclosure requirement. Since my legislation would require each transferred title to list major damage to the car, a national uniform title format is necessary. Therefore, my bill would grant the Secretary of Transportation the authority to establish regulations requiring uniformity on all new automobile titles.

Consumers deserve the right to know the damage history of used vehicles they plan to purchase. On this issue, several State governments have demonstrated unquestioned leadership and foresight. I particularly am proud that my home State of South Dakota is leading the charge against title washing or fraud. I commend the legislators in South Dakota for their leadership in enacting State damage disclosure law. I also wish to commend Art and Marie Nordstrom—automobile rebuilders from Garretson, SD. Art and Marie developed the initial damage disclosure idea in South Dakota and labored diligently for years to get it enacted into State law.

Art and Marie are an inspiration to all Americans—they have demonstrated that private citizens still can make a difference. Their law works in the State. Their law can work even better on a national scale. South Dakota has set a standard other States should follow.

Since I announced last week my intention to introduce the Automobile Damage Consumer Protection Act, I have received more than 200 letters from South Dakotans and other Americans who believe strongly in the advantages of this damage disclosure bill. According to Debra Hillmer, director of the South Dakota Department of Motor Vehicles:

> Since the intent of all salvage laws is to protect the consumer, our [South Dakota's] present method of disclosing damage is a very effective means of informing the public of a vehicle's condition. In addition, it is extremely easy to administer in that it does not require that the State make any type of determination as to the condition of the vehicle but still provides the consumer with vital information. If more States adopt this legislation, we may eliminate title washing while providing the consumer with relevant information about the vehicle.

According to one of the main sponsors of South Dakota's law, legislator John Timmer.

> I was one of the prime sponsors of this [damage disclosure] legislation some years ago. In my opinion, this has protected the South Dakota citizen from what certainly was a chaotic and dishonest method of selling previously damaged and rebuilt automobiles. This is a type of law that should be implemented nationally to help with the many problems that other States are having.

Today citizens cross States lines freely, and must have the same protection provided in all of America.

Debra and John are just two of the many, many citizens who sent letters of support regarding damage disclosure. They all agree that consumers should have the right to know the damage history of vehicles they plan to purchase. It is that simple. My bill would raise a red flag to consumers. It would let the buyer beware.

Additionally, since repaired or rebuilt vehicles often consist of stolen automobile parts, damage disclosure represents a tip for law enforcement. Under my legislation law enforcement members across the country stand a better chance to track stolen parts.

Automobile damage disclosure is a necessary consumer protection. I ask my colleagues to support this legislation. I have been a vocal advocate against all types of automobile fraud for years. I will continue my fight for the consumer in the years ahead.

Mr. President, I ask unanimous consent that the text of my bill, S. 485, several letters, an article from the New York Times, and two articles from Automotive Recycling be printed in the RECORD.

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

S. 485

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 "Automobile Damage Consumer Protection Act of 1993".

SEC. 2. MOTOR VEHICLE DAMAGE DISCLOSURE REQUIREMENTS.

The Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1901 et seq.) is amended by inserting at the end the following new title:

"TITLE VII—DAMAGE DISCLOSURE REQUIREMENTS

"SEC. 701. DAMAGE DISCLOSURE STATEMENT.

"(a) IN GENERAL.—Not later than 90 days after the date of enactment of this section, the Secretary shall issue such regulations as may be necessary to require, prior to the transfer of title of a motor vehicle in any State, that the person transferring such vehicle disclose to the transferee, in writing, any damage to the motor vehicle, which occurred during the time such person owned the motor vehicle, if the cost to repair the motor vehicle to its predamaged condition exceeded, or will exceed, $1,000 at the time of the transfer of title. A copy of the damage disclosure statement shall be submitted by such person to the motor vehicle department of the State issuing the title.

"(b) SPECIFIC GUIDELINES.—In carrying out the provisions of subsection (a), the Secretary shall require, in addition to the damage disclosure statement required by subsection (a), that each certificate of title issued by a State on or after the date of enactment of this section include—

"(1) an area for a damage disclosure form, which shall be located on the back of each certificate of title;

"(2) a written statement, which shall be located on the front of each certificate of title, which shall disclose whether previous damage disclosure statements indicate that the motor vehicle has been damaged at one time such that the cost to repair the motor vehicle exceeded, or would have exceeded, $1,000;

"(3) a damage disclosure form, which will enable the person transferring the vehicle to disclose to the transferee any damage to the motor vehicle that must be disclosed under the provisions of subsection (a);

"(4) a diagram of a motor vehicle on which any damage to the motor vehicle that must be disclosed under the provisions of subsection (a) is to be indicated by circling the damaged area(s) on the diagram; and

"(5) a written statement indicating that damage disclosure is a requirement of Federal law.

"(c) UNIFORM CERTIFICATES OF TITLE.—Not later than 180 days after the date of enactment of this section, the Secretary shall prescribe by rule the form and content of all certificates of title.

"SEC. 702. FAILURE TO REPAIR.

"In carrying out the provisions of this title, the Secretary shall provide that the failure to repair a damaged motor vehicle to its predamaged condition, when the cost of such repairs would have exceeded $1,000, shall not exempt any person from the damage disclosure requirements of this title.

"SEC. 703. RECORD-KEEPING REQUIREMENT.

"In carrying out the provisions of this title, the Secretary shall require each State to establish and maintain records of all damage disclosure statements submitted to the State in accordance the provisions of section 701(a). The State shall include these statements in the title history of the motor vehicles indicated in such statements.

"SEC. 704. CERTAIN VEHICLES EXEMPTED.

"The regulations promulgated pursuant to section 701(a) shall not apply to any motor vehicle that—

"(1) is more than 9 model years old at the time of transfer of title; or

"(2) has a gross weight in excess of 16,000 pounds.

"SEC. 705. CRIMINAL PENALTIES.

"(a) IN GENERAL.—Any person who knowingly and willfully commits any act or causes to be done any act that violates any provision of this title or knowingly and willfully omits to do any act or causes to be omitted any act that is required by any such provision shall be guilty of a Class A misdemeanor, as defined in section 3559 of title 18, United States Code, and shall be punished in accordance with the provisions of that section.

"(b) REPEAT OFFENDERS.—In the case of as person's second or subsequent conviction under subsection (a), such person shall be guilty of a Class E felony, as defined in section 3559 of title 18, United States Code, and shall be punished in accordance with the provisions of that section.

"SEC. 706. CIVIL PENALTIES.

"(a) IN GENERAL.—Any person who violates any provision of this title shall be subject to a civil penalty of not more than $2,000 for each such violation. A violation of this title shall, for purposes of this section, constitute a separate violation with respect to each motor vehicle or device involved, except that the maximum civil penalty shall not exceed $100,000 for any related series of violations.

"(b) PROCEEDINGS.—Any civil penalty under this section shall be assessed by the Secretary and collected in a civil action brought by the Attorney General on behalf of the United States. Before referral of civil penalty claims to the Attorney General, civil penalties may be compromised by the Secretary after affording the person charged with a violation of any section of this title an opportunity to present views and evidence in support thereof to establish that the alleged violation did not occur.

"(c) AMOUNT OF PENALTY.—In determining the amount of the civil penalty referred to in subsection (a), the Secretary shall consider—

"(1) with respect to the person found to have committed the violation—

"(A) the person's degree of culpability;

"(B) any history of prior offenses;

"(C) the person's ability to pay the penalty; and

"(D) the potential effect of the penalty on the person's ability to continue to do business;

"(2) with respect to the violation committed—

"(A) the nature of the violation;

"(B) the circumstances of the violation;

"(C) the extent of the violation; and

"(D) the gravity of the violation; and

"(3) such other matters as justice may require.

"SEC. 707. DEFINITIONS.

"(a) CERTIFICATE OF TITLE.—For the purposes of this title, the term 'certificate of title' means a document issued by a State evidencing ownership of a motor vehicle.

"(b) COST.—For the purposes of this title, the term 'cost' means the costs of all parts, frame work, paint and labor.

"(c) DAMAGE.—For the purposes of the damage disclosure statement required by section 701(a), the term 'damage' means damage to the motor vehicle caused by theft, fire, vandalism, collision, weather, submersion in water, or flood. This term does not include normal wear and tear, glass damage, mechanical repairs or electrical repairs that have not been caused by theft, fire, vandalism, collision, weather, submersion in water, or flood.

"(d) MOTOR VEHICLE.—For the purposes of this title, the term 'motor vehicle' means an automobile or a motor truck. This term does not include motorcycles or mopeds.

"(e) PERSON.—For the purposes of this title, the term 'person' includes any manufacturer, distributor, dealer, corporation, or other legal entity or individual.".

GARRETSON, SD,
March 1, 1993.

DEAR SENATOR PRESSLER: We are so excited that the South Dakota Disclosure Awareness Law is being introduced on a national level. It is the answer to many struggling problems.

We had such a mess in South Dakota back in 85, 86, and 87. It took sometimes up to three months to get our titles back. It was hindering our business. It was only the auto recyclers that were having the trouble. Everybody else got their titles back in a couple of weeks.

Back then, we would apply for South Dakota titles and the State Department of Motor Vehicles office would analyze what type of title we should get—regular or salvage. Most of the people in the office had never been in an auto recycling yard in their life.

Art knew there had to be a better way. We kept hearing stories after stories of consumers getting "surprised" by finding out the new or used car they had just bought had been wrecked. Many many times a consumer would get a new car and were so excited, only to go to a quick lube for an oil change and the service man say, "Gee, you've already had an accident?" The consumers were

devastated because they would find out the hard way that the car they had bought had been damaged and fixed and they had not been told. Art and I were thinking—there has to be a way to alert these consumers.

We milk Holsteins besides our auto salvage and you can bet when Art milks—that is the thinking time. He came up with the damage disclosure at title transfer time idea. We typed up a crude sheet and thought and thought about it.

In 1987, the Department of Motor Vehicles, in conjunction with the new car dealers, was going to introduce a HORRID titling bill. It was a title branding law that zeroed in on only insurance company titles. They thought that was the answer. It was not because it would miss many many situations when a title is handled, but not by an insurance company. Honestly, it would have put people out of business.

We, the auto recyclers, went to Pierre in numbers. We don't have great numbers here in South Dakota, but we had cooperation. We got the proposed bill defeated. We got the Legislators ear. I think they were intrigued with this bunch of sincere "mavericks" as they called us. They told us to come up with a better idea. Art and I looked at each other—we had the answer *The Damage Disclosure.*

At first, our own recycling people looked at it crosseyed. It was a NEW DIFFERENT idea, but then when they sincerely looked at it, it was great! It would work! We recyclers went forward and started explaining and got an attorney to help write the proposed law. After we explained it to the Department of Motor Vehicles many times, they realized it was sound. They were different things to work out, but it would work. It would not miss all the situations we had heard about. It was an avenue for theft vehicles for the highway patrol too.

Art and I spent many many hours on the road to Pierre and back. We couldn't stay like most lobbyists. We had to come back and take care of our small business and for us, our Holsteins.

It was passed in 1987, *it is working!* It is such a fair consumer law. The consumer has the right to know. It also gives the dealer taking a trade the right to know.

We are proud to have come up with an idea that could solve a problem all around the country.

We support you.

Sincerely,

ART AND MARIE NORDSTROM,
Nordstrom's Auto Recycling.

SOUTH DAKOTA DEPARTMENT OF REVENUE,
February 25, 1993.

Senator LARRY PRESSLER,
Washington, DC:

With regard to your request for information on South Dakota's damage disclosure law, we offer the following.

South Dakota's damage disclosure law was implemented in 1988. Prior to its implementation, a salvage branding law was in effect which put our office in the position of determining whether or not a vehicle met the definition of salvage. One of the problems we experienced with our previous salvage law was the misconception of "total loss". An insurance company may total loss a vehicle for reasons other than damage to the vehicle. Because of this, it was very difficult to determine the actual damage to the vehicle and not having staff with expertise in automobile repair, we were at a real disadvantage. With our present damage disclosure law, total loss is not an issue.

Since the intent of all salvage laws is to protect the consumer, our present method of disclosing damage is a very effective means of informing the public of a vehicle's condition. In addition, it is extremely easy to administer in that it does not require that the state make any type of determination as to the condition of the vehicle but still provides the consumer with vital information.

If more states adopt this legislation, we may eliminate title washing while providing the consumer with relevant information about the vehicle.

Sincerely,

DEBRA A. HILLMER,
Director, Division of Motor Vehicles.

SOUTH DAKOTA MOTOR VEHICLE
RECYCLERS ASSOCIATION,
February 26, 1993.

DEAR SENATOR LARRY PRESSLER: Thank you for your interest in consumer awareness legislation related to the repair and resale of damaged vehicles. I hope a law can be passed on the national level that will avoid the pitfalls that the various states have wrestled with for the past decade.

Branding titles of insurance company totals has been tried in many forms, in many places, but has always fallen short of a consumer awareness objective. They fail mainly because a very large percentage of severely damaged vehicle titles escape branding. These vehicles unavoidably fall through the cracks, as they weave their way through a bureaucratic maze of regulations striving to identify those so severely damaged that they should qualify for some designation to alert a potential buyer. Many severely damaged vehicles are repaired by insurance companies, and of course there is no permanent record of this available to the consumer.

The designation "totaled" can hinge upon something so inconsequential as who had the vehicle repaired. If the owner has the unit repaired, and then sells or trades it, the title avoids branding, while the vehicle may have undergone major surgery.

Title branding also fails to encompass such things as uninsured or self insured vehicles. Since the cracks and loop holes like this are numerous, title branding not only fails in its objective, but may actually give false assurances to purchasers.

There is consumer awareness legislation that is direct and comprehensive. It keeps the transaction between the buyer and seller, requiring the seller to disclose collision damage, in writing, as part of a normal title transfer. The state then keeps these records as part of the title history, available to the public.

The South Dakota Department of Motor Vehicles has done a commendable job of implementing this legislation on a state level. I respectfully submit that this would be a logical approach for national legislation.

Sincerely,

BUZZ NELSON,
Board of Directors.

JOHN & HEN TIMMER,
Sioux Falls, SD, February 25, 1993.

DEAR LARRY: I have been informed by Art Nordstrom, that you are planning to introduce federal legislation along the line of the South Dakota Damage Disclosure Act. I was one of the prime sponsors of this Legislation some years ago. In my opinion this has protected the South Dakota Citizen from what certainly was a chaotic and dishonest method of selling previously damaged and rebuilt automobiles.

Although I do believe in State's Rights, this is a type of law that should be implemented nationally to help with the many problems that other states are having. Today citizens cross state lines freely, and must have the same protection provided in all of America.

Good Luck in the passage of this Bill!

Sincerely,

JOHN TIMMER.

MITCHELL, SD,
March 1, 1993.

SENATOR PRESSLER: For my benefit, along with many others, a group of South Dakotans worked together to form a law known as the South Dakota Damage Disclosure Law. This law provides every consumer with the opportunity to see just where the car they are considering buying has been and what work, if any, has been done to it.

Without this law, many consumers like myself could be talked into buying a car that was not properly fixed, causing a more serious accident to occur than if the automobile had been properly fixed by the previous consumer. If the South Dakota Damage Disclosure Law can help protect *me* from injury and added expense, I believe that every consumer should be able to benefit from the work of this group. I would like to thank these people for thinking of me, as I'm sure many others who benefit from this law will do.

Thank you, Senator Pressler for taking the time to hear what South Dakotans have to say.

Respectfully yours,

KATHY EVERSON.

A–1 AUTO SALVAGE,
Rapid City, SD.

SENATOR PRESSLER: It is our understanding you would like some letters stating that a National Damage Disclosure Statement like the State of South Dakota has would be in the national interest.

It has made our job dealing with vehicle titles simpler. As salvage vehicle dealers that sell parts we also sell rebuilders, we feel that a National Damage Disclosure statement would protect the public from the type of thing that "60 Minutes" showed on their Feb. 21st program. The people of South Dakota are already protected and we feel it would be in the best interest of the people of our nation to have uniform protection the Damage Disclosure would bring to all.

Respectfully,

EDWARD, BEVERLY, and TONY GRIFFITH.

DAKOTA CLAIMS SERVICE.

DEAR MR. PRESSLER: We are insurance adjusters, and handle total loss settlements on automobiles. I feel it is important to have uniform title and damage disclosure laws in all States to protect the consumer.

Sincerely,

HERMAN PETERSEN,
Manager.

WESTERN BANK,
February 26, 1993.

DEAR SENATOR PRESSLER: I want to encourage you in the proposal of the Federal Damage Disclosure Law.

In South Dakota, it is a good awareness law that helps those of us in the banking industry.

It helps us know what type of collateral we have securing our notes. We can look at the title of a vehicle and check the disclosure. Also if there is a question, we know we can receive the history from the Department of Motor Vehicles.

It seems to be a fair and honest law to let the buyer or seller know if there's been previous damage.

Sincerely,

EVAN INGEBRIGTSON,
Vice President.

LONG PRAIRIE, MN,
February 26, 1993.

SENATOR PRESSLER: I am the Sales Manager at one of the midwests largest, repairable dealerships, located in Minnesota. I am in favor of a full disclosure on ANY and ALL vehicles that have sustained body damage, whether or not if the insurance company has fixed or adjusted out that vehicle.

I believe that you, me, your mother, a used auto dealer and new auto dealers have the right to know if any particular vehicle has sustained any body damage. Let's face it, roughly 60–80 percent of all vehicle will be damaged, we can't just throw them away, the collision repair industry will fix them. A true "Awareness" bill will cover all cases, not to discriminate against one segment of the industry.

Repairing and recycling damaged vehicles is common place. Full disclosure of all vehicles will allow the private consumer, new and used auto dealers to make an informed decision about the purchase of that vehicle.

Sincerely,

PHILIP B. STUEVE.

VIRGINIA BEACH, VA,
February 25, 1993

DEAR SIR: This concerns car repair disclosures.

To increase the safety to consumers, it is recommended that all substantial damages and repairs done to all cars, regardless of circumstances, be disclosed.

If a car has been evaluated as "totaled" by insurance or other companies, it is considered that some of these cars can still be economically restored to a safe condition. But at the same time, cars involved in accidents but not "totaled" may undergo considerable repairs which would not necessarily restore the car to a safe condition.

For example, in 1983, my car, a 1980 Oldsmobile, was "rearended" by a truck but rather than being "totaled" as I had hoped, my insurance company had $4,500 of repairs made. While the repairs were expertly made, I could have had the car "cosmetically" repaired, pocketed the insurance money, immediately sold the car without revealing the extensive damage.

As another example, in 1979, I was a new and used car salesman in California. Despite their reputation, car salesmen are nevertheless excellent car evaluaters. It surprised me that seemingly respectable people would attempt to convince me that their trade-in car had never been in an accident. Yet the trained eye could spot evidence of extensive repairs due to an accident. If the trade-in was accepted (it usually was), it was expertly cleaned up (detailed) and resold but if it was not "pleasing to the eye", it was wholesaled to other dealers. The point is that a consumer might also detect the repairs but would not know the true extent of the damage or if the car had been safely repaired. And after all, the dealer's safety check was, "Do the lights, horn, brakes and muffler work and are there any cracks in the windshield?"

Disclosure of substantial damages of all cars will improve the safety of the consumer.

Sincerely,

MANUEL ROJO, Jr.

LONG PRAIRIE, MN,
February 26, 1993.

SENATOR PRESSLER: We are the owners/operators of three repairable lots, two in Minnesota and one in South Dakota.

We are in favor of full disclosure on all vehicles that have received body damage. We would like to see a uniform title for all states that would have a damage disclosure and the history of the vehicle, like SD's title.

We believe a uniform, full disclosure is the only fair way for all parties concerned.

With a uniform, full disclosure title, the used car buyer, whether individual or dealer taking a vehicle in trade, would be fully informed about the vehicle.

Sincerely,

JAMES R. AND SHARON K. HENRY.

FEBRUARY 27, 1993.

DEAR SENATOR PRESSLER: I would like to voice my support for your bill to adopt South Dakota's titling law as the nations standard.

I feel that all consumers have the right to know the history of the car they are buying. This purchase is the largest some will ever make and 2nd for most of the rest of us.

I do however have one suggestion related to this. That is rather than Salvage always appearing on a title I feel that when the vehicle repairs have been made and an inspection of the vehicle has been done by a certified shop then and only then I feel the title should be Branded Rebuilt. This way a consumer knows that the car has been properly repaired. I think we could go one step further in that we not allow a license to be issued to the car unless it is inspected and a Rebuilt is on the title.

I am involved with Graham's Salvage in Sioux Falls, SD and myself I own 2 rebuilt cars. One I drive and one my wife drives. I have had another that my daughter drove for several years until she got a new car. I feel that they are perfectly safe or I would never have trusted my family in them.

One other thing I would like to point out and that is States should be consistent as to what a salvage car is. By this I mean if you go to the Insurance auctions as I do you see cars listed as salvage that have no or little body damage. These maybe theft recovery's etc. To say this is a salvage car is sad as some people would never buy it just because it said that on the title. And as we all know we have limited resources in the world and should recycle as much as we can.

On the other hand at the auction I see cars that have no chance of being safely rebuilt sell for so much that the only reason is to buy the title and the VIN number. To eliminate this, these types of cars should be issued Junking Only certificates not titles.

Thank you for listening and please feel free to contact me if I can be of any help to you.

Sincerely,

MICHAEL A. COOPER.

[From the New York Times, May 6, 1989]

REBUILT CARS: STATES SEEK MORE DATA FOR BUYERS

(By Michael deCourcy Hinds)

Legislation that requires automobile dealers to tell customers when a "used" car is actually a body shop's assemblage of salvaged parts has been approved by about two dozen states and is being considered by others. The states are acting to cope with a boom in the unregulated market for rebuilt cars.

"Rebuilt cars are not necessarily bad, but it's the consumer's basic right to know what he's buying," said James Jacobson, a special assistant attorney general in Minnesota, which is expected to pass legislation soon.

The Minnesota law, which body shops do not oppose, would require an auto dealer to tell a buyer that a car had been rebuilt. The title document would carry the word "rebuilt" to protect those who might purchase the car directly from the owner later.

"It's a first step," said Mr. Jacobson. A legislative committee is to hold hearings on whether auto rebuilders should be licensed, whether rebuilt cars ought to be inspected for safety before they are sold and whether consumers should be informed of all major structural repairs," he said.

Rebuilders, which are specialized body shops, say that in states where consumers are informed about rebuilt cars, prices fall by 10 to 30 percent. As a result, as states pass disclosure laws, rebuilders move to those that do not require disclosure.

"We didn't have a problem three years ago," said Scott J. Lambert, a spokesman for the Minnesota Automobile Dealers Association. "Then Illinois, Iowa and South Dakota passed title-branding laws and our dealers began seeing flatbed truck after flatbed truck bringing in wrecks to be rebuilt."

EXPENSIVE PARTS

Sales of rebuilt cars appear to be increasing rapidly, state officials say, but there are no national or state sales figures and no national trade organization to speak for the auto rebuilding industry. One reason for the growth, operators of salvage yards say, is that used car parts have become so costly that insurance companies find it less expensive to settle accident claims by proclaiming that a car is a total loss, when actually it could be repaired.

For example, an insurance company would lose $4,000 if it paid a $4,000 claim on a vehicle valued at $10,000, but it would lose only $2,000 if it declared the car "totaled," paid the owner $10,000 and sold the car to a salvage dealer for $8,000. Rebuilders then buy the wrecks, combine them and recondition them.

Federal safety agencies do not have standards for cars built from salvaged parts. And Illinois is the only state with a mandatory safety-inspection program for rebuilt cars. "They're doing very well in the tests so far," said Ron Bauman, a spokesman for the Illinois Department of Transportation. About 60 parts of rebuilt cars are required to be inspected, he said. But welded scams, critical components of rebuilt cars, are not on the inspection list. Mr. Bauman could not explain why.

Other states are considering tighter regulations for rebuilders, but the main legislative thrust has been for disclosure on title documents. New Jersey has a disclosure law, but New York and Connecticut do not.

South Dakota passed the most comprehensive disclosure law in the country last year. It requires all car owners to report any damage in excess of $1,000 to the Department of Motor Vehicles. Prospective buyers can ask to see this report.

Disclosures may discourage some consumers, but not others. Last fall, Rodney S. Smith of Bloomington, Minn., paid a used car dealer $10,100 for a 1987 Ford Thunderbird, only to discover that it had been rebuilt and needed $3,000 in further repairs.

After the state attorney general interceded, the rebuilder, Competition Products in Anoka, Minn., refunded Mr. Smith's money: he then bought another Thunderbird. The rebuilder maintained that the car needed only $100 in repairs and was safe. Last

month, it sold the car to Kirk Grupa of Elk River, Minn., for $9,600. Mr. Grupa said he knew the car's history, but was not deterred. "If I can't see any problem, then I'm not too concerned," he said.

CLEAN INDUSTRY

Insurance companies favor disclosure laws. "We want to know what we're being asked to insure," said James A. Stahly, a spokesman for State Farm Insurance. The company does not charge a higher rate for rebuilt cars, he said, but it inspects them before issuing insurance.

Only a minority of shops do poor work, say rebuilders. "It's a clean industry," said Scott C. Anderson, executive director of the Minnesota Automobile Rebuilders Association, which was founded this year and has 343 members.

Rebuilders say disclosure laws should not be enacted on a state-by-state basis, but by the Federal Government.

"Then there would be no incentive to move cars all around the country," Mr. Anderson said. "If the market price for rebuilt cars went down everywhere, rebuilders would not be hurt; they would just pay less for salvage parts."

[From Automotive Recycling, January–February 1993]

LAST WORD

Auto theft is a lucrative "professional" business. Without stricter laws and tougher law enforcement, innocent citizens will continue to be harassed by violent auto thieves. Consumers and legitimate auto industry workers are sick and tired of paying the high price of criminal activity.

Last April, I sponsored the U.S. Senate version of H.R. 4542, the Anti-Car Theft Act. After discussions with national and South Dakota auto interest groups, I found that provisions in the original bill regarding parts marking would be economically burdensome to small auto salvage parts dealers. I concluded that the bill did not accomplish its aims and feared the parts-marking provisions actually would harm the legitimate business interests of auto dismantlers and parts salvagers.

Later, representatives Schumer and Dingell came to a compromise on the marking and labeling provisions in H.R. 4542. The new version of H.R. 4542 is a far better piece of legislation than was the original bill. However, I still had reservations when the bill came to the Senate. I discussed my concerns with the various auto industry interest groups who had opposed the bill earlier. They all assured me that this compromise was the best possible and each endorsed the bill.

I worked closely with automotive industry groups to ensure that the auto theft legislation did not impose unwarranted burdens on their businesses. Fortunately, certain protections in the recently-passed compromise measure were designed to protect legitimate auto operations.

First, the car theft bill creates an advisory committee to recommend procedures for auto parts "verification." This advisory committee is charged with determining and developing procedures for verifying parts as not reported stolen that will not harm auto dealers, parts manufacturers, parts recyclers and other auto industry segments. The inclusion of this advisory committee is an integral aspect of the bill. Persons representing various auto interest groups, along with the Secretary of Transportation and the Attorney General of the United States, will participate as members of the advisory committee.

Additionally, the bill clearly distinguishes criminal "chop shop" operations from the operations of legitimate automotive recycling businesses. The legitimate automotive recycling industry is protected. The bill properly defines and targets the criminals who operate illegal chop shops—not the small, primarily family-owned businesses which comprise the legitimate industry.

"Title washing" costs consumers $3 billion a year. In addition, consumers who unknowingly purchase rebuilt junk or savage vehicles face heightened risks of death or serious injury in accidents. "Salvage fraud" could be prevented if it were not so easy for criminals to "wash" brands off titles indicating that the vehicle had been declared junk or salvage. Loopholes in interstate titling procedures facilitate salvage fraud and car theft.

Legislation requiring auto dealers to tell customers when a "used" car is actually a body shop's assemblage of salvage parts has been approved by about two dozen states and is being considered by other states. My home state of South Dakota passed the most comprehensive disclosure law in the country last year. It requires all car owners to report any damage in excess of $2,000 to the Department of Motor Vehicles. Prospective buyers can ask to see this report.

Legislation to combat title washing needs to be nationally uniform if it is to get to the heart of the "chop shop" problem. Legitimate small businesses must no longer be penalized for the criminal activity of auto theft operations. During this session of Congress, we should not miss the opportunity to stop modern day highwaymen in their tracks.

Senator LARRY PRESSLER,
Member of the Senate Commerce, Science, and Transportation Committee.

[From Automotive Recycling, January–February 1993]

GOING AFTER AUTO RECYCLING 150 PERCENT

(By Peter Rolph)

While they operated a 400 acre dairy farm, Art had a habit of buying wrecked vehicles "out of necessity," as he says. He soon discovered he could fix them up and sell them at a profit. Before long people wanted to buy Art Nordstrom's rebuilders before he had even finished them.

Soon Art was buying so many vehicles he began farming out some of the work and still couldn't keep up with the demand. As Art built a reputation for quality rebuilt automobiles, he began advertising in trade publications which got the Nordstrom name known to people well beyond their hometown of Garretson and the nearby Sioux Falls metro area, and calls were coming from as far away as Minneapolis.

Not only did the Nordstroms sell rebuilt autos, but they also sold recycled parts. Eventually more and more callers began looking for recycled parts. As the focus of the business shifted, Art and Marie Nordstrom developed a reputation among private salvage contractors for paying a fair price for vehicles, and they've had a well-stocked inventory ever since. Private contractors have always approached them, and they have no problem obtaining about 130 vehicles on average each month. Not all are dismantled, as some still leave the facility as rebuilders.

Nordstrom's takes a cards-on-the-table approach to dealing with contractors. They essentially say, "Hey, we both have to make money on the vehicle, so let's agree on a fair price that lets us do that right now."

GOLDEN RULES

Nordstrom's has always run on a couple of golden rules: treat customers with absolute respect and fairness and never stop looking for ways to improve the operation. This approach established two essential ingredients for transforming any business: a loyal customer base and a willingness to change. A third ingredient—seemingly boundless energy—seems to have been in place all along.

"We go after everything 150 percent," said Art in describing how Nordstrom's has gained its position in the local recycled parts market over the years. "We've based everything on the philosophy of treating customers as we would want to be treated."

"We enjoy helping people most of all," says Marie. "I know it sounds corny, but it's not to us."

Service is a big part of the business. Parts are priced with a certain amount of profit built in so that they can afford to spend extra time and energy taking care of customers. They seek out body shops and repair shops to do any work their customers may require. Heavy parts are guaranteed for 99 days and all others for 30 days. The repair/installation shop the Nordstroms just opened in Garretson "opened another outlet for us and also helps our customers because many shops don't sell recycled parts," says Art.

The facility underwent a major transition when Art and Marie's son, Shannon, returned five years ago from studying electronic communications in college. Shannon had decided he wanted to help his parents transform the business, and went to work at the parts counter and looked to fully computerize the facility.

Shannon had proved his expertise on the sales counter by winning an annual "counterman's contest" three years in a row, so he knew his inventory and knew what he was looking for in terms of an inventory system. Art, Marie, and Shannon all agreed that although their "in your head" inventory system worked well enough, it wasn't going to take them to the next level of auto recycling. When Shannon finally selected a computer system he was certain would fit their needs, he pointed out to one salesman who asked why his particular system wasn't purchased, "You had a Cadillac (computer system) and all we needed was a Cavalier." Shannon notes with some satisfaction that the very next year that company came out with a "Cavalier" inventory software package.

Of course, simply having a computer didn't propel Nordstrom's to new heights of success. As it is, not all of the vehicles and parts are part of the computer inventory. The system simply paved the way for Nordstrom's to expand their scope and analyze how they were doing business. Not that business was suffering before Shannon came back on board, but Art still credits his return with helping transform the operation.

GETTING THE WORD OUT

In addition to the computerized inventory, Art, Marie and Shannon stress the importance of their advertising, which leaves virtually no stone unturned, as another key to their success. They started out by advertising rebuilt automobiles in a trade publication published by a local association and have never stopped exploring new advertising methods and approaches. From billboards to racetracks, to sponsoring a "smash for cash" event during the seventh inning stretch at the local minor league baseball park, Nordstrom's works at getting the word out. They work on their own radio spots for AM and FM radio, have billboards, and are

heavily involved in their community of Garretson and nearby Sioux Falls.

Nordstrom's also does the "little things" like giving customers free satin team jackets after they purchase a certain amount. They've even sent a European customer back to the Ukraine with a Nordstrom's jacket.

Their aggressive advertising approach led to a live call-in radio show. Shannon hosts the show, a consumer-oriented, automotive call-in show that has helped capture a younger market. Art has contemplated television advertising for Nordstrom's, but they all want to make sure they can handle the demand. They are experiencing what Marie calls "one of those happy problems" where they are jumping just to satisfy the customers they have.

Art emphasizes managing the growth of his business. "If we can't handle the business, we can lose it just as fast as we get it," he says.

Growth in sales has reached the point where Shannon says, "Right now we're tearing down by demand. We have the opportunity to get bigger, but we want to make sure we can handle it."

Despite the current pace of recycling as many as 20 vehicles per week, the 16-person staff still has trouble keeping enough "fresh" parts on the shelves, so some of the parts actually bypass the inventory system. "If it's in the yard and we've got a title and we've got a customer, that car is fair game," says Marie.

The approach at Nordstrom's is to try and keep as much as they can on the vehicles rather than dismantling and inventorying unnecessary parts. Labor is not wasted, and by watching the core markets and scrap markets they can still turn unused or uninventoried parts into a profit.

FROM FARM TO RECYCLING FACILITY

When Nordstrom's became a full-fledged auto recycling facility, they immediately took steps to create a unique, state-of-the-art operation. While Shannon was directly responsible for the computer inventory upgrade, his mother, Marie half-jokingly credits him with sparking a general upgrade of the facility itself. The facilities improvement process began when she saw Shannon, who was only a child at the time, trying to use an electric drill while standing in a puddle of water in one of the buildings.

The Nordstroms have always been dairy farmers, and many of the buildings they use in their operation are converted farm buildings which have been through various changes. One building, an 8,000 bushel grain bin, is now used as a circular door rack capable of holding up to 300 doors.

Many ideas for facilities improvement have come about through their involvement with ADRA. The Nordstroms agree that the Association helps keep their enthusiasm high, and they appreciate the sense of professionalism that ADRA has brought about for the industry. Because they operate in a state with a relatively small population of auto recyclers, conventions offer the Nordstroms an opportunity to exchange ideas and get a sense of what's happening in the industry.

INDUSTRY AMBASSADORS

Art, Marie and Shannon are all ambassadors for the auto recycling industry. They cooperate with their competition and work by the ironclad rule of never speaking negatively about another auto recycler. "If somebody comes in bad-mouthing another yard," says Art, "we absolutely don't agree with them, because you can bet they'll bad-mouth your business some other time."

The family are also tireless industry advocates, involved with local associations and the political aspect of auto recycling, particularly with the issue of damage disclosure. In fact, South Dakota Senator Larry Pressler even called in to discuss the issue on Shannon's radio program.

When the issue of damage disclosure became a legislative matter in South Dakota, Art and Marie helped create a loose-knit organization of auto recyclers and body shops to help bring about legislation that was fair and effective, a law that would keep the dollar amount for damage disclosure low, eliminate loop-holes to prevent trade in stolen parts, and protect legitimate businesses, according to Art. Art and Marie became liaisons between lawmakers and businesses and were the driving force behind its passage. The bill passed overwhelmingly, and they are now focusing on getting a similar law enacted at the national level.

Art and Marie are so involved in the political process in South Dakota that they literally went to the state capitol and watched lawmakers open their mail to get a better understanding of how the industry works. They've become highly effective grass roots lobbyists while increasing the clout of the auto recycling industry within the legislature. Although it wasn't really an issue at the time, Art admits the whole process helped get the Nordstrom name out to the public.

A "SPIC-AND-SPAN" APPROACH

To enhance their image even further, the Nordstroms stress cleanliness. Many of their retail customers bring their children, and because they want customers to feel like part of an extended family, they keep their facility neat and welcoming. They've even set aside a room for children equipped with toys and a television. When one woman came in wearing a business suit and remarked that there was nowhere for her to sit, the Nordstroms upgraded the waiting area.

Their retail customers are a varied lot, ranging from wives out picking up parts for husbands to farmers wanting to extend the life of a farm vehicle, to younger do-it-yourselfers.

Nordstrom's also attracts an ethnically diverse set of retail customers. "On some Saturday mornings," says Shannon, "it's like a miniature league of nations, and a lot of communicating gets done by sign language and passing notes back and forth."

Some customers will even come out on Saturday just to sit and watch everything that's going on, and the Nordstroms enjoy the fact that people feel that comfortable.

People, they all agree, are their favorite aspect of the business, and helping customers is what makes their facility more than just a paycheck for the Nordstrom family. Parts are priced flexibility because Nordstrom's is after what Art calls the "low economy market." Special exceptions are made for people who may not be able to afford a part but need to drive their car in order to get to work and earn a living. Parts have been sold on credit to people who are down on their luck.

The fact that the Nordstroms have a 400 acre dairy farm across the street speaks volumes about their long-standing emphasis on environmental quality. Everything in the yard is "drained and contained," and they are now participating in the ADRA Group Stormwater Permit program. When all the fallout from U.S. Environmental Protection Agency regulations began to affect the industry several years ago, Art says Nordstroms was "already ahead of the game because we've always been so very fussy about that."

So much about Nordstroms symbolizes an overall uniqueness and a sense of purpose. In virtually every aspect of the business, Art, Marie and Shannon have done something to distinguish themselves and make a positive statement on behalf of the entire industry. At Nordstrom's, it seems that nothing gets done unless it is done 150 percent right.

CLEAN DRINKING WATER

Mr. PRESSLER. Mr. President, I am working very hard on an appropriation for a water pipeline in my State. Legislation I sponsored authorizing the mid-Dakota rural water system was passed by Congress and signed into law last year. I shall be visiting with members of the Appropriations Committee and other appropriate committees regarding this.

In this day and age of fiscal cutbacks, only projects of the greatest public health can be brought forward. In this case, we have a situation in South Dakota and several other States where the ground water has become polluted, either from the use of chemicals or fertilizers or from natural occurring nitrates. This is a public health problem.

Nothing is more important to the health of the ranchers and farmers and people living in towns and cities, as well as visitors and tourists, than good, clean drinking water for human beings, as well as for livestock. Funding this project will achieve that.

Throughout the upper Midwest, it has become a public health issue. It is amazing, when the air is so clean, but it occurs. There are natural pollutants in the ground well water and there are also pollutants that come from the use of certain pesticides and chemicals.

The Missouri River has a great deal of potable water. I am working with my colleagues in our congressional delegation and from other States on other similar projects.

I am proud of the citizens of South Dakota who have come here to speak for it. I ask unanimous consent that a description of the project, my opening remarks on the bill, and a letter I sent to President Bush on the project be printed in the RECORD at this point.

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

MID-DAKOTA RURAL WATER SYSTEM

The Mid-Dakota Rural Water System is a proposed rural domestic water system which will provide a dependable supply of high quality drinking water for rural, domestic, and municipal users throughout a twelve county area of central South Dakota. The project area would provide high quality Missouri River water to over 30,000 people in 24 communities and through 3,000 rural hookups in an area covering more than 7,000 square miles. In addition, over 640,000 head of livestock will be provided access to water.

The System would deliver water through a series of underground pipelines throughout

the project area from the Missouri River near the Oahe Dam. Over 2,700 miles of pipeline are currently designed for the System which would have the capacity to pump 7,530,000 gallons of water per day.

The 1992 State Legislature authorized construction of the Mid-Dakota project at a total project cost of $108.4 million with the state committing to provide $8.4 million in grants for construction. Federal authorization of the Mid-Dakota RWS is contained in H.R. 429, the Omnibus Reclamation Act of 1992. The final passage is pending, awaiting the action of a Congressional conference committee. H.R. 429 authorizes a $100 million federal project and provides an 85% federal grant and a 15% federal loan for planning and construction costs. The State grant of $8.4 million will cover the balance of the total project costs.

The federal authorizing language, in addition to the drinking water aspects, provides for a Wetland Trust to be administered by the South Dakota Game, Fish and Parks Foundation. This unique wetland enhancement component has great potential to improve existing wetlands and create new wetlands. The preservation and enhancement of wetlands is in the national interest of which the federal government will contribute 100 percent of the costs of the Wetland Trust. The federal government will contribute $2.7 million for the initial development of the wetland component and $7 million for the federal contribution to the Wetland Trust.

[From the CONGRESSIONAL RECORD, 1992]

MID-DAKOTA RURAL WATER SYSTEM ACT

Mr. PRESSLER. Mr. President, today I am introducing legislation with my colleague Senator DASCHLE to authorize the Mid-Dakota Rural Water System. This water pipeline system would bring clean drinking water to the citizens of South Dakota.

For many years we have attempted to use Missouri River water in a positive way for the citizens of our State. We are presenting this legislation with the support of Governor Mickelson's office, the electrical power community, and other local groups. Mid-Dakota would provide clean drinking water for a large area of eastern South Dakota. It is another step in our long struggle to get fair treatment for South Dakota.

The proposed Mid-Dakota Rural Water System would provide clean, safe drinking water to 29,000 people and 650,000 head of livestock in a 7,000 square mile, 12-county area in South Dakota. The proposed pipeline project is the only feasible means of providing the area with good quality water. Twenty-three towns within the Mid-Dakota area presently fail at least one EPA drinking water standard. If Congress is at all concerned about protecting human health and environmental protection, then we cannot overlook the tremendous good that would be provided by this proposed project. We have a responsibility to protect the health of the people we represent.

I remind my colleagues once again of the sacrifice South Dakota made for the construction of the four Missouri River mainstem dams in our State. In the 1940's, South Dakota agreed to sacrifice over 500,000 acres of farmland for the construction of these dams. The dams have provided hydroelectric power, flood control, and navigation for downstream States. In return for the sacrifices South Dakota made for the construction of the dams, the Federal Government made a commitment to South Dakota. That commitment was to support water development in the State. Since first coming to Congress, I have continually fought for the development of South Dakota water projects. We have had some success in the area of water development during that time with the construction of the WEB project and the rehabilitation of the Bell Fourche irrigation project, but the Federal commitment to South Dakota is far from being fulfilled. The authorization of the Mid-Dakota Rural Water System is an effort to obtain at least a partial fulfillment of the Federal commitment to South Dakota.

Mr. President, the future of South Dakota depends on responsible water development of Missouri River water resources. My goal is to see South Dakotans from border to border enjoy clean, safe drinking water. This proposed project has been planned carefully and great attention paid to the protection of the environment, as well as to the needs of the citizens in the project area.

Many people have put years of hard work into this much-needed water project. I especially commend Julie Apgar, the project manager, for her tireless efforts and selfless dedication to this project. She and countless other Mid-Dakota Rural Water System supporters deserve to enjoy the fruits of their labors. I urge my colleagues to support this important pipeline project.

U.S. SENATE,
Washington, DC, October 21, 1992.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: I am writing to urge you to sign into law H.R. 429, the Reclamation Projects Authorization and Adjustment Act of 1992. The bill contains several provisions that are vital to thousands of South Dakotans.

Two major South Dakota water projects are authorized by H.R. 429. The Mid-Dakota Rural Water System, when completed, will provide safe and clean drinking water to over 29,000 living in twelve counties in central South Dakota. Mr. President, this is most significant since many of these people currently obtain water from wells that fail at least one of the Environmental Protection Agency drinking water standards. The other project, the Lake Andes/Wagner/Marty II Irrigation Unit will help stabilize crop and forage production in south central South Dakota and help offset the effects of droughts which hurt South Dakota's farmers and ranchers.

H.R. 429 also calls for a feasibility study of the Rosebud Sioux Reservation becoming part of the Mni Wiconi Project Act of 1988. Other provisions include additional compensation to the Standing Rock Sioux Tribe for lost tribal lands, an interim water project on the Pine Ridge Indian Reservation and other important provisions regarding wildlife and biological diversity.

Mr. President, please sign H.R. 429 into law.

Sincerely,

LARRY PRESSLER,
U.S. Senator.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, the Federal debt—run up by the U.S. Congress—stood at $4,205,665,223,473.57 as of the close of business on Tuesday, March 2.

Anybody remotely familiar with the U.S. Constitution is bound to know that no President can spend a dime of the taxpayers' money that has not first been authorized and appropriated by the Congress of the United States. Therefore, no Member of Congress, House or Senate, can pass the buck as to the responsibility for this long-term and shameful display of irresponsibility. The dead cat lies on the doorstep of the Congress of the United States.

During the past fiscal year, it cost the American taxpayers $286,022,000,000 merely to pay the interest on reckless Federal spending, approved by Congress—spending of the taxpayers' money over and above what the Federal Government has collected in taxes and other income. This has been what is called deficit spending—but it's really a form of thievery. Averaged out, this astounding interest paid on the Federal debt amounts to $5.5 billion every week, or $785 million every day—just to pay, I reiterate for the purpose of emphasis, the interest on the existing Federal debt.

Looking at it on a per capita basis, every man, woman, and child in America owes $16,373.44—thanks to the big—spenders in Congress for the past half century. The interest payments on this massive debt, average out to be $1,127.85 per year for each man, woman, and child in America. Or, looking at it still another way, for each family of four, the tab—to pay the interest alone, mind you—comes to $4,511.40 per year.

Does this prompt you to wonder what America's economic stability would be like today if, for the past five or six decades, there had been a Congress with the courage and the integrity to maintain a balanced Federal budget? The arithmetic speaks for itself.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Illinois.

Mr. SIMON. I ask unanimous consent to speak for 5 minutes as if in morning business.

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

KRAKOW SYMPHONY ORCHESTRA

Mr. SIMON. Mr. President, the night before last, my wife and I went to the Kennedy Center after we had read that the Krakow Symphony Orchestra from Poland was going to be playing. I have had the privilege of visiting in Krakow. It is a great, old, grand city, a cultural center, a marvelous place, but a place that has had difficulties because of air pollution problems in Poland and from nearby Czechoslovakia, from steel mills. The average lifespan in the Krakow area is about 6 years less than the rest of Poland. Talk about the importance of air pollution. You can see it dramatically.

But in part for sentimental reasons, I went there expecting to hear a reason-

ably good orchestra. What I heard instead was a great orchestra. It was a magnificent concert. It is something of which the people of Poland ought to be proud, and the people in the Krakow area particularly ought to be very proud. The Polish National Alliance and the Polish-American Congress sponsored the tour here. I wish to express my personal appreciation to them because they have enriched my life in the process of what they have done.

Poland is moving ahead economically. I had the privilege of being the chief sponsor of the legislation to provide aid to Poland immediately after the change in that country, a change to democracy. I am pleased to see Poland moving ahead. There are some bumps along the road, no question about it. It is a difficult road. But to President Lech Walesa and the people of Poland, we wish them the best not only economically, not only politically, but we thank them for this cultural contribution. In a real sense, that orchestra was a symbol of the new Poland because of the quality of the presentation that we heard there the other night.

One other little thing that I thought was great. Poland is a country where, unfortunately, when the Nazis moved in you had the decimation of the Jewish population. And, like any other country, Poland was not immune from the problems of anti-Semitism. But I was pleased, if I may say this as a Lutheran, to be there to hear this orchestra. And I assume, like most Poles, they were overwhelmingly Roman Catholic. To have this young Jewish conductor from New York City as the conductor of the Krakow Symphony Orchestra was another example of reaching out to people.

That is what we have to do here in the United States, in the State of Washington, in the State of Illinois, in the State of Kentucky—everywhere in this country. We have to reach out to one another across racial boundaries, ethnic boundaries, and religious boundaries so we do not have the Bosnian kind of development.

Mr. President, I simply wanted to rise to express my appreciation again to the people of Krakow for this magnificent orchestra, the magnificent contribution they made to the culture of the United States through this tour that they have just completed, and my thanks to the Polish National Alliance and the Polish-American Congress for their sponsoring of this event.

THIRTY-SECOND ANNIVERSARY OF THE PEACE CORPS

Mr. DODD. Mr. President, I rise today to call to my colleagues' attention the fact that this week the Peace Corps celebrated its 32d anniversary. I know that all of my colleagues join with me in recognizing this milestone and in wishing the Peace Corps a productive 33d year.

As many of my colleagues know, the Peace Corps has a special meaning to me as I was privileged to serve as a volunteer in the Dominican Republic during 1966–68. It is no exaggeration to say that my period of service was a seminal moment in my life.

In the past 32 years, over 130,000 Americans have chosen to serve their country by helping to improve the lives of the least fortunate in our global village. Peace Corps volunteers embody the highest concept of service. They live in the communities they serve, often under very difficult conditions, and receive only a subsistence allowance.

It is for that reason that President Clinton's call to national service has special resonance for members of the Peace Corps family. As the President develops his service plan, he would do well to look at the Peace Corps model. It is an international service program that works.

For several years now, I have had the pleasure of chairing the subcommittee with jurisdiction over the Peace Corps. In that role, I am very familiar with the wide array of programs that the Peace Corps has developed to meet its mission of promoting peace and friendship to countries around the globe.

Most of my colleagues are aware of the work Peace Corps volunteers have done in the education field as teachers and teacher trainers. With so large a percentage of the developing world under the age of 20, Peace Corps continues to devote considerable resources to this important work. But Peace Corps has also expanded well beyond the formal education sector.

Health care remains an overwhelming challenge for many countries, and the AIDS epidemic has only deepened the crisis. You will find Peace Corps volunteers working on projects in basic health and nutrition counseling, on oral rehydration programs designed to reduce infant mortality, and on developing an AIDS curriculum for use in schools.

Of special interest to many of us is the exciting work volunteers are doing in the environment field. The Peace Corps is one of the largest environmental work forces of any international development organization today. Volunteers are involved in a wide variety of activities including tree nursery development and management, watershed management and agro-forestry promotion projects. They also do work on projects which support the development of national parks and help slow the loss of biodiversity. Volunteers also make significant contributions to wildlife studies and wildlife management.

For most of the developing world, the agriculture sector remains the key to a healthy economy. You will find volunteers developing local sources of improved seed, improving pasture and range management, and helping farmers explore more efficient means of producing and marketing their crops.

There are great projects, but I can tell you the work is not easy. A volunteer needs patience, determination and commitment to build community support to see a project through. But the rewards usually outweigh the difficulties. That's why Peace Corps' slogan is "The Toughest Job You'll Ever Love."

I think it is interesting, Mr. President, that for all the attacks on our foreign aid programs, the one program that has consistently enjoyed strong bipartisan support in Congress and among the American people is the Peace Corps. I think there are a couple of reasons for this. One is the growing recognition that our domestic growth and prosperity is linked to the growth and development of the international economy. Another is the respect people have for volunteers who are willing to forego a decent salary and the luxuries of American life to help the neediest among us improve their lot in life. Peace Corps volunteers represent our most cost-effective development workers. And more than that, they represent the very best in American generosity and good will.

And so, the Peace Corps celebrates its 32d anniversary, I salute volunteers past and present for the contributions they have made in over 100 countries. A great deal of work remains to be done. I wish the Peace Corps continued growth and success as it carries out its mission to make this a more peaceful world for all of us.

PROMISING DEVELOPMENTS IN SOUTH AFRICA

Mr. KENNEDY. Mr. President, the long years of struggle, sacrifice, and patient negotiation by Nelson Mandela and other thoughtful leaders in South Africa are at last bearing fruit. It is expected that sometime within the next year, the country will conduct its first ever one-person, one-vote elections.

This is a time of cautious optimism about South Africa's future. After decades of suffering under apartheid—of economic hardship, exile, imprisonment, and persecution—the long nightmare of black South Africans appears at last to be coming to an end, and the process of healing and reconciliation between the people of South Africa can begin.

But this is not a time to rest on the promising achievements thus far. We and our international partners must continue to support peaceful change and assist in the transition to a democratic government in which all South Africans have an equal voice.

The continuing negotiations over South Africa's future are certain to face difficult challenges from those

who fear change, and who will attempt to derail political programs by creating suspicion and unrest between the peoples of South Africa.

Now more than ever, we must work with the future leaders of the new South Africa and lend our wholehearted support for the process of negotiation and elections over the year ahead. The National Democratic Institute and others are organizing to provide technical and financial assistance for the anticipated elections.

We must make certain that these and other efforts receive full funding and wholehearted support. The stakes are too high to allow this historic opportunity to pass without giving Nelson Mandela and other thoughtful leaders the means to bring peace, freedom and democracy to the people of South Africa.

Mr. President, I ask that a thoughtful analysis of recent developments in South Africa by Allister Sparks may be printed in the RECORD.

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

[From the Washington Post, Feb. 28, 1993]

DEALING FOR DEMOCRACY IN SOUTH AFRICA

(By Allister Sparks)

JOHANNESBURG.—South Africa's seemingly unruly transition from apartheid is moving toward a far more orderly outcome than the bitter discord and waves of political violence would suggest.

Behind the surface squabbling, deals are being struck that within a year are likely to see South Africa being ruled by a five-party coalition government with Nelson Mandela as president.

That "government of national unity," as it is being called, will run the country for five years to give the deeply divided racial and political factions time for reconciliation. After that, there will be normal majority rule.

In terms of the agreements now being reached in a complex series of bilateral negotiations between the major political players—agreements that still must be ratified at an all-party convention—the coalition cabinet will contain representatives of all parties that get more than a minimum threshold of votes in the country's first one-person, one-vote election.

The number of ministers each party gets will be in proportion to the number of votes it polls, and the majority party will name the president.

The president will be required to consult all the parties in the coalition before exercising his executive powers, but on some key issues the multiparty cabinet will be able to take decisions with a two-thirds majority.

Where the threshold is set is obviously crucial to who gets in. President Frederick W. de Klerk's ruling National Party initially proposed a threshold of 15 percent, but has since reduced that to 10 percent. Mandela's African National Congress wants 5 percent, and this now seems likely to be accepted.

The difference offers some insight into the approaches of the two major players. The latest opinion polls indicate that at 10 percent or 15 percent, only the ANC and the National Party would qualify for cabinet membership.

At 5 percent, five parties would be the ANC, the National Party, the black extremist Pan-Africanist Congress, the white extremist Conservative Party and Chief Mangosuthu Buthelezi's Inkatha Freedom Party, in that order.

Given that the ANC is certain to emerge from the election as the strongest party, why should it want a broader-based coalition and the National Party a narrower one?

First, because the National Party would be stronger in a two-party coalition than a five-party one. The ANC is aware that while it may be able to win the election fairly comfortably, the National Party will still wield great influence over the predominantly white bureaucracy and the security forces, which served it during the years of apartheid. If it were the only other partner in a coalition cabinet, the National Party could use those powers more effectively, perhaps to paralyze ANC efforts to redress the racial inequalities developed under apartheid. A diluted cabinet would dilute that ability.

The ANC is also sensitive to accusations by its radical wing, now spearheaded by Mandela's estranged wife, Winnie, that its leaders are overly eager to bed down with the old apartheidists and enjoy the "silken sheets" of political power. A two-party coalition would seem to give substance to that charge.

The third and most compelling argument is that the more inclusive the coalition, the more authentic the "government of national unity." If the radicals of both left and right are included, the chances of destabilizing assaults on the transitional regime will be reduced. It is the power of this argument that I believe will carry the day for 5 percent.

What, then, is the likely composition of the "government of national unity?"

It depends, of course, on how people vote, and in this country where black people have never voted and where authoritarian employers and fearsome security laws have caused blacks to conceal their true political beliefs, opinion polls are notoriously unreliable. Still, they are all we have to go by in the precarious business of political speculation.

Mark Orkin, a polling analyst, offers prediction that he calls "an educated current guess allowing for likely differences in voter turnout." These differences are expected to weigh more heavily against blacks than whites, since blacks are unaccustomed to voting and thousands may never get the identity documents they will need to become voters.

On this basis Orkin predicts the ANC will get 60 percent of the vote in an electorate of about 20 million (total population 38 million), the National Party 17 percent, the PanAfricanists 8 percent, the Conservatives 6 percent, and Inkatha 5 percent.

That would mean that in a 22-member cabinet—the size of de Klerk's present cabinet—the ANC would get 14 ministers, the National Party four, the Pan-Africanists two, and the Conservatives and Inkatha one each.

The liberal Democratic Party, made famous by veteran anti-apartheid campaigner Helen Suzman, and 12 other political organizations that have participated in the constitutional negotiations until now are unlikely to win a place in the cabinet.

But the party could gain representation in the elected Constituent Assembly—which will draft the new constitution and also form an interim parliament while this is being done—where the threshold is likely to be 2.5 percent.

What is striking about Orkin's prediction is the low rating of Inkatha. Chief Buthelezi has gained widespread media recognition, particularly in the United States, with his claim to be "the leader of the Zulu people," who are South Africa's largest black tribe. This has led to his being regarded as a political figure on a par with Mandela and de Klerk.

Yet according to Orkin, the most reliable opinion surveys show Inkatha has about 25 percent support among the Zulus—significantly less than the ANC—and nothing measurable among other Africans.

If that is correct, it means Buthelezi is unlikely to emerge from the election even as a regional leader in the predominantly Zulu province of Natal. Projected nationally, it means Inkatha is likely to win about 3 percent of the total African vote and will have to depend on growing support among whites looking for a conservative counter to the ANC to make the 5 percent cut for a place in the coalition cabinet.

One major uncertainty is whether the radical parties of the left and right, the Pan-Africanists and the Conservatives, will participate in the election or boycott it. Their inclusion in the coalition cabinet would help stabilize South Africa through what is still going to be a difficult transition.

But what is clear is how important it is to hold the election soon, to establish who's who in this tangled scene, who's real and who's a pretender, before South Africa begins drafting a constitution on behalf of "we, the people."

That done, it can then accommodate as many as possible in a founding gesture of national reconciliation.

THE TREATMENT OF THE BAHA'I FAITH BY IRAN

Mr. DODD. Mr. President, I rise today to say a few words about the treatment of the Baha'i community within Iran.

Mr. President, for the last 10 years I have joined with several colleagues in the Senate to bring attention to the desperate plight of the Baha'i community in Iran. I have been compelled to do so because of the clear evidence of widespread and systematic discrimination against the Baha'is.

For the 13 years since the Iranian revolution, Baha'is in Iran have consistently been persecuted, harassed, and discriminated against in all walks of life. Over 200 Baha'is have been killed, thousands have had property confiscated or been dismissed from their jobs, and an entire generation of Baha'is has been denied a chance at an education.

At least in some measure, it appears our efforts have been successful. Last year, 47 Members of this body consponsored Senate Congressional Resolution 43, which called on Iran to improve its treatment of the Baha'i community. That resolution, which passed the Senate unanimously last summer, helped compel the U.N. General Assembly to adopt a strongly worded resolution condemning Iran's persecution of the Baha'is.

This constant drumbeat of attention from around the world can only increase the pressure on Iran to resolve this issue. Indeed, in the past 5 years, the Iranians have clearly taken notice

of the world community's reaction. The March 1992 execution of a prominent Baha'i was the first such execution in several years.

Unfortunately, Mr. President, it is also quite apparent that Iran still has a long way to go. Just how far was made abundently clear 2 weeks ago when a U.N. envoy for Iran released a secret document apparently signed by Iranian President Hashemi Rafsanjani.

The document, the text of which I will place in the RECORD, provides a detailed blueprint for "destroying the Baha'i community." It spells out in detail the manner in which Baha'is are to be denied access to schools, employment, and universities. Moreover, it calls for a plan to confront and destroy the cultural roots of the Baha'is outside of Iran.

This document only serves to confirm what the Baha'i community has known all along: that the Iranian regime seeks nothing less than the total elimination of the Baha'i religion. Such behavior can no longer be tolerated if we truly believe in the international rule of law.

Mr. President, the Baha'i community of Iran doesn't ask for much. It is not a political party or an armed insurgency. It doesn't ask for financial assistance or military support. It asks only for the clear and convincing voice of the world community in asking Iran to bring an end to its blatant discrimination.

This document demonstrates why that voice is needed today—and why we must continue to address this fundamental abuse of human rights in the weeks and months ahead.

I ask unanimous consent that the full text of the document be placed in the RECORD.

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

[Translation from Persian; emphases added by translator]

In the Name of God!

THE ISLAMIC REPUBLIC OF IRAN; THE SUPREME REVOLUTIONARY CULTURAL COUNCIL

Number: 132// . . . .
Date: 6/12/69 [25 February 1991].
Enclosure: None.

Confidential

[From] Dr. Seyyed Mohammad Golpaygani [Secretary of the Supreme Revolutionary Council]

[To] Head of the Office of Esteemed Leader [Khamenei]

Greetings!

After greetings, with reference to the letter #1/783 dated 10/10/69 [31 December 1990], *concerning the instructions of the Esteemed Leader which had been conveyed to the Respected President regarding the Baha'i question*, we inform you that, since the respected President and the Head of the Supreme Revolutionary Cultural Council had referred this question to this Council for consideration and study, it was placed on the council's agenda of session #128 on 16/11/69 [5 February 1991], and session #119 of 2/11/69 [22 January 1991]. In addition to the above, and further to the [results of the] discussions held in this regard in session #112 of 2/5/66 [24 July 1987] presided over by the Esteemed Leader (head and member of the Supreme Council), the recent views and directives given by the Esteemed Leader regarding the Baha'i question were conveyed to the Supreme Council. In consideration of the contents of the Constitution of the Islamic Republic of Iran, as well as the religious and civil laws and general policies of the country, these matters were carefully studied and decisions pronounced.

In arriving at the decisions and proposing reasonable ways to deal with the above question, due consideration was given to the wishes of the Esteemed Leadership of the Islamic Republic of Iran [Khamenei], namely, that *"in this regard a specific policy should be devised in such a way that everyone will understand what should or should not be done." Consequently, the following proposals and recommendations resulted from these discussions.*

The respected President of the Islamic Republic of Iran [Rafsanjani], as well as the Head of the Supreme Revolutionary Cultural Council, while approving these recommendations, instructed us to convey them to the Esteemed Leader [Khamenei] so that appropriate action may be taken according to his guidance.

SUMMARY OF THE RESULTS OF THE DISCUSSIONS AND RECOMMENDATIONS

A. General status of the Baha'is within the country's system

1. They will not be expelled from the country without reason.

2. They will not be arrested, imprisoned, or penalized without reason.

3. The Government's dealings with them must be in such a way that their progress and development are blocked.

B. Educational and cultural status

1. They can be enrolled in schools provided they have not identified themselves as Baha'is.

2. Preferably, they should be enrolled in schools which have a strong and imposing religious ideology.

3. They must be expelled from universities, either in the admission process or during the course of their studies, *once it became known that they are Baha'is.*

4. Their political (espionage) activities must be dealt with according to appropriate Government laws and policies, and their religious and propaganda activities should be answered by giving them religious and cultural responses, as well as propaganda.

5. Propaganda institutions (such as the Islamic Propaganda Organization) must establish an independent section to deal with the propaganda and religious activities of the Baha'is.

6. A plan must be devised to confront and destroy their cultural roots outside the country.

C. Legal and social status

1. Permit them a modest livelihood as is available to the general population.

2. To the extent that it does not encourage them to be Baha'is, it is permissible to provide for them the means for ordinary living in accordance with the general rights given to every Iranian citizen, such as *ration booklets, passports, burial certificates, work permits, etc.*

3. Deny them employment if they identify themselves as Baha'is.

4. Deny them any position of influence, such as in the educational sector, etc.

Wishing you divine confirmations,

Dr. SEYYED MOHAMMAD GOLPAYGANI,
Secretary of the Supreme Revolutionary Cultural Council.

In the Name of God!

The decision of the Supreme Revolutionary Cultural Council seems sufficient. I thank you gentlemen for your attention and efforts.

ALI KHAMENEI.

CONCLUSION OF MORNING BUSINESS

The PRESIDENT pro tempore. Is there further morning business?

If not, morning business is closed.

NATIONAL VOTER REGISTRATION ACT OF 1993

MOTION TO PROCEED

The PRESIDENT pro tempore. Under the previous order, the Senate will now resume debate on the motion to proceed to S. 460, which the clerk will report.

The assistant legislative clerk read as follows:

A motion to proceed to the consideration of S. 460, a bill to establish national voter registration procedures for Federal elections, and for other purposes.

The Senate resumed consideration of the motion to proceed to the consideration of S. 460.

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

The PRESIDENT pro tempore. The absence of a quorum has been suggested. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

The senior Senator from Kentucky is recognized.

Will the Senator withhold until my public address system is working.

The senior Senator from Kentucky [Mr. FORD] is recognized.

Mr. FORD. Mr. President, we are debating the motion to proceed to S. 460. That means that in order to even consider this legislation we must have a cloture vote. Cloture to proceed is good and bad. It depends on which ox is getting gored. I understand that. And the occupant of the chair has been a very strong supporter of protecting the rights of the minority, and I agree with him.

Hopefully, not my persuasive powers, but that of those who support this legislation will be persuasive and we can get cloture and proceed to the bill. Because I am convinced beyond a doubt in my personal opinion that this legislation will assure that the overwhelming majority of Americans will be able to participate in democracy. And they have every right to vote or not to vote, but we are giving them the opportunity and the privilege without jumping through hoops and going over barriers; not to have the responsibility placed upon the individual to go to the courthouse or go somewhere to register.

So we begin our consideration of the National Voter Registration Act of 1993, a bill which I have sponsored with the senior Senator from Oregon [Mr. HATFIELD], now for several years. The bill which we are considering today, S. 460, is an original bill which the Rules Committee reported favorably on February 18, 1993. This bill is essentially the same as H.R. 2, which passed the House of Representatives on February 4, 1993. It is also similar to S. 2, which Senator HATFIELD and I introduced on January 21, 1993, and which is cosponsored by 34 other Senators.

Mr. President, I would like to make one note here at the beginning of our consideration of S. 460. Due to a change in the interpretation of the criminal fine provisions this year by the Congressional Budget Office, there was concern that there might be a technical—and I underscore technical—budget problem with either H.R. 2 or S. 2. It should be noted that the fine provision in these bills is identical to that which has been cleared by CBO in similar Senate and House bills during the past two Congresses. Out of concern that Senate consideration of this most important measure not be sidetracked by a procedural technicality, the Rules Committee proceeded with an original bill, which revised the disposition of criminal penalties.

If there was one clear lesson from the 1992 elections, it was that the American people affirmatively stated that this is their Government. The people want to play an active role in all levels of our Government.

In just the first few weeks of this new Congress we have all experienced the power of the people, who have often voiced their concerns on issues before the Congress. Our phone lines and our mailrooms have been flooded by our constituents, who are genuinely excited about their—and I use this word—rediscovery—rediscovered role in Government. They are making their voices heard.

Supporters of this legislation are encouraged by voter turnout in the 1992 election increasing 4 points from the 51-percent participation rate in the 1988 election to 55 percent in 1992. But it does not mean that voter registration reform is no longer necessary. Rather, voter registration reform is still necessary and is long overdue. Despite the increased voter turnout in November, the fact remains that almost 70 million Americans are unable to participate in our electoral system because they are not registered to vote—70 million Americans.

President Clinton has said we need to reform America by reforming our politics. The motor-voter bill does just that. It reforms our political system by creating a system of registration that will reach every eligible citizen.

Let me say very clearly that supporters of this legislation recognize that no legislation can mandate a higher turnout. But legislation can help make that goal achievable. It can remove registration barriers to voting. We can make the system convenient and more readily available to all eligible voters.

Last year, in an article which appeared in the Brookings Review, scholar Ruy Teixeira wrote in an article entitled "Voter Turnout in America: Ten Myths"—that was the heading of his article. I will quote from his article.

> There are quite a few things we could do to increase voter turnout, some of which are virtually certain to work.

Among those things that are certain to work, he said:

> Simply making it easier to vote by reforming the personal registration system would probably result in increased levels of turnout. * * * My estimate is an increase of about 8 percentage points, which translates into adding about 15 million voters to the electorate—a substantial expansion of voter participation by any reasonable standard.

In fact, Mr. President, of the States with the highest participation where registration is required, Minnesota, Montana, and Vermont ranked the highest. These are States with a motor-voter program. In fact, in a recent CRS analysis of the 1992 election results, it was noted that these were the same States that ranked the highest in turnout in the 1988 Presidential election.

During Rules Committee consideration of this legislation in the last Congress, our present registration system was characterized by an election official as a test of the endurance of the people. That is wrong. Registration should not be an endurance test. It should be—and we can make sure that registering to vote is—a convenient and readily available process. We can ensure that once registered, a person need never register again, so long as he or she remains qualified to vote. We can put an end to unnecessary reregistration by voters who choose to be heard by not voting—by not voting.

Some, even Senators, abstain from voting on committees. And that speaks as loud as a yea or a nay. So they want to be heard by choosing not to vote. And then we penalize them under our present system for not voting.

By adopting this bill, we can assure that the purpose of the election process is not to test the fortitude and determination of the voter, but, rather, to discern the will of the majority. That characterization of the present process is not mine. It was made by a State election official during past committee hearings.

Let us look a minute at what this bill does. It establishes a national voter registration procedure for elections for Federal offices. States will be required to establish voter registration procedures. First, simultaneously with an application for a driver's license; second, by uniform mail application; and, third, by application in person, either at an appropriate registration office or at a Federal, State, or private sectoral location, the so-called agency-based registration.

The bill prohibits purging for nonvoting and requires that the name of a registered voter may only be removed from the list of eligible voters at the request of the voter, by reason of death, by change of residence, or for criminal conviction or mental incapacity, as provided by State law.

Mr. KERREY assumed the Chair.

Mr. FORD. Mr. President, further, the bill provides that any State program or activity to protect the integrity of the electoral process by ensuring an adequate and current voter registration roll must be uniform, nondiscriminatory and in compliance with the Voting Rights Act of 1965. States must conduct a general program that makes a reasonable effort to remove the name of ineligible voters by reason of death or change of residence. The State must complete such a program at least 90 days before a Federal election.

No State may remove the name of a voter from the rolls due to a possible change of address unless the registrant confirms that change in writing or has failed to respond to a mail notice and has not appeared to vote in two Federal general elections following the date of the notice.

Mr. President, this bill is not the example of paternalistic Washington meddling with an activity that should be left to the States. It is a response, and I believe this is the way we should respond, to the pleas of a broad-base coalition that represents many facets of our population. A coalition of people and organizations who have long been active in voter registration activities at the local level.

Pure and simple, it has grassroots origins and grassroots support. And most importantly, it is made of concepts and programs that originated with our State and local election officials and which are working in many of our States right now. Some, such as the motor voter idea, was first proposed, then actively promoted, by State election officials. The bill is an example of Washington listening to and responding to State election officials and others actively involved in the ongoing task of registering voters and getting voters to the polls on election day.

The programs and concepts in this bill are not new or untried. They all have been used in a number of States. They have been proven to be effective and useful. Motor-voter registration, registering to vote simultaneously with an application for, or a renewal of, a driver's license is now in use in some form in 27 States and the District of Columbia. Registration by mail application has been around since 1941 and is now available in 27 States and the District.

Agency based registration is in use in 14 States and also the District of Columbia. It is certain, and this has been conceded by its opponents, that when this bill becomes law, it will increase the number of people on our voting rolls. Getting those eligible voters to vote on election day will be the job of the candidates, the parties and civic organizations. Their time, effort and money now spent on registration drives will be available to be devoted to get-out-of-the-vote activities. By increasing the number of eligible voters, this bill will make an increase in voter turnout possible, and I underscore possible.

Mr. President, let me put it another way that many of us, especially in Kentucky, can relate to. In a few short weeks, college basketball will be in the NCAA championship tournament. As the Final Four approaches, fans are going to become more interested and more enthusiastic about their team, but most of us will end up watching those games on TV because our name was not selected in the NCAA lottery for Final Four tickets. So we will not be there.

And it is like an election. You do not become interested in an election all year out; you become interested as election day approaches, as people begin the debate, as people begin to bring their message to the people. You find the candidate you want to work for and to vote for and, lo and behold, you are not registered because you did not go through the hoops and over the barriers to be registered. You are not there for the Final Four; you do not have tickets at the final games. Only those who were fortunate enough to get tickets early and apply for them early are the ones who are going to the game or, in this case, those who registered weeks before the election get to take part and vote on election day.

But unlike the NCAA ticket lottery, this bill does not leave to chance your ability to participate in the election. Rather, it will assure that everyone will have plenty of opportunities to register to vote. Opponents will say it does not take much to get registered. They say that if you are really interested in participating then "informed citizens" are going to find out about registration procedures. Mr. President, this is an elitist argument. The right to vote is a fundamental right of citizenship. Too many people are being denied that right because they have not successfully maneuvered the confusing maze of registration practices that continue to exist.

If the right to vote is fundamental, why is the burden to register placed upon the citizen? It should be the role of Government to see that every eligible citizen is offered the chance to register in the most convenient and accessible manner possible, and this is what the motor voter bill is all about.

The United States is the only industrialized democracy which has a passive registration system. It is time to create an active voter registration program. It is time to create a system that will reach out to almost every eligible citizen.

Mr. President, whenever I hear my colleagues talk about motor-voter who are opposed to this bill, they always raise the specter of fraud, fraud with a capital "F." Most of that concern has focused on the requirements for mail registration and, in particular, on the fact that the bill would not permit a State to require that a mail registration application be notarized or witnessed.

Mail registration is nothing new to the States. Twenty-seven States and the District of Columbia now have mail registration and only 10 require notarization or witnessing. Some of our most populated States provide for mail registration, including California, New York, Pennsylvania, Ohio, and only one, New Jersey, requires a witness.

A few years ago, the Congressional Research Service studied the experience of the 19 States that had mail registration at that time. Now there are 27. That study concluded that mail registration had not been accompanied by any increase in voter or registration fraud and that there are other effective ways to prevent fraud which were in use by those States.

That study showed that the two most frequently used means to prevent fraud were an attestation on the registration application form by the voter as to voter qualifications and penalties for their violation and a followup mailing to the applicant at the address stated on the application.

Both of these proven methods of preventing fraud are provided in this bill. They have been effective and, at the same time, do not impose unnecessary burdens and procedure on people conducting voter registration drives.

Mr. President, last year the State of Mississippi adopted mail registration. In its consideration of its legislation, the Secretary of State conducted a nationwide study of voter registration with an examination of the potential for registration fraud. The Mississippi Secretary of State concluded that he "could find no evidence of registration fraud. The U.S. Postal Service confirmed that it had virtually no instances of voter fraud."

Further, he indicated that mail registration and a well crafted motor-voter system is an effective and safe means of voter registration.

That is the conclusion of the Secretary of State of Mississippi after he made his own personal survey and installing this procedure in that State.

Mr. President, in addition to the requirements of an attestation clause and followup mailing, the bill includes other antifraud provisions. It makes voter and registration fraud a Federal crime. It permits each State to require that a person who registers by mail make a personal appearance to vote the first time such a person votes.

That was a suggestion made by the other side of the aisle which has been put in this bill and eliminated the concern of several of my Republican friends who had concern about the bill. But that satisfied them and it is now in the bill.

It requires that the States keep their voter rolls current and correct and requires that an applicant sign under penalty of perjury that he or she is eligible to vote—under the penalty of perjury that he or she is eligible to vote.

Probably the most significant antifraud provision of the bill, however, is the motor-voter registration procedure. By piggybacking the voter registration application process onto the system now used to license drivers, voting registrars can take advantage of the motor vehicle agency's procedure for licensing drivers. In most States, the motor vehicles department has the most stringent requirement for determining the identification of applicants. Evidence of date of birth and residence are required. Other identifying information, including a Social Security number, in many instances is included on the form. And each person is photographed and the picture is affixed to the license.

Now, Mr. President, what better or more stringent application and identification procedure could we have for voter registration purposes. About 85 percent of all persons of voting age have driver's licenses and will eventually be processed under such a procedure through new driver's license applications, renewals, and change of address notices.

In each instance, the information provided by the driver's licensing agency will be available if necessary to update and keep the voting rolls current and correct.

Mr. President, I think that after making a fair assessment of all the provisions of this bill, it is correct to conclude that this bill is a strong antifraud measure. It will result in more current and correct voter rolls and will provide the registrars ample means to assure that our elections are as free from election fraud as possible.

Critics now claim that in addition to fraud, noncitizens are going to be registered under the bill. If it is not one thing one day, it is another thing the next day.

The safeguards in this bill are just as effective in preventing noncitizens from registering to vote.

Nothing in this legislation changes the requirements of eligibility to vote. You must still meet every requirement of eligibility. In fact, this bill specifically states in three separate places that the application for registration

must set forth all the requirements for eligibility including citizenship. The applicant signs this attestation under penalty of perjury.

Mr. President, every State requires citizenship as a requirement for eligibility to vote. This is not a change by this legislation.

Let me also point out that in States which have some of these registration programs like Texas, California, and New York, none have reported any instances of aliens registering to vote or voting. And so I think the results are telling.

Mr. President, the motor-voter bill is cost effective. We hear about all the cost it is going to put on the States, but the motor-voter bill is cost effective. Opponents of this legislation will claim that this bill is just another example of so-called unfunded Federal mandates. To illustrate their point, they will present a number of cost estimates.

Mr. President, we have a cost estimate for this bill also. As everyone knows the usual practice is to have a cost estimate prepared by the Congressional Budget Office, and CBO did a very thorough job of analyzing this bill by surveying States and local election officials. CBO has estimated that this bill will cost $20 million a year for the first 5 years. However, CBO has noted that there are several cost savings. For instance, CBO estimates that States will save between $7 million and $10 million in an election year in administrative costs because local election officials will not have to hire part-time staff to assist in registration applications received in the last few weeks before the election as under our present procedure.

In addition, because the main requirements of this legislation are mailings, the bill provides for election officials to use a reduced postal rate that could save the States up to $4 million annually in mailing costs.

Mr. President, the CBO estimate demonstrates that this bill is cost effective. But you do not have to accept CBO's estimate. Just look at the facts where States have adopted motor-voter. Take, for example, the District of Columbia, which has a motor-voter program similar to this bill. In hearings before the House Subcommittee on Elections this past January, the executive director of the D.C. Board of Elections and Ethics testified that "when voter registration costs are examined, motor-voter is by far the most effective method available." In Washington, DC, the cost for a motor-voter transaction is 18 cents including the cost of the registration form.

Now, the director made a comparison study of other forms of registration. Traditional registration drives cost an average of $1.10 per registration. Automatic household outreach mailings go as high as $2.31 per registration. In fact, the executive director testified that the costs for implementing motor-voter are grossly overstated. In the District of Columbia experience, the program was instituted without additional staffing or funding. Let me underscore that. It was instituted without additional staffing or funding for either the motor vehicles bureau or the elections office.

Mr. President, the National Voter Registration Act of 1993 will go a long way to make sure that voting rolls are kept current and accurate so that they can serve as vehicles to facilitate elections rather than obstacles to full participation by our citizens. It will assure that exercising the right to vote will be readily available to all qualified citizens and not a prize reserved for those who demonstrate the stamina and endurance to overcome obstacles to register.

Mr. President, the National Voter Registration Act of 1993 deserves the support of all Members who are concerned about the level of participation in democracy. If we want to be able to maintain the high level of turnout in the 1992 elections, we need to pass motor-voter to ensure that these people remain eligible to vote in future elections.

Mr. President, in passing the motor-voter bill, we can ensure that almost every eligible citizen will be registered to vote. No one will have to stay home on election day simply because they are not registered. Democracy is not a spectator sport. It requires the full participation of all citizens to make our Nation work better. The vitality of our Republic depends upon the strength of our participation. The National Voter Registration Act of 1993 strengthens democracy by making voter registration a convenient and accessible system to secure the basic right of citizenship. I urge all of my colleagues to support democracy by supporting this bill.

Mr. President, I yield the floor.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Ms. MIKULSKI. Mr. President, while waiting for the opposition to this bill to proceed, I ask unanimous consent that I might speak for 4 minutes in morning business.

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

(The remarks of Ms. MIKULSKI pertaining to the introduction of S. 501 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. MCCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. MCCONNELL. Mr. President, here we are again on motor-voter. It keeps coming back sort of like a bad penny.

First let me say, Mr. President, in regard to the overall question of voter participation there is simply no correlation between the number of people who are in effect thrown onto the rolls and the number of people who choose to participate. Voter participation until 1992 had been consistently tracking down since around 1960.

An interesting thing began around 1960, which was that we went into a phase in this country of gradually making it easier to register and to vote. So as we move in the direction of making it more convenient and easier for people to participate to voter over the last 30 years, the one clear thing that happened was the turnout went down.

In 1992, we had an upturn. We will see whether it was an aberration or a trend back in the other direction, with a very dramatic 5-percent increase in turnout in the Presidential election this past November.

It is pretty clear, it has been demonstrated time and time again, that there is no correlation between registration and turnout. So why did people turn out in 1992 when they did not as much in 1988 or 1980 and so on? Clearly they were interested. The voters were activated. They were motivated, and paying attention. They were calling their radio talk show hosts. The candidates were appearing on everything from MTV to Larry King. It was a stimulated electorate.

From all indications the electorate is still stimulated. I know in my office I received—and I heard a lot of other Senators also had—higher volumes of calls this year than ever before on a variety of different issues. The electorate clearly is beginning to get more interested.

This Senator thinks that is a ripple. I am glad. It is terrific. I am glad of that. But I think the effort to browbeat people into participation simply does not produce the desired result. The studies are clear. That is about the only way that can make people participate. It is tried in some countries. In some countries they fine or penalize voters. It has a remarkable impact on turnout.

We have heard passionate speeches on the floor of the Senate about commending the turnout in other countries. I have heard people talk about the Soviet Union having a higher turnout in their presidential election than we did in 1988. Of course, they did. They had not had 1 in 1,000 years. It was a novelty. They were interested. The voters were activated and involved. Of course, they came out.

But clearly there is one thing that will bring the voters out, Mr. President, that is the penalties. I do not advocate that. But if we are looking for a correlation between registration and voting procedures and turnout, there is only one thing that will guarantee a higher turnout. That is penalizing voters.

Italy, Australia and Belgium had the highest turnout among Western democracies—Italy, Austria, and Belgium, the highest turnout among Western democracies. How did they get it? They punish nonvoters. But here in this country we have a right not to participate without fear of reprisal. I think that is a right we ought to respect.

The GAO has studied this issue and noted that "The imposition of relatively small fines or other penalties can have a major impact on voter turnout. Austria, Belgium, and Venezuela impose fines or other penalties for failure to vote."

Listen to this: In Italy the nonvoter is really treated as a pariah. He may have his name posted outside the town hall and his identity papers may be stamped "Did not vote for 5 years;" an outcast in the country.

It is widely assumed that Italian nonvoters are subject to discrimination in employment and other benefits. Not surprisingly, Italy has the highest voter turnout among the industrialized democracies even though it ranks very low in political satisfaction and other attitudinal variables that facilitate voting.

The average voter turnout is about 10 percent higher in countries with penalties for not voting. The causal relationship between penalties and voting is fairly well established. For example, when two nations change their laws on penalties for failure to vote, their turnouts change accordingly. In 1960 Costa Rica introduced penalties for failure to vote and voter turnout subsequently increased by 15 percent.

Fifteen percent in Costa Rica after they institute the penalties.

In 1971, the Netherlands eliminated all penalties for not voting and participation fell by 16 percent. In Australia and New Zealand, failure to vote is a misdemeanor.

There is a great idea. We will make it into a petty crime if you do not vote. It has a remarkable impact on turnout.

Of interest to those who blame our campaign finance system and voter disgust for low turnout, GAO observed, "a popular explanation for our low and still declining"—this is written prior to 1992—"voter turnout is that unlike citizens of other democracies, Americans have become alienated from the political process."

This argument assumes that Americans increasingly believe that politicians cannot be trusted, that government is unresponsive, ineffectual, or even corrupt. Sometimes the alienation is attributed to historical events that have occurred since the midsixties, since the Vietnam war and the Watergate scandal. I suppose all of this is a plausible explanation. It is, however, not supported by cross national research on voting-related attitudes, not research based at all.

Interest in politics, attention to political affairs in the media, and individual political efficacy are consistently higher in the United States than the European democracies. Moreover, United States citizens are more likely than citizens of European democracies to engage in political activity, such as working with others in their communities to solve problems, attending political meetings or rallies, and working on behalf of a party or candidate.

So, Mr. President, if we want higher turnout, you are not going to get it by throwing millions of people on the rolls. There are simply no studies to support that. About all you can do—and I certainly do not want anybody to think I am advocating that—is either coercion or bribery. That is basically the way some other countries established high turnout. Even in those countries, there is no particular interest in politics. They may turn out, but they do not do anything else.

So, Mr. President, this measure, with all due respect to those who support that—and I respect them, and I know they believe it is a good idea for the country—this bill could best be described as a solution in search of a problem.

Registration is not difficult now. It is not difficult now. In looking down the States, there are 10 States that have agency-based registration now, based on State law. There are 27 States who have mail registration. And 27 States already have motor-voter, the measure we are talking about here.

There is nothing to keep any State in the United States today from going to motor-voter, if they thought it was a good idea. Why do we want to take away their discretion, Mr. President? It is not like they were making it tough to vote in the States that do not have motor-voter. It is remarkably easy to register in this day and age.

As a result of 30 years of easing of registration across the country, we have made it pretty darned easy for people to get on the rolls. I have taken a look at what the various States require.

In Alabama, for example, the registration books close 10 days before the election. In Alabama, all a citizen has to do is have some fleeting interest in the election going on, just some thought about it, during any of the 355 days of the year, and they can get registered. The opportunity is only closed off to them 10 days before the election in Alabama. In Alaska, they have mail-in registration; they have motor-voter already and a 30-day registration close period. In Arizona, they have mail-in, and they already have motor-voter, and a 29-day period before the election for the books to close. In Arkansas, it is only 20 days. In California, they have mail-in registration, and it is only 29 days. In Connecticut, they have mail-in, agency-based, motor-voter, 1 day before the primary and 21 days before the general election.

I may read the rest at some point during the discussion, but the basic point I want to make is that I do not find any State in America, not a single one, that has a registration period more lengthy than 30 days before the election.

One State, the State of North Dakota, has no registration at all, and that is an option, obviously. Any State can choose not to have registration at all. My colleague and I know that if we did that in eastern Kentucky, you would never have an honest election. But in North Dakota, obviously, they do not have a problem. I have been told they have never had a case of election fraud in North Dakota in the history of the State. Obviously, it is something they do not do in North Dakota. So it is not a problem for them.

Minnesota has election day registration and other forms of registration. Wisconsin has election day registration. But all of the rest of the States, in their wisdom, have felt that in order to protect the rights of the legitimate voter, there ought to be some registration procedure. But it is clearly not onerous, by any standard.

Any State that concludes, today, that it is a good idea to register voters through the issuance of driver's licenses can do it today. I assume, Mr. President, if the remaining States in the union become convinced over the next few years this is a good idea, they will do it.

But I must tell you, Mr. President—and I say this also to my colleagues—there is no evidence whatsoever that that is going to increase turnout; and that leads to the next issue, which is the question of unfunded mandates. We have a $4 trillion debt up here; we are broke. So it has become increasingly fashionable for us to require of others that which we are not willing to pay for ourselves.

There was an interesting article by David Broder in the Washington Post a few weeks ago, and I think most of us on both sides of the aisle would consider David Broder one of the most objective, fair-minded commentators of the American political scene these days. My suspicion is, from reading the article, that David Broder is essentially in sympathy with motor-voter, and probably thinks it is worthwhile legislation. I differ with him on that point, in terms of the Federal Government making the States do it. But he does raise, I think, a very interesting observation about our propensity around here to pass legislation which requires others to do something and not pay for it.

David Broder, in the Washington Post piece of February 14, in describing this bill, calls it the overhyped motor-voter bill. He says, it is "an example of the kind of underfunded, overhyped legislation that gives Congress and Washington a bad name."

On down in the article, he points out, "they have failed to put their money where their month is. The bill imposes a welter of new duties on the States

and offers them little help in paying for them."

He further points out, "Expanding the rolls of eligible citizens who are registered is no guarantee that the total number of voters will increase."

Mr. President, that is David Broder commenting principally about the issue of unfunded mandates.

I ask unanimous consent that that article be printed in the RECORD at this point.

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

INFLATED EXPECTATIONS

(By David S. Broder)

It is rare that Congress passes a good bill that also sends a bad message. The "motor-voter" bill that whipped through the House early this month and is slated for floor action soon in the Senate is such legislation.

For the most part, it is well-designed to accomplish the worthy purpose of increasing access to the voting booth for millions of American. But it is also an example of the kind of underfunded, overhyped legislation that gives Congress and Washington a bad name.

The purpose of the legislation is to make voting registration easier by combining it with the procedure for obtaining or renewing your driver's license. The bill would also require states to offer postcard registration and mandate outreach to unregistered voters through many of the government offices people deal with every day.

It was approved by Congress but vetoed by President Bush, for not very compelling reasons, last year. An identical bill cleared the House by a healthy 259–160 margin on Feb. 4, and the Senate Rules Committee has slated a meeting for Thursday to send it on for floor debate.

Motor-voter has been tried in a small number of states, with results that so far fail to confirm the fears of widespread fraud that Bush and other Republicans assert is its crippling defect. By building on that state experience, its sponsors have done something that is altogether too rare in Washington. They allowed the design to be field-tested before taking it national.

But, unfortunately, they have done something else that is altogether too common in this capital. They have failed to put their money where their mouth is. The bill imposes a welter of new duties on the states, and it offers them little help in paying for them.

When the nation's governors were in town two weeks ago, President Clinton listened sympathetically to their pleas for a halt to Washington's habit of dumping unfunded mandates on the states. But so far, Clinton has urged Congress to send him the motor-voter bill and hasn't said "boo" about it being another unfunded mandate.

The only benefit the bill provides is about $5 million of postal subsidies for the verification forms states may use to check the validity of registrations. The estimates of what it will cost the states range from $25 million a year up to 10 times that amount. But no one disputes that computerization and manpower costs are going to put an additional burden on strained state budgets. And Congress, with it's usual cavalier attitude, is going to make the states pay.

The other characteristic thing Congress has done is to hype what the bill can be expected to accomplish. During the House debate, speaker after speaker talked as if the measure were a sure cure for the embarrassing gap in voter turnout between the United States and most other democracies.

Those who have studied election laws know better. As the House committee report recommending the bill says, "Expanding the rolls of eligible citizens who are registered is no guarantee that the total number of voters will increase, but it is one positive action Congress can take to give the greatest number of people an opportunity to participate."

Curtis Gans, the head of the Committee for the Study of the American Electorate, who is the authority on these matters, agrees. He points out that Colorado had a 13 percent increase in registration when it introduced motor-voter after the 1984 election, but only a one percent increase in turnout in 1988.

Turnout increased almost everywhere between 1988 and 1992, but the statistics are, in Gans's word, "ambivalent" on whether motor-voter states did any better than those without that registration system.

Still, there's little doubt a great many more people will be on the registration rolls after this becomes law. Currently, only about 65 percent of the voting-age population is registered to vote. But that will rise to more than 90 percent if this measure succeeds in registering every auto license holder. And additional hundreds of thousands will be enrolled by mail or by other government agencies.

The prospect of all these newcomers makes Republicans nervous—even though many of the new registrants are expected to be young people. In two of the last three presidential elections, most young people voted Republican. Some of the Republican rhetoric condemning the bill has been even more exaggerated than Democratic descriptions of its benefits. They have warned of a "monstrous bureaucracy" exposing "our electoral system to terrible abuses."

In the Senate, diehard Republicans are threatening a filibuster to delay or block the measure. Rather than go down in flames, Republicans could more usefully try to improve the bill's verification procedures, which are vaguer now than in earlier versions. They could also reasonably insist that a wide variety of state offices, serving many constituencies, be required to offer voter registration forms—not just the welfare and unemployment benefits offices mandated in the Democratic bill.

And, most important of all, the Republicans could pressure the Democrats to guarantee that the federal government will pick up its share of the costs of this bill instead of loading them onto the states.

Mr. MCCONNELL. Mr. President, we ought to, if we are going to pass this legislation—particularly when I think of States like California, I have here in my hand an article about 6 months old, and it kind of sums up California's financial condition.

The headline says "California Strains To Pay Workers, Avert Bankruptcy." We all know that California has been described as in the midst of a depression, not recession. The State government was issuing IOU's last year and taking all kinds of draconian steps to cut back to size of the Government. They tried raising new taxes a couple years ago. That did not do any good. California is in a severe governmental crisis.

California is one of those States which in its wisdom has chosen not to go to motor-voter. They may do that someday, if we allow them to continue to have the option to make that decision themselves.

But this is an example of one of our States that is in severe crisis, financially. It was 6 months ago. It still is today. And yet we want to say to California we are going to take away your discretion to spend the millions of dollars that it will take you to implement motor-voter. We are going to say, "California you have got to spend x million dollars going to this kind of registration system, and we are unconcerned about where you get the money from. You can raise taxes of the people of California. You can take it away from schoolchildren. We do not care where you get it. You do not have any choice. You have got to implement motor-voter."

Mr. President, if this were an issue that was in the forefront of our country, if this were an issue that was truly important to the survival of the Republic, maybe under those circumstances it would make sense for the Federal Government to say to California, "I do not care if you have to cut back on food stamp issuance to people in need, fund motor-voter and do it now." But, Mr. President, this mandate is in the name of increased voter participation where there is no evidence whatsoever that will increase voter participation. We are going to make States like California pick up the tab for this. This is not fair to the State, Mr. President.

It is simply not fair. And beyond that, let us assume California, Mr. President, decided we just cannot afford it. We are simply not going to do it. We are going to say "no" to this mandate. What options do they have under the bill before us?

Let us assume that the elected representatives of the State of California conclude in their wisdom, and I think this is a decision I would certainly applaud, that they do not want to cut back on child nutrition in order to fund motor-voter. Some would conclude that would be a rational political decision to make. What are their options? They have two under this bill, Mr. President. They can go to no registration at all like North Dakota, a small State in which most everybody knows everybody else. California is left with the option of no registration at all, a State sagging under the weight of illegal immigration, dealing with the questions of who is eligible for this, that, or the other as the Government sags behind the weight of all benefits it showers not only on its citizens but inadvertently on people not citizens at all. Or if it does not want to do no registration at all it can register on the actual day of the registration, same day registration.

Mr. President, surely this is one portion of the bill that we could on a bipartisan basis at some point in the de-

bate agree ought to be corrected. It is simply not fair. It is simply not fair to say to a State if you cannot afford motor-voter you have no registration at all or same-day registration. And those are the only options under this legislation.

Mr. President, I would hope at some point—and I intend to talk to my friend from Kentucky about this as the debate moves along, probably off the floor—this is an area where it seems to me we ought to be able to craft some adjustment to deal with a burden I just simply think we should not impose on States, because, Mr. President, left to their devices only one State in America has no registration at all, only one, and there are fewer people in that State than in my hometown, and obviously they have decided on their own they sort of know everybody and you know it is not a problem. Clearly it has not been a problem. They never had a case of election day fraud. There are only two States that have same-day registration, there is clearly no consensus in America for no registration at all, or same-day registration.

If you could argue that there may be a growing consensus for motor-voter since 27 States have opted to go to it, and this Senator would continue to defend their right to do that if they want to, because under that set of circumstances they have presumably made the decision they want to do it and they can afford to pay for it.

But for us to say to them: "Here is your present, Here is your Christmas present; we are giving you three options. You can adopt a motor-voter system that may cost you in some big States millions of dollars; you can have no registration at all, thereby leaving you with the problem of respecting the integrity of your citizens who like to cast a vote and think it is not counted any more or less than anyone else, or same-day registration which is fraught with almost as many problems as no registration at all.

So I would hope that we might be able to on a bipartisan basis at some point correct this problem. I am sure that people on the other side would not argue that the bill is perfect in all respects and maybe there is some adjustment we can make, because it seems to me that is fundamentally unfair to the States.

Mr. President, that, in summary, is I think a litany of basic arguments against this legislation. I do want to commend my friend and colleague from Kentucky. Even though we differ on the merits of legislation I want to commend him for dogged determination for pursuing this both in our Rules Committee and on the floor, and I think he has done a very, very effective job and I would hope as we move along in the debate we might be able to consider some adjustments in this legislation—hopefully it is not every bit of it written in concrete—that might make it more acceptable should it at some point become law.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. FORD. Mr. President, I appreciate the compliments from my colleague. It seems as far as the major battles of registration, to register to vote, or campaign finance reform, trying to limit expenditures, it winds up that we are on opposite sides. He worries about east Kentucky and I worry about other places and what would happen there if certain things happen.

I just want to add I am not a lawyer and he is, but I will maybe refute the statement in defense of my bill. He talked about browbeating the people to vote. I do not agree this bill will browbeat people to vote. So I do not accept that description of this bill.

And then as to the right not to participate, if you are registered and you exercise a right not to participate, then you are not taken off the rolls under this bill. And under this bill if you decide not to register, just check the box and you do not have to register to vote. But if you are registered and you want to exercise your right not to vote, you are not eliminated from the rolls and have to go back through all the hoops and barriers again to get registered.

We hear talk about imposing a penalty or a fine or a misdemeanor to get people to vote. We are absolutely the opposite. We put the penalty to prevent people to register to vote. We make it tough on the front side, not the back side. We try to prevent people and make it hard for them to vote. Only those that have the ability to get there, and understand, vote. They call them the informed voter. We penalize up front, because we make it harder for people to go and register to vote.

Now, Mr. President, we are not Italy, we are not Belgium, we are not Costa Rica. We are the United States of America and we want to do it our way. We are the leaders. We do not have to look at others. We should do it our way. Italy has a fine and misdemeanor and puts the name on the courthouse door if you have not voted. We can go to open records. We can go see who has not voted, and who has not registered. We can do all that. But we are not Italy. We are no Belgium. We are not Australia. We are not Costa Rica, whoever it might be; we are the United States. No one can tell us today how many people were not registered who wanted to vote, how many people who were not registered who were eager to vote and did not, how many did we prevent. Could we have had 60 percent instead of 55, if we had this bill in place? Sure, it does not guarantee higher turnout, but it does guarantee the ability if they have the interest to go vote. We do not force them to, but we have it in place.

So I think it is important that we all agree.

Virginia had a registration program. They had 250,000 new registrants across the State. In the next election, their turnout was up 50,000.

Well, they did not vote 250,000 more, but they voted 50,000 more. Some said, well, that is not necessarily because they had this big registration drive. If they had not been registered, they would not have been able to vote. So you had at least 50,000 more voters the following election.

I thought pretty hard about who is controlling the State of California right now and the shape they are in, but I would not mention that.

Mr. McCONNELL. Willie Brown.

Mr. FORD. No, a former Senator.

But we have a Senator here now who is trying to correct it.

Anyhow, I have a letter from California, dated March 1. It is from the secretary of state. It reads:

I am writing as California's Chief Election Officer. As you know, I am an early and enthusiastic supporter of the "National Voter Registration Act of 1993." The adoption of such a program is long overdue.

I will not read the whole letter into the RECORD, but I will offer it for the RECORD.

I continue:

The adoption of H.R. 2 or S. 460 would go a long way toward reconnecting—

Pretty good language—

Go a long way toward reconnecting citizens to their Government.

We have seen a little tinge of it in November 1992. We are beginning to feel more. But here is the secretary of state of California who says it will go a long way toward reconnecting the citizens to their Government.

Quoting from another paragraph:

I understand that it has been alleged that adoption of the "motor voter" and other components of the bill would increase the likelihood that noncitizens are registered to vote. I would certainly be among the first to oppose any procedure that would have that impact. I firmly believe that only citizens should have the right to vote and that all appropriate steps should be taken to ensure that noncitizens are not intentionally or inadvertently registered.

So she supports the provisions of this bill as it relates to noncitizens.

And she further goes on:

My office has reviewed H.R. 2 and S. 460 with attention to the issue of noncitizens registering to vote. After this review, we have concluded that these bills will make it less rather than more likely that noncitizens will be registered in California.

They even talk about their registration by mail system. And it goes on and on.

And so if you want to talk about California, here is the No. 1 chief elections officer supporting this bill.

Mr. President, I ask unanimous consent that the letter be printed in the RECORD.

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

OFFICE OF THE SECRETARY OF STATE,
Sacramento, CA, March 1, 1993.

Hon. WENDELL H. FORD,
Chair, Senate Committee on Rules and Administration, Russell Senate Office Building, Washington, DC.

DEAR SENATOR FORD: I am writing as California's Chief Elections Officer. As you know, I am an early and enthusiastic supporter of the "National Voter Registration Act of 1993". The adoption of such a program is long overdue.

At the November 1992 Presidential Election, we estimate that there were some 20,863,687 citizens eligible to register and vote in California. Tragically, only 15,101,473 or 72.38% of the eligible citizens were actually registered to vote and even this figure overstates the case given a significant amount of "deadwood" in our files. The fact that over 5.7 million eligible Californians were not even registered to vote is an embarrassment. What is even more shameful is the fact that many of them would have voted had they been registered. Their inability to vote left them embittered and frustrated and denied the democratic process essential input from its citizens.

The adoption of H.R. 2 or S. 460 would go a long way toward reconnecting citizens to their government. California's successful experience with registration-by-mail, which I sponsored and implemented in 1976, indicates the importance of this method of registering voters. However, it is only a partial solution. Motor-voter and active agency-based registration are essential if we're going to get the job done. We estimate that motor-voter and agency-based registration would ultimately add over two million additional registrants to our files.

I understand that it has been alleged that adoption of the "motor voter" and other components of the bill would increase the likelihood that noncitizens are registered to vote. I would certainly be among the first to oppose any procedure that would have that impact. I firmly believe that only citizens should have the right to vote and that all appropriate steps should be taken to ensure that noncitizens are not intentionally or inadvertently registered.

My office has reviewed H.R. 2 and S. 460 with attention to the issue of noncitizens registering to vote. After this review, we have concluded that these bills will make it less rather, than more likely that noncitizens will be registered in California. Currently, with California's registration-by-mail system, we have been very vigilant in guarding against noncitizen registrations. We do not believe there is any problem in this regard. However, with the adoption of H.R. 2 or S. 460, the "motor voter" and "agency based" registration procedures will become the primary registration methods. "Motor voter" and "agency-based" registration provide additional opportunities to screen for applicant eligibility. With proper staff training and supervision and with appropriate form design, we believe that any risk of noncitizens being registered to vote in California will be reduced by the adoption of the "National Voter Registration Act of 1993."

I again wish to indicate my support for this important measure. Should you staff have questions in this regard, please contact my chief deputy, Tony Miller (fax 916-324-4573).

Sincerely,

MARCH FONG EU.

Mr. FORD. Mr. President, we just happen to have a letter that might be of interest to the Presiding Officer. It is from Margaret Jurgensen, the election commissioner from the State of Nebraska. And I will just quote a little bit of that:

I serve as the Election Commissioner for the largest county in the State of Nebraska and strongly support Senate Bill 2. Election administrators are service providers, and centralization of the registration process at the courthouse is a convenience only to election officials, not our citizens. Even the conservative financial institutions have reached out to their customers to provide greater accessibility with off-site banking as witnessed by the advent of bank cash cards.

The change represented in this Senate Bill 2 will enhance the democratic process. Motor-voter is another step towards removing artificial barriers to the voting process, similar to the removal of poll taxes.

Mr. President, I ask unanimous consent that the letter from the distinguished election commissioner from the State of Nebraska be printed in the RECORD.

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

ELECTION COMMISSION,
Omaha, NE, March 1, 1993.

Senator WENDELL H. FORD,
Chairman of the Senate Rules and Administration Committee, Washington DC.

DEAR SENATOR FORD: I wish to express my gratitude to you for your diligent efforts for the establishment of the National Voter Registration Act.

I serve as the Election Commissioner for the largest county in the State of Nebraska and strongly support Senate Bill 2. Election administrators are service providers, and centralization of the registration process at the courthouse is a convenience only to election officials, not our citizens. Even the conservative financial institutions have reached out to their customers to provide greater accessibility with off-site banking as witnessed by the advent of bank cash cards.

The change represented in this Senate Bill 2 will enhance the democratic process. Motor-voter is another step towards removing artificial barriers to the voting process, similar to the removal of poll taxes. Local election officials need to examine the process for voter registration; and develop a means to reach out to the citizens with improved and accessible service, like all service industries, private or public. Douglas County, Nebraska's current process includes the agency-based, mail-in and motor-voter registration with the traditional courthouse registration setting and it is working successfully.

Thank you for your efforts. I'm looking forward to watching the coverage of President Clinton signing the bill into law.

Sincerely,

MARGARET A. JURGENSEN,
Election Commissioner.

Mr. FORD. We just had inserted in the RECORD David Broder's article on inflated expectations and the overhyped motor-voter bill.

Well, as usual we all pick out what sounds good for us and do not repeat what does not sound too good.

I am pleased that the whole article is in the RECORD, so now I will not have to do it. But I will pick out a couple of statements in addition to that.

It says, in a couple of paragraphs down:

"It was approved by Congress"—talking about the motor-voter bill of 1992—"It was approved by Congress, but vetoed by President Bush, for not very compelling reasons."

"Not very compelling reasons."

Now we have heard high praise for David Broder here. He is one of the finest writers, and out in the country he meets with people, he goes to precincts, he studies voting patterns, and all that. I like David Broder, and I agree.

But, I think that we ought not use David Broder for one way or the other.

Mr. MCCONNELL. Will the Senator yield?

Mr. FORD. I am glad to yield.

Mr. MCCONNELL. Will the Senator share my view that the Broder column was about—I conceded he liked the merits of the bill—but the Broder column was about paying for it?

Mr. FORD. I understand that.

Mr. MCCONNELL. Essentially, the crux of the article was if we are going to pass legislation, no matter how worthwhile it was and we thought it was that important for the States to accomplish, then we ought to send them the money to implement it.

Mr. FORD. We talked about CBO's estimate of $20 million, a savings of in excess of $10 million, when you get down to what it really costs out there and what it gives to the citizens. And if we flooded the States, they would have to pay for it, anyhow.

Right now we are giving them breaks on postage and other items that will help offset, in addition to the $10 million. So the basic cost is probably less.

Mr. MCCONNELL. If I could ask the Senator another question. If the cost is inconsequential, then why do not we pick up the tab?

Mr. FORD. I think it is something 27 States have already acquired. It is a grassroots effort and the one way you can have this uniformly is here.

I would say that at some point, under this legislation, the Senator ought to know very well that we cannot appropriate funds out of the Rules Committee. It has to come from the Appropriations Committee, and they will appropriate some time. So in this piece of legislation, we cannot pay for it. If you want to put an amendment on it, I do not think it would ride, but it might.

Mr. MCCONNELL. So the Senator from Kentucky would support an effort at this level of Government to pay for this mandate?

Mr. FORD. I am not sure I would. Under the circumstances, the estimate we have is that the cost is negligible. I think the States can very well pick it up. And we will provide some uniformity among the clerks where they register in January, February, March, and April, instead of having an avalanche of people standing in line trying to get registered and get frustrated and leave.

They like the uniformity. That is the reason we are getting support from California without any money in it. That is the reason we are getting support for it from Mississippi without any funding. That is the reason we are getting support from Nebraska without any funding.

So I do not see that you can lean on that weak reed here now and say that we have to pay for it, when these Secretaries of State are endorsing the bill and asking us to pass it.

Mr. MCCONNELL. In the correspondence the Senator referred to, did any of the people who wrote indicate why, since the State has the option to go to motor-voter on its own, why none of these States have done it?

(Mrs. MURRAY assumed the chair.)

Mr. FORD. I do not believe they have, but I will look and see and be glad to find out.

Now, may I get back to my Broder statement?

David Broder, in his article, said: "By building on that State experience"—talking about motor-voter—"its sponsors have done something that is almost too rare in Washington." Listen to this now. "* * * its sponsors have done something that is almost too rare in Washington: They allowed the design to be field-tested before taking it national."

That is the reason the support is out there. We field tested this and it works.

At another spot in the Broder article it says, "the prospect of all these newcomers makes Republicans nervous." Think about that. All these newcomers on the rolls makes the Republicans nervous, even though many of the new registrants are expected to be young people. And in the last two Presidential elections, most young people voted Republican.

But I have heard it said right there—not by my colleague but others—that if this bill passes, we will never be in the majority again.

I ride down the street, I cannot tell whether that person is Democrat or Republican. I do not know what they are. I am not trying to set this up one way or the other. But some of the Republican rhetoric, it says in David Broder's column, condemning the bill, has been "even more exaggerated," "even more exaggerated than Democratic description of its benefits."

So, I am glad that David Broder's article is in the RECORD and we will be able to read it in total.

My colleague stated there is no correlation between registration and voter turnout. For most States it is a 1-to-1 correlation.

If the citizen is not registered, he cannot vote. That is it. The bill makes registration easier so the citizen can vote if he chooses to vote.

I do not know, and nobody can tell me, how many people on November 3, 1992, were eager to vote and did not go to the polls because he or she was not registered. That is a shame. We ought to make it as convenient as possible.

So the experience of States, now it has been tested, the lack of, probably, cost in this, and the statements of no fraud, the encouragement by secretaries of States—Washington's Secretary of State—the occupant of the chair at this date—makes eloquent statements. In fact, we had a discussion in the Rules Committee with my distinguished colleague. They had a pretty good discussion. I believe the Secretary of State of Washington won that.

But you begin to look at those who have the responsibility—they want it. And we are saying you cannot have it.

So the argument is if they want it, let the State pass it. This makes it uniform, and they see that. Everybody understands it. The costs, mandated costs, are for mailings, and we provide a reduced postal rate. There is nothing about computers in here. We do not recommend computers, or mandate computers.

Let us get away from the notion that we are browbeating people to vote, get away from the notion we ought to maybe penalize people, fine them for not going to the polls. Our penalty is before they register. They have to go over the barriers and through the hoops and everything to get registered. And we have our penalty to prevent them from registering rather than encourage them to vote.

So I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Kentucky.

Mr. MCCONNELL. My colleague knows I was not advocating going to fines and penalties. I was pointing out that is the only way you were guaranteed higher turnout, and I cited the countries that have chosen to do that as an example of something we certainly should not do. I do not advocate that in any way, shape, or form. As a matter of fact, it is this Senator from Kentucky who feels the people have a perfect right not to participate if they do not want to. And throwing huge numbers of people all into the rolls will not guarantee higher participation.

The California correspondence that was referred to—of course, California has the option. I see one of the Senators from California here now. California has the option to go to motor-voter today if they choose to. Presumably, that is a decision they could make at any moment if they felt it was the smart thing for them to do.

With regard to the unfunded mandate issue, which is really the crux of the argument, of those of us on this side, I would like to make reference to correspondence by the former Governor of Arkansas, of June 7, 1970. In referring to the issue of Federal mandates—that is, we decide for the States what is best for them and they get to pay for it—the Governor of Arkansas said:

States do not have the luxury of operating a budget deficit. Every mandated dollar that we spend is a real dollar that has to be taken from another program. As Governors, we have to make very difficult choices in a wide array of health and human service initiatives. We have found ourselves cutting back on important educational initiatives, choosing charity hospitals, unable to fund increases in cash assistance levels, and slashing a variety of important State programs that provide health and support services to our low-income citizens.

That was a letter to the members of the House Energy and Commerce Committee, the National Governors Association, signed by among others, President Clinton.

Also I have a letter I would like to—that covers it. That is a direct quote from President Clinton.

Also, correspondence from the National Association of Counties which I will ask to have printed in a moment. But reading pertinent parts—this is from Larry Naake, the executive director of the National Association of Counties.

He states:

Los Angeles County estimates the bill will cost the county an additional $5.5 million and the State of California estimates it will cost the state an additional $26 million.

It could be, as my friend and colleague from Kentucky mentioned, I do not question the accuracy of the letter—he read it—that there are some people in California who think this bill is a good idea. But it seems to me those in California charged with the fiscal integrity of the State, who had the option, right now, to make this decision, may be taking into account the cost of doing it.

This National Association of Counties official—again, I am not an expert on California. I visit there occasionally but I am just relating to my colleagues what apparently some people in California feel the cost of this mandate would be, $5.5 million to Los Angeles County, and $26 million statewide.

Then the NACo executive director goes on and makes the other argument, which affects everybody who does not have motor-voter, which is the question of unfunded Federal mandates on States and local governments.

So, Mr. President, I ask unanimous consent that letter be printed in the RECORD at this point.

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

NATIONAL ASSOCIATION OF COUNTIES,
Washington, DC, February 17, 1993.

Hon. MITCH MCCONNELL,
U.S. Senate,
Washington, DC.

DEAR SENATOR MCCONNELL: On Thursday, February 18, the Senate Rules and Administration Committee is scheduled to mark up the National Voter Registration Act, H.R. 2. While we support the concept of removing barriers and expanding access to voter registration, we do have some concerns about the bill. Our primary concern is the bill will impose another unfunded mandate on state

and local governments at a time when they are struggling to meet existing financial obligations. Los Angles County estimates the bill will cost the county an additional $5.5 million and the state of California estimates it will cost the state an additional $26 million. We strongly urge your support for an amendment that would authorize full federal funding to states and localities to carry out the new requirements.

As you well know, federal assistance to states and localities has declined drastically since 1981. During the same period, the number of unfunded federal mandates on state and local governments has increased significantly. Each time a new federal mandate is enacted, state and local officials are forced to make the tough decisions on raising taxes and cutting existing services to pay for the new mandate. Needless to say, these tough decisions have caused many of them their jobs.

As you consider, H.R. 2 and other mandates on state and local governments, we would merely urge you to ensure, at the very least, that full funding is provided to states and localities to implement new initiatives. Thank you for your consideration and please feel free to contact Larry Jones of my staff if you have any questions.

Sincerely,

LARRY E. NAAKE,
Executive Director.

Mr. MCCONNELL. Also, we have heard from some Kentucky officials on this issue. I have a letter dated January 28, 1993, this year, from the Department of Employment Services in Kentucky. The letter says in pertinent part:

However, the Department for Employment Services is very concerned with the availability of funds necessary to ensure maximum participation by my department.

Further in the letter, Margaret Whittet says, "We have reviewed this legislation in detail and have concluded that it does not provide"—does not provide—"for additional funds to carry out these added responsibilities."

My question of my colleague—he is no longer on the floor but I am sure he will be returning. My colleague has argued I think, and I do not want to misrepresent his position, that the cost of this mandate is really quite minimal.

My thought is, if the cost is quite minimal, then why do we not pay for it? We are passing other legislation around here without paying for it. Yesterday, we extended unemployment compensation benefits, something I am in favor of. I voted for an amendment to pay for it rather than to charge it to our grandchildren. It seems to me somewhere in this $1.4 trillion budget we could find, if the cost is a pittance, the money to provide for this mandate.

Madam President, I yield the floor.

Madam 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.

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

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

Mrs. BOXER. Madam President, my good friend from Kentucky raised the issue of California and cited some elected officials who did not believe it was a good idea to pass the motor-voter bill because of its cost. I think we really need to look at this issue squarely. We know that when you hold elections, it costs money. Does that mean that we should become a nondemocracy, a dictatorship because we would save money?

The fact is this is a government of, by, and for the people. We in the U.S. Senate should be working with our colleagues in the House and with the President of the United States to make sure that each and every American finds it very easy to register to vote.

One of the things that worried me very much during the last election was the fact that we did not have as large a turnout as we should have had. Even with all the hoopla surrounding the election and the fact we had more interest than ever before, we still had far too many people who were not even registered to vote.

I would like to read into the RECORD a letter from the Secretary of State from California, March Fong Eu, one of the most popular elected officials in California. We will see as we listen to these words why she thinks it is a good idea to pass this legislation.

She says:

I am writing as California's Chief Elections Officer. As you know, I am an early and enthusiastic supporter of the National Voter Registration Act of 1993. The adoption of such a program is long overdue.

At the November 1992 Presidential election, we estimate that there were some 20 million citizens eligible to register and vote in California. Tragically, only 72 percent of them were actually registered to vote.

She says:

The fact that over 5.7 million eligible Californians were not even registered to vote is an embarrassment. What is even more shameful is the fact that many of them would have voted had they been registered. Their inability to vote left them embittered and frustrated and denied the democratic process essential input from its citizens.

She said:

The adoption of H.R. 2 or S. 460 would go a long way toward reconnecting citizens to their Government.

She talks about California's successful experience with registration by mail. But she says it is only a partial solution. She says:

Motor-voter and active agency-based registration are essential if we are going to get the job done. We estimate that motor-voter and agency-based registration would ultimately add over 2 million additional registrants to our files.

I ask unanimous consent to print this letter in the RECORD.

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

OFFICE OF THE SECRETARY OF STATE,
Sacramento, CA, March 1, 1993.

Hon. WENDELL H. FORD,
Chair, Senate Committee on Rules and Administration, Russell Senate Office Building, Washington, DC.

DEAR SENATOR FORD: I am writing as California's Chief Elections Officer. As you know, I am an early and enthusiastic and supporter of the "National Voter Registration Act of 1993". The adoption of such a program is long overdue.

At the November 1992 Presidential Election, we estimate that there were some 20,863,687 citizens eligible to register and vote in California. Tragically, only 15,101,473 or 72.38% of the eligible citizens were actually registered to vote and even this figure overstates the case given a significant amount of "deadwood" in our files. The fact that over 5.7 million eligible Californians were not even registered to vote is an embarrassment. What is even more shameful is the fact that many of them would have voted had they been registered. Their inability to vote left them embittered and frustrated and denied the democratic process essential input from its citizens.

The adoption of H.R. 2 or S. 460 would go a long way toward reconnecting citizens to their government. California's successful experience with registration-by-mail, which I sponsored and implemented in 1976, indicates the importance of this method of registering voters. However, it is only a partial solution. Motor-voter and active agency-based registration are essential if we're going to get the job done. We estimate that motor-voters and agency-based registration would ultimately add over two million additional registrants to our files.

I understand that it has been alleged that adoption of the "motor voter" and other components of the bill would increase the likelihood that noncitizens are registered to vote. I would certainly be among the first to oppose any procedure that would have that impact. I firmly believe that only citizens should have the right to vote and that all appropriate steps should be taken to ensure that noncitizens are not intentionally or inadvertently registered.

My office has reviewed H.R. 2 and S. 460 with attention to the issue of noncitizens registering to vote. After this review, we have concluded that these bills will make it less rather than more likely that noncitizens will be registered in California. Currently, with California's registration-by-mail system, we have been very vigilant in guarding against noncitizen registrations. We do not believe there is any problem in this regard. However, with the adoption of H.R. 2 or S. 460, the "motor voter" and "agency based" registration procedures will become the primary registration methods. "Motor voter" and "agency-based" registration provide additional opportunities to screen for applicant eligibility. With proper staff training and supervision and with appropriate form design, we believe that any risk of noncitizens being registered to vote in California will be reduced by the adoption of the "National Voter Registration Act of 1993."

I again wish to indicate my support for this important measure. Should you staff have questions in this regard, please contact my chief deputy, Tony Miller (fax 916-324-4573).

Sincerely,

MARCH FONG EU.

Mrs. BOXER. Madam President, I will just conclude by saying that, if there is one thing we need to be sure

we do, it is expand our democracy. I do not know how these people are going to vote. Are they going to vote Republican? Democratic? Are they going to register Independent? That is not the point. We have to take politics out of this, Madam President. But what we need to make sure is that our young people get connected to the process, that people of all ages find it easy to register to vote. And then it is up to us by the quality and caliber of our candidates, by our stands on the issues, by doing the kinds of things that our President does so well, reaching out to voters to make sure they feel connected and they go to the polls. But let us not make it so hard for them to register; it is too difficult today. The example of California should not be used to dissuade my colleagues from voting for this bill. It should be used to encourage them because our secretary of state, who holds the solemn responsibility to make sure that the most people register to vote, has come out in favor of motor-voter. She is one of the most popular elected officials in the State, and has been elected a number of times. I commend this letter to all of my colleagues.

I yield the floor.

Mr. MCCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Madam President, I will just say to my friend from California, the Congressional Budget Office estimate of cost to the States of implementing this is $100 million. Before Senator BOXER leaves the floor, I just want to ask her one question. Given the apparent cost of this to California—I really do not want to dabble in California politics here. I do not know what all is going on out there, other than I know you have had severe financial problems at the State level, and I have a letter from the National Association of Counties estimating it could cost California $26 million to adopt this system. I do not know whether that is accurate or not. My only question really of my friend from California is whether she would support an amendment that we pay for this mandate. Would that have some appeal?

Mrs. BOXER. Madam President, let me just say to my good friend and colleague, the Senator from Kentucky, that the letter from my secretary of state does not even request that. We understand that we could save a lot of money if we did not hold elections. Just say no more, it is too expensive.

The fact is I come from local government, as does my friend, and I do not like mandates, but what I want to say is this: This is about democracy. This is about voter registration, and we all have to share the burden at all levels of government. I believe that this legislation should stand on its merits. I also take issue with the estimates that my friend the Senator has put on the table from CBO.

There is some confusion as to cost. Again, I will say my very own secretary of state is silent on that issue and wants us to pass this legislation as it is. We have many ways that we can help local government and State government. But I think when we talk about ensuring that everyone participates in the process, that should stand alone. That is why I strongly support this legislation.

I yield to the Senator.

Mr. MCCONNELL. Madam President, the secretary of state may have been silent on the issue of paying for it, but I have a letter from the Director of Employment and Development Department which is an agency of the California government that apparently has some concern about having to pay for it. The secretary of state obviously is for it, but I suspect the secretary of state in California does not have to deal with the issue of paying for it. Secretaries of state in most States are involved in registering people to vote and are typically enthusiastic about things that enhance their responsibilities that they do not have to pay for.

But I have a letter from a man named Thomas Nagle, who is director of the Employment and Development Department, an agency of the government of California, which presumably would have some concern about actually paying the tab.

Mr. Nagle says in part: "This unfunded requirement," referring to the motor-voter bill, "would create significant financial and administrative difficulties which would negatively impact the Employment Development Department's primary mission of serving California workers and employers."

He states the opposition of that department of California government to this bill. Obviously, some people in California are for it, some people in California are against it.

The only point I was trying to make in bringing up California is we all know California has had severe financial problems. It has been front page news not just in California but across the country. I brought it up in the context of whether or not we, at this level, a government that has the ability to go into debt unlike all State governments which must pay as you go, should be telling States like California this is the kind of system you are going to have and, by the way, you get to pay for it.

With regard to cost estimates, if the CBO estimate of $100 million cost to the States over 5 years is too high, great. The lesser the cost estimate, it seems to me, the stronger the argument that we ought to pay for it rather than just passing another unfunded mandate. I read the earlier letter from President Clinton when he was Governor as to his feeling about that.

I was just handed the CBO estimate. But even if the CBO estimate is wrong and it is too high, if it is lower, it seems to me that only strengthens the argument that we ought to pick up the tab rather than sending another unfunded mandate down to State governments.

Madam President, I yield the floor.

Mr. SIMON. Madam President, I am filling in very briefly for Senator FORD, who is handling this measure, but I thought I might just say a word or two about the motor-voter bill.

The whole theory of our form of government is based on participation. If we do not participate in creating the kind of government that we should have, then the whole theory breaks down.

What we have here is something that encourages participation. It is very basic. It seems to me it is so basic that we should not have to debate it, and we should be able to go ahead very quickly. It is a little bit like helping education and other things. We have to be informed. We have to participate. Anything that is going to help those things ultimately helps this Nation.

I recognize we are going to probably have a motion on cloture. The rumors I hear, and I do not know whether they are true—I assume my friends on the other side may have something to say about this—the rumors I hear are that we may not get 60 votes for cloture, at least the first time.

I hope some of my colleagues would reconsider on that and look at something that is very basic. We can differ on health care and we can differ on a lot of other things which I think are important and the Senator from Washington thinks are important. But participation in the process, we really should not disagree on that. That is fundamental. We ought to be there. We ought to be encouraging that.

Madam President, I question the presence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. PRYOR. Madam President, I ask unanimous consent that I may speak as in morning business not to exceed 10 minutes.

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

THE FREE CONGRESS FOUNDATION

Mr. PRYOR. I want, for a moment or two this afternoon, to focus the attention of the Senate on an organization known as the Free Congress Foundation.

This organization is, in fact, a very prominent, conservative think tank. It prides itself in attacking, as its annual report says, "pork barrel spending, unethical personal conduct and the inability or refusal of Congress to respond to popular demands for accountable and frugal government."

Madam President, those are words taken from the annual report of the Free Congress Foundation. Mr. Paul M. Weyrich is the president of this foundation, as we can see from this very slick publication.

Those are noble goals expressed by the Free Congress Foundation and, normally, I say this is good government, and it is certainly good for organizations from all across the political spectrum to shine their spotlights on Capitol Hill with as much intensity as possible. However, I have recently become aware of a couple of matters regarding the Free Congress Foundation, which I think merit holding up to the light.

The first matter concerns pork barrel spending. The Free Congress Foundation publishes a periodical known as "Spotlight on Congress," which focuses on congressional spending practices, and as the foundation's annual report puts it, "spending menus heavily laden with pork." This is one of the publications put out by the Free Congress Foundation.

Imagine my surprise, then, when I learned that the Free Congress Foundation has received nearly a half million dollars in discretionary grants from the Federal Transportation Department over the last few years to print another publication, a magazine on electric railroads. Madam President, here is the "New Electric Railway Journal." This journal, a foundation product, Madam President, was printed and published at taxpayer expense.

On top of that, they receive an additional subsidy when they use their nonprofit mailing permit to mail these magazines to their subscribers at a greatly reduced postage rate.

There are magazines in the private sector today which compete with this particular magazine, the "New Electric Railway Journal," and these free market competitors do not receive a half million dollars in Federal subsidy, nor do they receive the benefit of a nonprofit mailing permit.

To make matters even worse, representatives of the Free Congress Foundation told my staff as recently as last week that the Federal grants they receive are first in effect laundered—laundered—through George Mason University because, as they put it, foundation bylaws prohibit them from receiving Federal funds.

Madam President, most of the foundations that I have any knowledge of are foundations that sometime give money to colleges and universities. It is very strange indeed that, in this instance, the college or university, George Mason University, is in fact giving money away to a foundation.

Mr question then is this: Is this not the very pork that this Free Congress Foundation has been complaining of? And if it is, where does the Free Congress Foundation get off by complaining about pork, when they themselves have had their hand in the money sack?

The second matter that concerns me, Madam President, has to do with recent allegations that just surfaced this morning. I would like to pay a special compliment to "Roll Call," the newspaper of Capitol Hill, dated Thursday, March 4, 1993, for a very good piece of investigative journalism and I would like to read this second paragraph in this article, Madam President. This is written by Glenn R. Simpson who is associated with "Roll Call," and let me, if I might, read the second paragraph:

> The allegations, which were raised with the committee by the Free Congress Foundation, are unsubstantiated and are being promoted by conservative activists in Florida whose credibility has been questioned, but the Judiciary Committee directed the FBI to investigate them.

These are allegations against Janet Reno. Janet Reno, as we know, Madam President, is the nominee to become our next Attorney General of the United States.

Madam President, The Free Congress Foundation which now appears to be gearing up to go after Ms. Reno is the same Free Congress Foundation which has had its hand in the till getting a half million dollars to publish their own railway journal, while they rail about what others get. It appears now that they are getting ready to step up the tempo and go after this particular nominee, Ms. Reno.

Madam President, the Free Congress Foundation has been certified as a 501(c)3 organization since 1977. What this means, simply, is that this organization has been granted an exemption from paying Federal taxes as long as it agrees to abide by certain conditions. One of those conditions is that there are very narrow restrictions on its lobbying activities.

Since that is the case, what is the Free Congress Foundation doing raising unsubstantiated allegations with the Senate Judiciary Committee concerning a Presidential nominee? Is this a violation of their 501(c)3 status?

Madam President, I hope to get some answers to these questions. I am now asking Transportation Secretary Pena to review the past discretionary grants that have been used to fund this "New Electric Railway Journal" and to determine whether or not this is a proper use of the funds we appropriate for transportation projects. I do not believe that it is proper.

I also hope that, Madam President, in the course of its regular reviews of 501(c)3 organizations, the Treasury Department will make sure that the Free Congress Foundation is not involved in activities which violate the conditions of its tax-exempt status.

Madam President, the Free Congress Foundation appears quite willing to take taxpayer dollars without being held to answer, as the foundation puts it, "to the popular demands for accountable and frugal government."

These matters are not just about pork; they are about hypocrisy. The next time the folks from the Free Congress Foundation want to talk about pork barrel spending or unethical conduct, they would be well advised to take their spotlight over to a mirror and take a look at themselves.

In closing, Madam President, when it comes to pork, I would simply remind the Free Congress Foundation of something of the old adage we all learned when we were young: "Don't talk with your mouth full."

Madam President, I thank the Chair for recognizing me. I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Kansas.

Mrs. KASSEBAUM. Madam President, I ask to speak as if in morning business for 2 minutes.

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

COMMENDING ROBERT OAKLEY, UNITED STATES SPECIAL ENVOY TO SOMALIA

Mrs. KASSEBAUM. Madam President, yesterday Ambassador Robert Oakley completed his mission as United States Special Envoy to Somalia. I rise today to congratulate Ambassador Oakley for a job well done.

When the United States undertook the difficult and risky mission of sending military troops in Somalia, President Bush called on Ambassador Oakley, a former United States diplomat in Mogadishu, to lead the United States effort there.

Almost immediately, he went to Somalia to lay the groundwork for the United States troops. In advance of American forces, Oakley and his small team traveled courageously, to town after town, to prepare the way for U.S troops. He talked to relief organizations, met with the warlords, and discussed the operation with local Somali groups. No doubt the success of the U.S. military intervention—with very minimal casualties—is largely due to the efforts of Ambassador Oakley.

After the initial deployment phase, Ambassador Oakley has worked tirelessly to promote political dialog. He has spoken openly and firmly about the needs of the Somali people. He has consulted closely with local Somali institutions, such as the elders, intellectuals, and student groups.

Madam President, the United States operation in Somalia has clearly suc-

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ceeded. The goal of the American-led operation was to open relief corridors, and now food gets to those in need. Malnutrition rates have dropped dramatically. Feeding centers are being turned into schools. A local police force has been created. Dramatic progress has been made.

Nevertheless, much remains to be done. In the coming months, the United Nations will undertake the difficult tasks of forging a political reconciliation and rehabilitating the country—while at the same time maintaining security. Even as the United Nations takes over, I strongly believe the United States must stay engaged in Somalia, fully supporting the U.N. operation.

Madam President, I strongly commend Ambassador Oakley. The United States was well-served in Somalia by a committed and outstanding diplomat. Under very difficult circumstance, he did a superb job.

I yield the floor.

NATIONAL VOTER REGISTRATION ACT OF 1993

MOTION TO PROCEED

The Senate continued to consider the motion to proceed.

The PRESIDING OFFICER (Mr. FEINGOLD). The Chair recognizes the Senator from Oregon.

Mr. HATFIELD. Mr. President, I join my colleague from Kentucky, Senator FORD, in urging my colleagues to support cloture on the motion to proceed to the National Voter Registration Act of 1993, commonly referred to as the motor-voter bill. It is the same bill which both Houses of the Congress passed last year, and its mission, which is simply stated—to increase voter participation—remains the same.

Just weeks ago, the House passed the bill once again, and it is now the Senate's responsibility, or opportunity, to send the National Voter Registration Act to the President for this signature.

The National Voter Registration Act is straightforward and fair. The bill simply broadens the means by which Americans may register to vote. Motor-voter provides individuals the option of registering to vote when applying for a driver's license, by mailing in a uniform application, or by registering in person by various Federal and State locations.

The bill comes before us at a time when people across the country are calling for electoral reforms. Hundreds of people in my home State of Oregon have urged me to support campaign finance reform when the Senate considers it this spring. I intend to do so. But overhauling our electoral system, we must first address the most fundamental feature of the voting process and that is registering, registering to vote.

Mr. President, I am well aware that I stand alone today as the only Republican sponsor of this measure. I do so because I believe that access to the electoral process is not a partisan issue.

For the life of me, I cannot understand why some sentiment prevails on my side of the aisle that somehow this is a measure that will benefit Democrats and not benefit Republicans. I would only indicate that our State of Oregon has had motor-voter registration.

I am a Republican. My colleague, Senator PACKWOOD, is a Republican. And we were elected by a State that has a very active inordinate margin, unfortunate margin favoring the Democratic Party. Nevertheless, we stand here today as two Republicans elected by a constituency that favors the Democrats. But at the same time, Mr. President, the Republicans of our State control the House of Representatives of the State legislature and they made a gain in this last election. In a landslide election for President Clinton, we made a gain in the State Senate from 20 Democrats and 10 Republicans to 14 Republicans and 16 Democrats. With the swing vote of one Democrat we will have a tie Senate, for all practical purposes.

What I am saying, simply, is that we have proven the case in our State that Republicans can be elected and are not put at a handicap because of motor-voter registration.

One of the strongest advocates of motor-voter registration is the Republican secretary of state of the State of Washington, Mr. Ralph Monroe, who came back here and testified before our Rules Committee in support of motor-voter.

I still feel that most elections are local and that the people of my State are most willing to consider the person not because he has, or she has, a D or an R behind their name, but their qualifications.

I am proud to say that the Democratic incumbent Congressman who was my opponent, or I was his opponent, for the U.S. Senate in 1966 was the honorary chairman of my reelection campaign in 1990.

I am proud to say that in my State one of the most distinguished Congresswomen to ever serve from the State of Oregon, Congresswoman Edith Green, was also the chairperson of my reelection campaign in 1984.

Whether our politics are a little different than other States, I do not know, except to say that the people make judgments on the candidates, on their positions, on the issues, and on their platforms, and the D and the R designation has lesser significance in my State.

And so this kind of a motor-voter registration is not going to favor one political party over another political party, from our experience.

I think, as public servants, we do want every person in America who is eligible to register and ultimately to vote. The largest single reason given in this country for not voting is not being registered. We cannot overlook this unfortunate reality.

Mr. President, voter registration should transcend State lines. As the key to our democracy, registering to vote is an opportunity for every citizen, a fundamental right. By the consideration of S. 460 today, we strengthen that message to all Americans, not just those who can overcome the patchwork of registration procedures in place in our States across the country.

The bill does address the inconsistency of voter registration practices in the United States as they affect the election of Federal officials. At the same time, the bill protects the rights of eligible voters by ensuring that only those who are eligible to vote will vote.

I urge my colleagues to, again, not view the first form of this bill that was introduced but the amended form in which we tightened it down to a very, very significant level of protection and the validity of each person's vote, so that we could certainly not expect to have any kind of fraud.

The purpose of the registration process is to protect the value and integrity of all the votes cast. That is our commitment. It is not to keep any element of society from exercising their right to vote; and the registration process is not to make people prove they have a right to vote.

Voter registration protects the integrity of our much valued right to participate in the process of democracy.

I know that people of my generation, and older people in general, certainly have points of reference of history, sometimes to our advantage and sometimes to our handicap.

I have to say that I was very much aware in my student years of the inability of many people in our country to vote; the inability because of such things as poll taxes, and other kinds of encumbrances that were placed before the people and their right to be a voter.

In those days, we used to say, how in the world could large segments of our country deny the citizens of their States the kind of simple participation in the election procedure as voting, and yet they did.

We sort of take it for granted today, that because we do not have those excessive encumbrances that were called poll taxes and other things, exercised particularly in the Southern States, that everybody now has the same privilege and the right in the process and the process is equal in all cases.

Mr. President, there is today the equivalent of those kinds of encumbrances that are placed upon the voters as to their ability to access the registration process. This bill attempts, again, to bring that to a level playing field across our country on a national basis.

I urge my colleagues to give careful consideration to this bill and to support cloture on the motion to proceed to S. 460.

I thank my colleague from Kentucky again for his excellent leadership on this bill. And, even though, as I say, I stand alone on this side of the aisle, I am proud to do so.

I thank the Chair.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Kentucky.

Mr. FORD. Mr. President, let me thank my distinguished friend from Oregon, a member of the Rules Committee, and one who has always attempted to support his constituents.

I appreciate the kind words he had to say about me. I, too, wish that some on his side would join us—and hopefully they will—in voting for cloture and in passing this legislaion.

I am convinced, also, as he is, that this is not a Democrat or Republican piece of legislation; that it is an American piece of legislation, one that will benefit all of our constituents and not put a penalty on registering but encourage them to come to register.

So I thank my friend, and look forward to working with him after we pass this legislation to be sure it is implemented in a proper way.

Mr. HATFIELD. I thank the Senator.

Mr. FORD. Mr. President, if no other Senator wishes to speak, 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. KOHL. 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. KOHL. Mr. President, I ask unanimous consent that I be allowed to speak as in morning business.

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

Mr. KOHL. I thank the Chair.

(The remarks of Mr. KOHL pertaining to the introduction of S. 504 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. KOHL. 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. MCCONNELL. 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. MCCONNELL. Mr. President, I ask unanimous consent to proceed as if in morning business.

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

(The remarks of Mr. MCCONNELL pertaining to the introduction of S. 505 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. RIEGLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. I thank the Chair.

Mr. President, let me inquire. May I speak now as if in morning business, or must I pose a special request for that?

The PRESIDING OFFICER. The Senator can speak without restriction at this time.

THE HEALTH CARE CRISIS

Mr. RIEGLE. I thank the Chair.

Mr. President, I rise today to continue my effort to put an individual human face on the health care crisis that is confronting America. In Michigan, in a city named Wyandotte, there is a man named Brian Austin, who has learned first hand how high health care costs can be financially devastating. He wrote to me last December asking for help in his efforts to pay for an outstanding hospital bill. Before getting into history, let me say that Brian is one of a growing group of workers in this country who want to work full time but cannot find full-time work and therefore must settle for part-time work. One of the consequences that they often encounter is that part-time jobs almost never provide health care benefits.

Back in 1991, Brian, who was then 36 years old, was a part-time janitor with the Wyandotte school system. Because he worked part time, he was ineligible for health care benefits through the school system. Brian had looked into purchasing individual coverage back at that time, but he was unable to afford the premium cost of $125 a month out of his part-time earnings.

In December 1991, Brian became seriously ill with pneumonia and was admitted into Wyandotte General Hospital for 3 weeks. The cost of Brian's 3-week stay in the hospital totaled over $21,600, and, in addition to that, there were bills from his physician totaling just about $2,000.

Brian applied for Medicaid while he was in the hospital. As a single male who is not disabled, he did not meet the strict eligibility categories under Medicaid. Brian was determined to return to work as soon as possible and did so just 1 week after leaving the hospital. He has slowly been able to pay his physician charges, and he has now paid approximately $500 of the hospital bill, but that still means that he has $21,000 of the hospital bill that is still unpaid and outstanding.

The $21,000 unpaid hospital bill was eventually sent to a collection agency for payment. Brian, of course, is frustrated because he just does not have the money to pay the bill, and he therefore has to think seriously about filing for personal bankruptcy. Brian has been sending small payments of about $50 a month when he can afford to do so to the hospital, but the bill is so enormous that it seems impossible that he is going to be able to pay it off.

He has looked into working out a payment plan with the hospital, but the monthly payments required were $300 a month, which he just literally cannot afford. It is fair to say that the expense of Brian's hospital stay may change his life forever. His credit record has been damaged because of his inability to pay the hospital bill. If he does file for personal bankruptcy, he will face a future with a scarred financial record.

Brian is thankful to have his job and apartment, but he realizes that he will never really have or cannot really plausibly expect to have the $21,000 to pay off this outstanding hospital bill.

There is some good news in history. In August of last year Brian became a full-time employee with the Wyandotte schools and therefore became eligible for health insurance benefits through the school system. In addition to the premium costs that are paid in part by his employer, Brian pays an additional $125 premium per month and has a $50 deductible per year for major medical coverage through Blue Cross/Blue Shield of Michigan. Now that Brian is able to work full time he has more resources available to cover the cost of health insurance premiums but that does not help him with this problem that already has occurred with respect to the prior hospitalization and the outstanding hospital bills.

Brian is just one example of how unexpected illness can financially devastate an individual who does not have health care coverage. Frankly, anybody in this country at any given moment in his kind of situation without health insurance coverage—there are some 37 to 40 million people in that status—could have this happen to them at any hour of any day without warning.

Now Brian faces longlasting financial consequences because of his outstanding hospital bill. I think that he and every other American deserves to have access to affordable health care without having to resort to bankruptcy should an unexpected illness result in a hospital stay such as he had to deal with.

So, for my part, I am going to continue to do all I can to make sure that Brian and all Americans have access to high-quality, affordable health care.

I will conclude by saying that today at the policy luncheon meeting of the Democratic Senators we had present Judy Feder, Ira Magaziner, two of the staff people working at the direction of President Clinton and First Lady Hillary Rodham Clinton on the health care reform effort. We had a meeting

that lasted probably an hour and a half talking about the various aspects of national health care reform, how to make health care accessible and affordable to everybody in the country.

So I can say in the context of talking about Brian here today that serious work is underway on that issue, literally this very day.

In addition, I was very encouraged by the fact that today the First Lady, Hillary Rodham Clinton, indicated that she will be coming to Michigan to participate in a health care forum on the 22d of this month, which will enable us to gather from around the State of Michigan the people directly involved in these health care issues, both people who have lacked insurance, families that have insurance but where it is too expensive to maintain, or, three, do not get the proper coverage that they need for their families, where health care providers, where businesses are being crushed under the load of health care costs, and labor organizations struggling as well will all have a chance to meet with the First Lady in her capacity of leading the effort on health care reform to share their views, provide their insights, give their suggestions, tell their stories, and have a chance to have direct input into this debate before the proposal is finally developed by the new administration.

My understanding is that the new administration is on target and on track to produce its overall health care reform proposal by the early days of the month of May of this year. And as I have heard the President speak about it, he has expressed an intention to move ahead promptly to get that package before the Congress and enacted this year.

In that regard, I will do everything I possibly can to help get that national health care reform package enacted. I have developed a plan here in the Senate along with Senator MITCHELL, Senator KENNEDY, and Senator ROCKEFELLER, called HealthAmerica, which we have put on the table. That was the result of a series of hearings. I have held 35 hearings in Michigan and Washington on the health care problems over the last several years. I am open to a change in our system and to proposals that will be put forward by the President that would address this question of making sure health care is available to everyone and at costs people can actually afford to pay, based on their personal circumstances.

I appreciate the leadership that the President and First Lady are giving this issue. I think one of the reasons the people of the country voted for change last fall and elected a new President and a new executive branch team was to see this country move ahead on urgent issues like the need for national health care reform. And the fact that we are seeing an aggressive effort in that direction, and leadership from the very top of our Government, I think is a very hopeful and encouraging sign for America.

I think the American people have waited many decades for this kind of effort to be mounted, in terms of a fundamental overhaul in the area of health insurance reform. It is coming, and the sooner the better.

I thank the Chair, and 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. MCCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

NATIONAL VOTER REGISTRATION ACT OF 1993

MOTION TO PROCEED

The Senate continued with the consideration of the motion to proceed.

Mr. MCCONNELL. Mr. President, since earlier this afternoon, it has come to my attention that there was an additional letter. We were kicking around the California situation and the impact of the motor-voter unfunded mandate on California, which has had so many difficult financial problems. And Senator BOXER, the Senator from California, was quoting a California official who supported the bill. I had quoted some who opposed it. Presumably, those who opposed it were concerned about how to fund it, pay for it, given the fact that California has such devastating financial problems.

It has come to my attention since that time that we also received a letter on some of California's financial problems. So, presumably, this letter would even be more applicable in the wake of what happened in California. The letter from the secretary of state of California, March Fong Eu, dated March 29, 1991, to Senator STEVENS. That was just a couple of years ago. The letter contains suggested amendments to S. 240, which was the motor-voter bill in that Congress, which will facilitate implementation of the bill in California. These suggestions are endorsed by the California secretary of state and the Task Force on the National Voter Registration Act of 1991, and the legislative committee of the County Clerk's Association of California.

Briefly summarized, the California secretary of state said in the letter of March 29, 1991: The suggestions following the two primary categories are, one, money and, two, administration. Secretary of State March Fong Eu said at that time the bill "must"—underlined in her letter—be amended to include an appropriations official to pay for the programs mandated by the bill.

So my suspicion is that both sides could produce letters from various California authorities as to their views on this. The point that this Senator was making, and the reason he singled out California as an example of the kinds of problems this bill could cause, is that there are 30 million people in California. I am told that if California were a country, it would have the 10th largest economy in the world. It has had enormous financial problems, as we have all been made aware through the national news coverage that it has received.

There were at least some California officials who felt that in the wake of their financial situation—this particular letter from the secretary of state at that time predates some of the financial difficulties that California has had—if we were going to pass such a bill, maybe we ought to send along the money to pay for it, because California was operating during part of last year on IOU's. I cite that as an example, even though I know full well we can probably haul out California politicians on both sides of the argument.

Nevertheless, it is indisputable that California has serious financial problems to the point where it is issuing IOU's to pay its workers. And this is a bill that includes an unfunded mandate on States that do not currently have motor-voter, and California is one of them.

So I continue to believe that California is a good example of the kind of onerous mandate this could become. I repeat the suggestion that if in fact the costs of this bill are not very great, then we ought to pay for it. We can find a way to pay for what we think is important around here.

Sometimes we do not bother to pay for things at all. For example, yesterday, we passed an Unemployment Compensation Act, which I would love to have supported, except that it was charged to our grandchildren.

We are asked by the President to pass a stimulus package in the name of stimulating the economy. Yet, he is not suggesting that we pay for it. So I think this is a dangerous trend, Mr. President. I hope that at some point in the course of this debate, we might consider paying for this bill, if we are going to mandate it upon the States.

Mr. President, I yield the floor.

Mr. FORD. Mr. President, let us just take the same individual that my colleague just quoted. The letter is 2 years old, from the same individual, secretary of state of California, March Fong Eu, if I pronounced that right, who writes "as an enthusiastic supporter of S. 460." That letter was put into the RECORD, and it is the same letter.

I suspect that the secretary of state, after having 2 years to study the legislation, looked at this bill and became an enthusiastic supporter. So I would not think that California—even though the secretary of state has not the au-

thority of the Governor—would not want to increase the expenses of the office.

We have heard talk about costs. I have a letter from the secretary of state of Texas. "We are writing today to express our support for the National Voter Registration Act, and to summarize the progress we are making with our own motor-voter program.

The Texas Motor Voter program was signed into law on August 26, 1991 and implementation began September 1, 1992.

The state legislature made no appropriation and so the entire program was designed and implemented absent any new expenditures.

Within the first 5 months of program operation, we estimate that 48,511 Texas citizens completed voter registration applications through our Motor Voter Program.

We in Texas are proud to be in the forefront of the Motor Voter strategy. Texas was first with registration-by-mail which began in 1966.

Again, we offer our full support for the National Voter Registration Act of 1993.

Signed John Hannah, Texas secretary of state, and Senator Rodney Ellis, the proposer of that legislation.

So, Mr. President, all these unfunded mandates begin I think to pale a little bit when you begin to look at the recent facts where Texas began theirs with no additional funding and it is going smoothly. The California secretary of state now says she is fully in support of motor-voter, and it just defies me why anyone would want to object to the process of making it easier for an individual to become a registered voter in this country.

We have made these speeches before. I think most people have heard them. We understand what the vote will be tomorrow, and then I think I know what the vote will be next Tuesday.

So, I understand why not too many of our colleagues are around here voicing their position as it relates to pros and cons.

I think Senator HATFIELD made an excellent speech in support of this legislation. He is one of the most senior Members on the other side of the aisle, and he cannot understand why his side is so vehemently opposed to this legislation.

Mr. President, we will continue to debate the issue, and I am very pleased now to turn over the management of the bill to the distinguished Senator from Minnesota [Mr. WELLSTONE].

Mr. SARBANES. I rise to indicate my strong support for the National Voter Registration Act of 1993, also known as the motor-voter bill.

In my view it is essential that we establish uniform national voter registration procedures to allow greater opportunities for all eligible citizens to participate in the electoral process. The decline in voter participation in national elections in recent decades is a significant cause for alarm. Only about half the voting age population went to the polls in the 1988 election. The turnout improved during the recent Presidential election, however voter participation remains low in this country compared to other advanced democratic countries. According to the Congressional Research Service, only 61 percent of those eligible to vote are registered; and the Bureau of the Census tells us that voter turnout of registered voters in Presidential elections typically exceeds 85 percent. Obviously, there are many reasons why people do not vote; but, as these figures indicate, the major reason citizens do not participate in elections is because they are not registered.

The bill before the Senate would address this problem by requiring States to allow citizens to register to vote in person, by mail, when applying for drivers licenses, or when they visit various Federal and State offices. This legislation is virtually identical to legislation that passed the Senate during the 102d Congress on May 20, 1992, by a vote of 61 to 38. Unfortunately, that bill was vetoed by then-President Bush; and the Senate was unable to override his veto. In contrast, this year, we are fortunate to have a new President who has indicated that he will sign the motor-voter bill. Legislation was introduced in the House and the Senate during the first week of the 103d Congress, and I am pleased that legislative action on this important measure is well underway. The House passed identical legislation on February 4, 1993, by a vote of 259 to 160. In the Senate, the Rules Committee has taken prompt action to report the bill; and we now have an opportunity to clear this measure for President Clinton's signature.

Some critics of this legislation have charged that by making voter registration easier, there may be increased opportunities for fraud. As a Senator from a State that has used mail registration for many years, I do not believe those criticisms are valid. All three methods for registration established by the legislation—by mail, as part of drivers license renewal, and when visiting Government agencies—are well tested and successful methods for registering voters. Twenty-seven States currently use some form of voter registration by mail, more than 20 States provide for registration as part of the drivers license renewal process, and over a dozen States have successfully established agency voter registration in schools, libraries, and other State agency locations. Experience in these States has shown that these methods work by providing greater opportunities for voter registration without significant risk of fraud. In addition, the bill includes important additional safeguards to prevent fraud. The mail registration form will include a mandatory statement of eligibility to vote, an attestation that the applicant meets each requirement of eligibility to vote, and the signature of the applicant under penalty of perjury. There are also provisions that would impose stiff penalties for fraud.

Concerns have also been raised about potential additional costs for State and local governments to implement this legislation. I would simply note that any increased costs for a State to comply with the uniform voter registration standards provided by this legislation would be relatively small, particularly in those States that have already taken steps to increase the opportunity for citizens to register to vote. In addition, the legislation provides relief to all States in the form of a postal rate reduction for State and local election officials which will save State and local governments over $4 million per year. There are also expected to be savings from the adoption of uniform registration forms in those States that have not yet adopted uniformity between jurisdictions and because voter registration is now likely to be spread out over the year as people renew drivers licenses. There will be less need to hire additional registrars to handle the higher volume of registration that typically occurs in some States before registration deadlines.

Throughout our history there have been barriers that have prevented significant segments of our population from actively participating in Government by voting. I am proud that we have removed those barriers by adopting constitutional amendments and statutes that now guarantee the right to vote. We have also removed many restrictive practices such as the poll tax, literacy tests, and other devices that have inhibited voting. I consider the legislation before us today another significant step in our effort to provide every opportunity for citizens to vote. A healthy democracy thrives on the active participation of the governed, and I urge my colleagues to vote for this bill.

Mr. BRADLEY. Mr. President, I rise as a cosponsor to support the National Voter Registration Act of 1993.

The political process holds the key to empowerment in this country. Voter registration and active participation remain the critical link. The history of American democracy is a history of broadening the vote: when the Constitution was adopted, the only Americans who had the vote were white males with property. In the 1830's, it was extended to white males without property and in the 1860's to black males. It was not until the 1920's that the franchise was extended to women. In 1965, the Voting Rights Act was passed to protect the right to vote which had been illegally withheld from blacks in the South for generations. In 1971, the right to vote was extended to those 18 years of age or older. This act, the latest attempt at strengthening our democracy, is in the tradition of those farsighted efforts.

Mr. President, we are a representative democary. But if only two-thirds of voting-age Americans are registered, who are we representing? If on any given election day, one-third of our voting-age population could not vote if they wanted to, how healthy is our democracy? If we truly are a government of the people and by the people, shouldn't we aim for 100-percent participation? As lawmakers, it is our duty to do what we can to strengthen our democracy.

Difficulties in voter registration abound, Mr. President. The board of elections in some municipalities select registration deputies and decide when and where registration sites will be located. This can limit access to a wide variety of people. Registrar deputization can be a broad-scale voting impediment. While some boards of election accept most volunteer deputies, others make the process a taxing one by requiring extensive training, swearins, and complicated applications. Depending on the board of election's criteria, this process can be highly subjective.

This country places a premium on mobility as a form of freedom and opportunity. A University of Michigan study shows that one-third of all adults have not lived in the same address for more than 2 years. When people move, voter registration is not placed on the top of their priority list. Often a citizen's name is purged or removed from a voter registration list if he or she has not voted within 4 years. Likewise, some States do not even have mail-in registration. College students whose home State is Florida, for example, cannot mail in their voter registration form. Should going away to college preclude the possibility of having a political voice or casting a vote?

Finally, there exist registration procedures and practices which prevent the poor from voting. Impediments such as opening registration sites only during regular work hours or making registration sites inaccessible by public transportation leave a large segment of our society without representation. Have we forgotten those who earn an hourly wage? Have we forgotten those who do not have access to a car?

The bill addresses some of the problems I just listed and establishes a clear, uniform registration process. Every citizens who renews or changes his address on a drivers license will also have the option of registering to vote. This registers and enfranchises 90 percent of our voting-age population.

This bill also provides for voter registration at other Government agencies, such as welfare, unemployment and vocational rehabilitation offices. For disabled citizens or low-income citizens who are less likely to hold driver's licenses, agency registration is an important vehicle for political empowerment. The bill also provides for mail-in registration which will allow students and other citizens unable to reach a registration site to vote.

The reason why registration is so important, Mr. President, is because people who are registered usually vote. Estimates from last year's election show that more than 85 percent of the registered voters went to the polls. However, despite the fact that this was the highest recorded turnout since 1972, only 55 percent of the American electorate voted. We can increase voter turnout when we increase registration.

Opponents of this base their arguments on three concerns: cost, fraud, and ineffectiveness. The previous administration made these arguments when it vetoed the bill last session.

The Congressional Budget Office has estimated the cost of implementing this legislation at $20 to $25 million nationwide for each of the first 5 years. This is a small sum when compared to the benefit derived from providing citizens with the most basic element of democracy, the ballots.

To address the cries of fraud, we must look and learn from experience. To date, 27 States and the District of Columbia conduct some form of motor-voter registration. Not one has experienced significant fraud. In addition, the bill contains tough antifraud protections which should discourage that activity.

State-enacted motor-voter has proven effective at registering voters, Mr. President, and a national program would be even more effective. Voter registration in motor-voter States increased five times the rate of voter registration in non-motor-voter States, and the States with the most convenient voter registration laws, Maine, Minnesota, Montana, and Wisconsin, recorded the highest voter turnouts in the last election. In my home State of New Jersey, motor-voter registration accounted for 60 percent of all new registrations last year.

Mr. President, it is our duty as lawmakers to respond expeditiously to a system which discourages voters from participating in the democratic process. Through the ballot, an active citizenry can voice change peacefully and not feel that the path of change requires violence. I agree with many of my colleagues that Americans must also be educated on the benefits of democracy. Perhaps if we made election day a national holiday or instituted universal, same-day registration, more Americans would come to appreciate and use the special power they have. But the National Voter Registration Act is a good step in that direction. It promotes empowerment, eliminates obstacles to registration and secures us all the basis for a sustainable democracy.

The PRESIDING OFFICER (Mr. AKAKA). The Senator from Washington is recognized.

Mr. GORTON. Mr. President, is time controlled?

The PRESIDING OFFICER. It is not.

The Senator from Washington is recognized.

BUDGET OFFICE ESTIMATE

Mr. GORTON. Mr. President, late last evening the Congressional Budget Office delivered a brief, six-page analysis of President Clinton's budget proposals to the Budget Committee itself and to a number of other Members. A request for analysis of that budget had been made by Budget Committee members of both parties in both Houses and by a number of other Members.

The impact of that analysis can be described in no term less dramatic than devastating. The bottom line of the analysis from the congressional Budget Office is that there is $107 billion less in deficit reduction in President Clinton's plan than was announced by the President at the time of the submission of the budget as brief and vague and without detail as it is, $107 billion less.

Mr. President, that is for all practical purposes one-quarter of all of the deficit reduction which we were led to understand would result from the adoption of the budget. Equally significant is the fact that this is an analysis of the Congressional Budget Office, our Congressional Budget Office, the office, the single body which first has been most accurate with respect to its analyses of the budget in the past 5 years of any of the various analysts and the agency which the President himself said in the course of his State of the Union Address was the one he would abide by, the one that would come up with the correct figures.

So this $107 billion shortage in deficit reduction is not the proposal or the analysis of this Senator or of the Republican leader or indeed of any Member of the U.S. Senate but of the Congressional Budget Office.

Equally dramatic, Mr. President, is the proposition that the Congressional Budget Office has determined that for every one dollar in spending savings there is $4.81 in new taxes in the budget as proposed by the President. You will remember we began with a goal of $2 in spending reductions for every dollar in tax increases. That drifted down to $1 and then to 70 cents. I believe that the most recent figure used by my distinguished friend, the senior Senator from New Mexico, was $2.50 in tax increases for $1 in spending increases. He was criticized for being unduly pessimistic, and it turns out that he was overly optimistic, that the spending reductions are even smaller.

Mr. President, I note the presence on the floor of the distinguished Senator

from New Mexico, the ranking Republican on the Senate Budget Committee, and I wonder if he would be willing to amplify on the remarks that I have made and to answer the question. First, would the Senator tell me whether or not I am correct. Do we not have a situation here in which budget deficit reduction is now shown by the Congressional Budget Office to be some $107 billion over a 5-year period less than was estimated by President Clinton?

Mr. DOMENICI. The Senator is absolutely correct. And I might state that a little unknown portion of the Congressional Budget Office's attempt to evaluate the administration's proposal thus far is a statement by the Congressional Budget Office that says this blueprint is preliminary, and that word is from their report, because the President will present a formal budget containing detailed and revised budget proposals and updated budget estimates in April. The April budget submission the Congressional Budget Office maintains and I quote "is likely to modify or clarify some of the administration's proposals."

The reason I tell the Senator he is absolutely correct is because I think we might begin to add he is absolutely correct today, because that is all the Congressional Budget Office can assure us of. What it will really be like in 2 or 3 weeks they do not know.

They say we will really know in April, and that raises a very interesting point. Yesterday, the Senator joined me in asking for what we thought was a very reasonable request, where is the budget if we are being asked to vote on a budget resolution? We were denied that after extraordinary efforts here. To even make that simple little request requires 60 votes to pass. But I think the Congressional Budget Office is beginning today to tell us let us get the budget. Then we will be able to tell you everything about it. But for today, and what they can do in evaluating what they have, which is a blueprint—that is their word not mine—is that the President's submission to us is very, very different according to the official referee and official scorekeeper. Official by whose count? I would call the President to be our official one. Is that not the Senator's recollection?

Mr. GORTON. That is the recollection of the Senator from Washington. But he wishes to go ahead as against the decisions which were made about the writing of the budget resolution in the Budget Committee and on the floor yesterday. We are now $107 billion short on deficit reduction. We have a Congressional Budget Office which it said cannot give a definitive analysis of the budget.

Mr. DOMENICI. The Senator is correct.

Mr. GORTON. Yet we are asked in the Budget Committee itself to try to write a budget resolution next week without, if this Senator is correct, having heard from a single witness other than witnesses from the administration on the impact of the budget on the United States. Is that correct?

Mr. DOMENICI. My recollection is that that is true.

I say to fellow Senators, frankly I am not really interested in delaying things, but I have been at this business of being part of writing budget resolutions since we first had one. I was not very far up the ladder when we first started. I was down at the end of the table with Chairman Muskie presiding, but budget resolutions are not trivial documents.

They are not binding in every respect but they are, contrary to what some people think, they are policy instruments. They kind of say, here is the policy changes and you put them into this blueprint.

And my friend is suggesting that yesterday was asked, could we have a budget before we have to produce the resolution. It is too bad that we did not know yesterday what we know today; is that not right

Mr. GORTON. One-hundred and seven billion dollars too bad.

Mr. DOMENICI. I think we could have told the Senate: Do not take my word for it that we do not know what we are doing because we do not have the finality of the best estimates around, take it from the Congressional Budget Office. That, we could have told you yesterday.

But now that brings me to the point of what are we going to know about this program, this plan, this vision next Tuesday when we are asked to produce the congressional budget for the next 5 years? What are we going to know about it?

It seems to me that we are not going to have a single economist testify before the committee—one that is favorable to the President, one that might be favorable to more conservative thinking, one who may be renowned and just be netural—we are not going to hear from any of them.

Mr. GORTON. We are not going to hear from any of them?

Mr. DOMENICI. Not any of them.

I will tell you why. We asked the chairman of the Budget Committee this morning—in an official letter from all Members on our side—could we have that here? The answer is, No. We are going to be asked to vote on a defense number.

Now we had a chance to speak with the President about this at our luncheon on the defense issue, so I am not just raising something here. Nobody knows what is in the $112 billion additional defense cut on top of President's $74 billion. Nobody knows. But we are going to have to vote on that. Is that the right level of defense?

Mr. GORTON. So there is no way for those who may have reservations about the Defense Department of these cuts to say, well, let us reduce those cuts by $20 billion in order to meet certain purposes, because we do not know what the purposes of the cuts are in the first place.

Mr. DOMENICI. That is a very good point.

It may very well be that those of us who think $112 billion sounds very, very large, huge down the track, and probably is going to cost lots and lots of jobs—my guess is 1.5 million civilian and military jobs in the next 4 or 5 years—I do not now if I can offer a better policy. I cannot say, take half of it, instead of all of the President's, because I do not know what the President's means, much less to know what changes I would have in mine mean.

So we probably cannot intelligently construct a defense budget at this point.

Mr. GORTON. As I understand the report of the Congressional Budget Office, there is another, it seems to this Senator, at least, fairly significant question which is out in the air.

I believe the Senator from New Mexico was critical of the original budget submission by the President because it seemed to ignore the Resolution Trust Corporation; that is, the savings of the moneys needed for bankrupt savings and loans, and in some of his remarks, he remarked about that.

Now is it not true that we have a difference of opinion as to whether that huge responsibility of the Federal Government is in the budget at all?

Mr. DOMENICI. Mr. President, from what I understand, yesterday, OMB Director Panetta, for the administration, said he did not think the Resolution Trust Corporation costs—you know there are annual costs in there, I say to my friend from Minnesota—he did not know whether they were in the budget or not.

See, we do not have a budget, so we ought not even be talking about "in the budget or not," but in the numbers or not. He did not think they were. That is a pretty big item, $15 billion, $20 billion or more per year. Today the Congressional Budget Office says they think they are in.

So I just wonder what numbers they are looking at. Since we do not have a budget, it is pretty hard to tell where the numbers are coming from.

Mr. GORTON. In any event, the material that has been submitted to us by the administration makes no reference to the Resolution Trust Corporation.

Mr. DOMENICI. Correct.

Let me go back to that defense one. The Senator asked me about economic evaluations. We have always had economists come and tell us the state of the economy. They came and told us the state of the budget, what we might do if we did better. We do not have any this year.

Frankly, to the extent that we had Cabinet members and the like, really

nobody knew what these numbers meant when they came before us. Most of them said, "I don't know what the savings are because we have to wait for the budget." I think that happened on at least a couple of occasions.

We asked, in the same letter to our friend, the chairman of the Budget Committee, could we have a hearing—we will come any time of the day or night—on the Defense Department. Could you bring over somebody from the Defense Department? Maybe it cannot be the Secretary, but could you bring over somebody who would tell us what is going to happen to the U.S. defense and military, and all these wonderful men and women and their service, and the jobs in our various communities for procurement, so we can kind of get a feel for this?

The answer was rather summary and cursory: There will be no hearings. We will go to markup when we are ready next week.

So that is where we stand. I do think that the Congressional Budget Office is doing their very best with what they have, and they have said we will not really know until April.

I think we ought to urge the President to produce his budget as quickly as possible, perhaps sooner than April. And, as soon as that is done, we can ask the Congressional Budget Office to evaluate it and testify before the committee and then we will mark it up as rapidly as we can.

Mr. GORTON. There is one other feel to which I think the Senator from New Mexico has spoken earlier, which becomes, I understand, more precise in the Congressional Budget Office's analysis, and that is the fact, is it not, that the President's budget could not even be debated on the floor of the U.S. Senate in its original form without getting a waiver of the Budget Act, because it violates the 1990 budget agreement on the total amount of discretionary spending? Am I correct in that assumption?

And by how much does the President's budget, according to the Congressional Budget Office, violate present law, the law for spending cuts which was the price for the tax increases in 1990?

Mr. DOMENICI. The Senator again is absolutely right.

You see, in 1990, when we put a 5-year budget together, there were three or four things that were heralded by everyone as being very salutary, healthy, budget reduction, keep-the-spending-under-control items.

One was that we had agreed on all of the appropriated accounts, domestic and defense. We agreed that, to carry out the policy of that summit, there would be a fixed cap on expenditures in 1991, 1992, and 1993 for all three categories: Defense, foreign aid, and domestic.

For the last 2 years of those 5, 1994 and 1995, domestic would be pooled with defense and there would be one cap. But the catch is a dollar number.

Now, it turns out that the President's first set of numbers, sent to us in response to his vision statement that he presented to all of us and all our people the night of the State of the Union speech, the numbers that came from that would say that if you were to run out and produce the budget resolution to deliver that, it could have come to the floor of the Senate and, if it was introduced, any Senator could stand up and say, "I make a point of order that the budget resolution, as per the request of the President, is out of order, because it breaks those mandatory targets."

In one of those years, it is $9 billion over; in another of those years, it is $14 billion over.

What that means, I say to the Senator, is you have to cut $9 billion more than he proposed to get to the target and $14 billion more to get to the target, that is already the law of the land.

And, interestingly enough, those of us who put that summit agreement together, some of us stood by it, even though it got watered down, and said, it is better than nothing. We voted for taxes to match the spending, to match the spending cuts.

So, in a sense, the Senator from New Mexico has been heard to say, why do we need some more taxes to put up alongside of those cuts which we already agreed to and paid for? And, I would say, paid for rather royally with a large tax, a portion of the tax being that luxury tax, which was a tax on the rich, supposedly. It turned out very much to be a tax on jobs, because it turns out the rich did not get hurt with the luxury tax. Hundreds of people working in shipyards and in manufacturing boats and in maintenance shops are telling us we made a big mistake.

So we have paid rather dearly for those cuts. The Senator is absolutely correct.

Mr. GORTON. This Senator has only one more comment on which he would like the reflections of the Senator from New Mexico, and that is, perversely—particularly if we could have this budget before the Senate must debate a budget resolution—perversely, the plan of the President of the United States to come up with details early in April does give him an opportunity, it seems to this Senator, to make up for this $107 billion shortfall.

The President of the United States emphasized in the strongest possible fashion—and with the greatest public acceptance, it seems to this Senator—his desire to drastically reduce the deficit.

He now finds—and in this case, I do not think either this Senator or the Senator from New Mexico is casting blame or talking deception—but the President of the United States now finds he is $107 billion short of his own deficit reduction goals.

It is certainly the hope of this Senator—and I suspect it is of the Senator from New Mexico—that between now and the time of this budget submission, the President will find $107 billion in real cuts to match what he promised in the State of the Union Address.

My last comment—I hope I am correct in this—is that if he does so, that will much more than double the actual savings which the CBO has found to be in the budget as it exists at the present time.

Am I correct in that assumption?

Mr. DOMENICI. Will my colleague repeat the question?

Mr. GORTON. Mr. President, I just wanted my colleague to repeat whether or not he agrees with me. I am not saying we are casting blame on the President. But between now and the next month, he does have the opportunity to come up with $107 billion in real cuts, and he will have to do that just to stay in place, just to accomplish the goals he set out in his State of the Union Address.

Mr. DOMENICI. Mr. President, the President will have to do that if he wants to rely on the Congressional Budget Office to give his plan the credence it is entitled to, and that it deserves, and that he said it would have, because he said this is all per the Congressional Budget Office. It turns out, when they do their work, it is off by the amount the Senator has said.

While we are on that, I would like to make a point. None of this is intended to say that this was intentional misleading; not at all. It points out that estimating and trying to get things done without having the entire budget in place is very risky. If you are going to rely on the Congressional Budget Office, you had better let them look at a completed document so they can do their work in the excellent manner that they do it, most of the time.

On that score I would like, if my colleague has no objection, to put in the RECORD a copy of the letter sent to Senator SASSER, chairman, asking for at least two hearings, so our fellow Senators will know precisely what we asked for. It is nothing untoward. It is very forthright. Let us hear a defense expert; let us hear an economic evaluation.

Mr. GORTON. I ask unanimous consent that the letter be printed in the RECORD.

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

U.S. SENATE,
COMMITTEE ON THE BUDGET,
Washington, DC, March 4, 1993.

Hon. JIM SASSER,
Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: This letter is to request that you schedule two important Committee hearings before we proceed with the Fiscal Year 1994 Concurrent Budget Resolution.

The first hearing we request is an analysis of President Clinton's economic and budget plan. The Committee has historically received testimony from prominent economists on the President's economic and budget plan. Such a hearing has not occurred this year in the Committee. Further the first order of business in considering a budget resolution in the Senate, once reported, is four hours of debate on the economic goals and policies set forth in the resolution.

The importance the President has given to his plan's impact on the economy deserves a full and complete hearing before we proceed with the markup. We request two economists of national renown testify for the Republicans.

We further request that Secretary Aspin and General Powell appear before the Committee to review the President's defense budget plan. We realize that this hearing had been scheduled but due to the Secretary's health was unfortunately canceled. Again, because of the significant reduction in defense spending proposed in the President's plan, it is critical that the Committee have a full and complete hearing regarding its impact on our national security, economic dislocation and job loss.

We Republicans on the Committee will be prepared to participate in these hearings as soon as they can be scheduled.

Sincerely,

Pete V. Domenici, Slade Gorton, Judd Gregg, Don Nickles, Phil Gramm, Kit Bond, Hank Brown, and Chuck Grassley.

Mr. DOMENICI. Mr. President, I will not put the letter in this afternoon that we sent to the President because it should probably be done tomorrow. It is also being sent to Budget Director Panetta and Chairman SASSER, and I am absolutely sure those concerned with budgets of the United States will read the list of about 15 items that we have asked—with specificity—we have these before we mark up. I am certain those who understand our bona fide effort to be players and participants will know we need this kind of information.

Having said that, let me say to the Senate, nobody should be under any apprehension that the Republicans—who are going to participate; who have been meeting to try to understand and be participants by knowing precisely what this budget is about—are going to have many amendments. Every Senator has some version of what he thinks is not right in this budget. And I would say, in speaking to Democratic Senators, whether they offer the amendments or not, many of them say, "There are things in this budget I am not for." I have heard at least 15 say: "I am not for the Btu tax."

So we are no different than that. We are going to have Senators, to make their point, offer those kinds of amendments. But we are also going to offer—and we are working on—a series of major amendments to change the thrust of this recommendation of the President's, because we, too, want jobs and deficit reduction. We are going to change it in two major ways. And we can tell you right off there are very major policy changes.

One is, we do not think we need a net $360 billion in new taxes to get close to the President's deficit targets because we think we do not have to increase domestic spending by $178 billion, over a starting point which is the starting point of current law plus inflation, for every program after that. We do not think we should add $178 billion more to that. So there will be more cuts and less taxes—if any—in our policy proposals that will be presented as soon as we can put them together. And, clearly, if we are forced to mark up next week, we are very hopeful we will have them ready by then.

Everyone is working very hard. We are committed to being there. We are going to cancel as many things as we can to have good attendance. It is one of the interesting committees. There are no proxy votes in this committee. So for those who want that for the Senate, we already have it. You have to be there if you are going to propose something and have a vote. So we are going to be there.

My last comment is, our own intention in producing amendments, and policy changes by way of amendments, is because, in essence, we do not believe that we can get the deficit in the United States under control without getting the spending of the Federal Government under control. And we really do not believe that $54 billion net over the next 5 years in spending cuts—$55 billion is what we read the CBO report to say—we do not think that is nearly what the American people had in mind when they said: Let us sacrifice.

We think the taxes are the sacrifice. We do not think Government is sacrificing very much at all.

With that, we will put the other letters in the RECORD tomorrow. And hopefully, Senators who are interested in our concerns of doing the budget right—so we do not have another CBO estimate 4 weeks after it saying it is wrong, because they will have done it right—I hope some of them might join quietly and privately, if no other way, in asking whether or not we could have a little time, and the President could have a little time, to get his budget finished before we start our work on a budget resolution.

Mr. GORTON. Mr. President, I thank the Senator from New Mexico, my friend and colleague.

I agree with his remarks. I believe the people of the country owe him a great deal of gratitude for the clear and cogent way in which he can explain extremely complex circumstances.

We do want the deficit reduced. It is not good news for either Republicans or Democrats to find that a plan so carefully crafted by the President of the United States, is going to fall $107 billion short of meeting its own professed goals. We want to give the President the opportunity to meet those goals. We want to be able to support him in meeting those goals. We want to be able to make our own suggestions. And we want to be able to make those suggestions intelligently.

We find it frustratingly difficult to do that with the sophistication it ought to require in the absence of any kind of detailed budget.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington yields the floor.

The Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, I know the Senator from New York wishes to speak, and I actually came down to manage the National Voter Registration Act of 1993.

I thought I might respond to my Republican colleagues. Although they are leaving now, the comments will be on the RECORD. If they are busy and have to go, that is fine.

I want to say I am at a bit of a disadvantage. I have not yet—being busy—seen the CBO report. When my Republican colleagues say, of course, they want to operate in a nonpartisan manner, I certainly hope that will be the case, because unless I am wrong, it is very difficult to analyze the difficult decisions we are going to have to make, and the economic mess that our country is in, without having some historical perspective.

I just came to the U.S. Senate in 1990. I did not serve during the decade of the 1980's, and I cite as an excellent resource on this the book America: What Went Wrong? We went from an annual deficit of $75 to $350 billion. We went from an overall debt of $1 to $4 trillion. So I imagine there is plenty of blame to pass around, including blame that could be directed at Senators and Representatives who were in office, along with several Presidents.

I just want to make the point that President Clinton inherits that mess and undoubtedly some very difficult decisions need to be made. But when I hear this emphasis on deficit reduction, deficit reduction, deficit reduction, when I know at the same time we had two Republican Presidents sweeping problems under the rug, over and over and over again, I just simply want to point out that the reason people in this country are supportive of President Clinton is that they understand that President Clinton has inherited a mess. He cannot turn everything around overnight, but he can begin to change the course of direction of the country.

I heard, I believe, the Senator from New Mexico [Mr. DOMENICI], whom I have great respect for—and I know people on the floor always say "he is a great friend," but I consider him to be a great friend—I just have to say when I hear the discussion about we do not want to raise taxes, once again, one of the things we did, starting with what

was euphemistically called the Economic Recovery Act of 1981 because it certainly did not lead to economic recovery for this Nation, is we passed a very regressive bill which dramatically gave the tax breaks to people on the top with the wealth and the income. We have had a massive redistribution of wealth and income in the United States of America, all in the wrong direction.

I do not think that the vast majority of Minnesotans or the vast majority of people in this country are opposed to some principle of fairness when it comes to who pays the revenue for how we invest in our own country.

As a matter of fact, Mr. President, it is interesting, last week I was back home meeting with people to get their reactions to the budget proposal, and I met with a number of CEO's of some major companies in Minnesota and they said to me: "Paul, we make a very fine salary, and we have no objection to paying a higher marginal rate, as is done by high income and wealthy people in every other advanced economy. We know we have tough problems in our country, we know there is going to have to be sacrifice, and we are willing to pay our fair share."

So I have said it before and I am going to go back to this old Yiddish proverb, "You can't dance at two weddings at the same time." I cannot understand how my Republican colleagues can be all for reducing the deficit, but I assume they are not opposed to fully funding immunizations by 1997; I assume they are for funding Head Start and are for funding the Women, Infant and Children Program. How are we going to do all that?

The Senator from New Mexico says that the Republicans are going to have all sorts of alternatives with budget cuts—and I would like to just say to the Senator from New York, I will be done in just a moment. We are both emotive politicians, and I have a little bit to get off my chest.

The Senator from New Mexico also says there are going to be cuts. I can think of some massive programs that could be cut. A lot of people can think about that. But there may be different definitions of cuts. Let me just say to those Senators who intend to come to the floor with suggestions about cuts, I am a Senator from Minnesota and I am not going to see people talking about cuts that dramatically hurt and affect people in this country who cannot afford to have their belts tightened any further. There are a lot of massive energy subsidies that I think are given away to companies who pollute the environment. Maybe we ought to look at those cuts. Some of us have questions about the space station. Some of us have questions about super collider. There are lots of things on the table. But some of the Senators who talk the most about deficit reduction and cuts are always talking about cuts that affect people somewhere else.

So I will just go back to President Clinton's budget proposal. I think there is balance. I think there is fairness and, quite frankly, I think the President is right on the mark when, on the one hand, he talks about deficit reduction and, on the other hand, Mr. President, he understands we have an investment deficit, and we have to invest in our people, and we have to invest in our infrastructure, and we have to invest in our economy, otherwise decline begets decline begets decline.

We do not do well as a Nation with an official unemployment rate defined at 7.3 percent, never mind those people who are part-time workers, underemployed workers, those people who are discouraged workers and not counted as unemployed, and all those people who work 40 hours a week, 52 weeks a year and do not make decent wages and do not have decent fringe benefits.

I am just telling you if we do not invest in our own economy and our own people, and we do not dramatically reduce unemployment and have an economic investment so we have an economy that produces good jobs that people can count on, that pay decent wages and fringe benefits, then we are never going to bring the figures down. What are the figures? Every percent you bring unemployment down, I think you lessen $50 billion from the deficit.

I just hope in the discussion I just heard—both the Senators are gone; I was hoping they would stay but I know they had other appointments to go to—that they would understand that we cannot talk about right now and conveniently forget our recent history, and I am talking about a history of President Reagan. Remember supply-side economics? Remember that? Remember how we were going to slash the revenue base of this country and double the military budget, but we would give tax breaks to the wealthy and high income, they would invest in the economy, there would be higher levels of productivity, there would be more jobs, there would be more economic growth and the debt would come down. All of that was promised. I ask the people of the United States of America: Did that happen? That is why they elected President Clinton.

I yield the floor.

Mr. D'AMATO addressed the Chair.

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

Mr. D'AMATO. Mr. President, I ask unanimous consent that I may proceed as in morning business.

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

DEATH PENALTY FOR ACTS OF TERRORISM

Mr. D'AMATO. Mr. President, I rise today to address the tragic bombing that struck the World Trade Center just this past week. And there are two tragedies that stand out in my mind. Just a short time ago, the authorities have indicated that at least one of the perpetrators has been identified. It would appear that it is a person who is a member of the Muslim Brotherhood which is the father organization of the terrorist group Hamas.

While there may not be some sort of grand conspiracy, I certainly cannot speak to that as it relates to this particular incident or all violent terrorist attacks. Certainly, the killing of five innocent people and the injuries and the pain and suffering that have resulted, is a tragedy of immense dimension. The idea of being able to hold people hostage or inculcate fear that there may be another incident, wherever, is something that is repulsive. The President of the United States in his visit to the region just recently indicated that this would be a tragedy if we were to permit our citizens to be held captive by fear, and he was right.

But, Mr. President, there is a second tragedy, a tragedy that those people who undertake these actions are caught, that justice is incomplete and indeed if it turns out that the person who has already been apprehended is tried and convicted, justice will not be complete. That person may be sentenced to a term in prison, may be sentenced to a life in prison. Ask the mothers and fathers and children and loved ones of the victims who died whether that is true justice.

Mr. President, we should have a death penalty for these kinds of savage acts and the fact of the matter is that there is no Federal death penalty for what took place on Friday.

Under the law, the most that that guilty party could face would be life imprisonment. Such tragedies must never be suffered again without recourse to full justice, and that is why I am introducing legislation which will provide for the death penalty for murders involving bombs or other explosives.

This bill tracks similar legislation which I introduced, which we passed and is now the law of the land providing for the death penalty for homicides which are ordered by drug kingpins. We finally recognized that if someone is so heinous that he or she would order the killing of a person, they should face the death penalty. If someone is so depraved that they will set off bombs, explosives, without regard to human life, then certainly a jury of his or her peers should have the ability under the proper circumstances to call for the death penalty.

Let me just touch on something, because I had no realization as to how almost commonplace bombing has become and the incredible rise in the incidents of bombing in this country.

I refer to the manual, the 1991 Bomb Summary, put out by the U.S. Depart-

ment of Justice. In 1989, we had 1,208 incidents of bombing in this country—explosives and incendiary, 1,208. In 1991, if you look at the graph we see a leap straight up, more than a doubling in less than a 2-year period of time from 1,208 to 2,499, almost 2,500 bombings nationwide.

We have to let those people who would resort to this kind of terror tactic, whether it be domestic or international know that they will face the full measure and consequences of their actions. And if it results in the death and killing of people, there will be a death penalty.

Mr. President, if there is going to be any kind of crime bill that moves through here, it better have the death penalty for those who would use bombs and explosives and incendiaries, and that is why tomorrow I will be introducing legislation in the hope that I can, on a bipartisan basis, gain the support of as many Members as possible.

Let me, if I might, refer to page 21 of the manual that comes out from the Federal Bureau of Investigation. In my State of New York, in the last year the statistics were covered, which is 1991, we had in actual explosives, 71 bombs. In addition, there were 26 other attempts. In terms of incendiary devices, there were 12 others and two attempts. So that in the State of New York alone, when we talk about actual bombings and incendiary devices and attempts, we had well over 100.

The people of my State are entitled to the same protections as everyone else, which means that if you are going to use an explosive or a bomb and threaten lives and actually cause the deaths of innocent people, you should be prepared to pay with your own life.

Mr. President, it is with a feeling of relief that we have, apprehended someone who brought about this tragedy. I think we have to go further. That is why I am going to be introducing this legislation. I hope that before this session is complete we can adopt legislation which will give some meaningful protection and exact a full measure from those who, with no regard for the lives of others, would place people in harm's way, would jeopardize their lives, would actually take their lives, resulting in the kind of tragedy we have seen in New York becoming commonplace.

I am concerned that we have reached a new era in our lives where we do have radicals and radical groups with little regard for the safety of others and have now turned to this methodology of holding people captive. When one stops to think of the dramatic increase in a period of less than 24 months, a doubling nationwide of bombings taking place in this country, that should give one cause to reflect and say let us see to it that we do everything we can to not only apprehend and to discourage those who would undertake this activity, but to see to it that there is a proper punishment particularly as it relates to innocent lives being lost.

Mr. President, I thank my colleague from Minnesota for having been so gracious, and I yield the floor.

The PRESIDING OFFICER. The Senator from New York yields the floor. The Senator from Minnesota is recognized.

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

The PRESIDING OFFICER. The Senator from Minnesota suggests the absence of a quorum. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

NATIONAL VOTER REGISTRATION ACT OF 1993

MOTION TO PROCEED

The Senate continued to consider the motion to proceed.

Mr. DOLE. Mr. President, I understand the pending business is on the motion to proceed to the motor-voter bill.

The PRESIDING OFFICER. The Republican leader is correct.

Mr. DOLE. Mr. President, earlier this year, Congress passed a family leave bill that will cost businesses hundreds of millions of dollars.

Yesterday, the Senate passed an unemployment compensation bill raising the deficit by $5.8 billion but did not offer a single way to finance this new debt.

And now, we are debating so-called motor-voter legislation that says to the 50 States—reform your voter registration procedures, comply with our mandates, but do not come to us when it is time to pay the bill.

And if your State is broke and cannot comply with our requirements, then tough. That is not our problem. It is yours.

Mr. President, no one is against helping families with medical emergencies or assisting those Americans who are out of work or encouraging more people to participate in the democratic process.

That is not the point.

The point is that we are grownups, if we want the goodies, we are going to have to pay for them.

If we want an extension of unemployment benefits, then fine, let us find the money to fund it.

And if we want the States to adopt new voter registration procedures, we should be able to say that funding is available.

Last June, candidate Bill Clinton told the U.S. Conference of Mayors that "I am going to stop handing down mandates to you and regulating you to death."

These words were warmly received, and it is no wonder.

The mayors and county executives and State officials throughout America understand what it means when Washington calls.

It means added expense, added regulation, and added aggravation—so think twice before you pick up the phone.

Unfortunately, now that he has made it to the White House, President Clinton is singing a different tune.

We have had the family leave mandate.

We have had the $5.8 billion increase in the deficit—a mandate on our children and grandchildren who, ultimately, will pay the price for this act of fiscal irresponsibility.

And now we have the motor-voter mandate.

Tax. Spend. Mandate. That is the great new vision for change.

I ask my friends on the other side of the aisle, how would you like the States to pay for this legislation? Do you want them to cut their education budgets? How about their unemployment benefits? Child nutrition programs, perhaps? Or maybe we should tell them to raise their State taxes, and pass along the costs to the taxpayers?

No one is against increasing voter registration.

The more people who vote, the better for our democracy.

But the best way to get people to vote is to convince them that Congress is a credible institution, that we can conduct our affairs responsibly and without gimmicks.

Unfortunately, the motor-voter bill flunks the credibility test.

As columnist David Broder recently wrote:

> This legislation is the kind of underfunded, overhyped legislation that gives Congress and Washington a bad name.

Mr. President, my colleagues on this side of the aisle will make other arguments against this bill—the potential for fraud, the possibility of coercion with agency-based registration, the very fragile linkage between voter registration and voter participation.

These problems are real. They are not imaginary.

But, Mr. President, my biggest concern is with Congress' credit-card mentality.

We seem to think we can come up with any idea, no matter how expensive, and just charge it—charge it to business, charge it to future generations, and with this bill, charge it to the States and localities.

Needless to say, many of our colleagues in State government feel that this legislation is unnecessary, fraught with the potential for fraud, and inordinately expensive.

Perhaps that is why the National Governors Association, the National Association of Counties, the National Association of Towns and Townships, and the National League of Cities have all registered their opposition.

I have also received numerous letters from State and local officials who have told me that this bill will interfere with their ongoing efforts to improve access to the ballot in their respective States.

For once, I urge my colleagues to listen to the people who will have to live with what we legislate.

Mr. President, I ask unanimous consent that letters by Governors Tommy Thompson of Wisconsin and Pete Wilson of California be inserted in the RECORD, and that a letter by Bill Graves, secretary of state for the State of Kansas, be printed in the RECORD as well.

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

STATE OF WISCONSIN,
Madison, WI, February 3, 1993.

Hon. ROBERT DOLE,
Senate Hart Building, Washington, DC.

DEAR SENATOR DOLE: I am writing to express my opposition to H.R. 2, the National Motor Voter Registration Act. I support efforts to improve voter registration, however, this legislation is not an effective means of achieving that goal.

In December of 1991, I vetoed a bill passed by the Wisconsin Legislature that would have established a registration system similar to that proposed in H.R. 2. The legislation was not a cost effective means of improving Wisconsin's voter registration program which is already among the best in the nation.

Although Wisconsin would receive an exemption from enacting provisions of the program because it is one of three states to permit same-day voter registration at the polling place, I must object to this attempt by Congress to pass another unfunded mandate on the states. The bill will require states to provide voter registration at driver's licensing centers and other public assistance offices and through the mail without providing the necessary funding.

Unfunded mandates are stealing resources from the states and stifling state initiative. The 101st Congress passed legislation imposing twenty two mandates costing states over $15 billion and several others were passed in the 102nd Congress that impose further burdens. I am opposed to H.R. 2 and I am hopeful that you will vote against this faulty bill.

Sincerely,

TOMMY G. THOMPSON,
Governor.

STATE OF CALIFORNIA,
February 11, 1993

Hon. BOB DOLE,
Republican Leader,
U.S. Senate, Washington, DC.

DEAR SENATOR DOLE: I am writing to express my strong opposition to H.R. 2, the National Motor Voter Registration Act.

As I explained to you earlier during the National Governors' Association conference, H.R. 2 as currently drafted imposes yet another unfunded mandate on the people of California. While the bill requires states to provide voter registration at drivers' licensing stations, public assistance offices and through the mail, it does not provide any funds to assist the states in carrying out these activities.

California's fiscal crisis is well known. For the second straight year, we face an absolute decline in total state revenues at a time when our population grows by 600,000 people a year. To meet California's constitutional obligation for a balanced budget, we will be forced for the third straight year to make very difficult decisions. Unfortunately, H.R. 2 is blind to the fiscal climate in the states, and it allows the Congress to avoid making equally difficult decisions, by forcing the states to pick up the tab for what is claimed to be a national priority.

If the Congress identifies this as a national priority, then it must be prepared to provide the funds necessary to ensure full implementation. Absent federal funding, we must question the Congress's intent, especially given the fiscal circumstances in California and the other states.

We all share the goal of improved voter registration, Republicans and Democrats alike. This is not a partisan goal, but a promise of our democratic process. I look forward to working with you and the congressional leadership to halt this unfunded mandate.

Sincerely,

PETE WILSON,
Governor.

STATE OF KANSAS,
Topeka, KS, February 17, 1993.

Hon. BOB DOLE,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR DOLE: I urge you to continue your efforts to work for the defeat of H.R. 2. This bill places an unfair and unnecessary burden upon the people of Kansas. While this bill may be needed in other states, it is not needed in Kansas, which is already implementing its own motor voter program.

I have consistently maintained that Congress should reward states with existing motor voter programs. Instead, they have chosen to ignore Kansas' efforts to implement a program meeting the unique needs of our state and to punish states that showed the initiative to increase access to voting on their own.

My objections to H.R. 2 are as follows: It is but one more example of a callous federal government dumping an unfunded, unwanted mandate on state government. Columnist David Broder recently called it, "An example of the kind of underfunded, overhyped legislation that gives Congress and Washington a bad name."

This legislation is a perfect example of why Bill Clinton finds common sense so uncommon in Washington. This bill might be good politics, but it surely is not good government, and I sincerely doubt that in this new era of "sacrifice" we want to squander resources so wastefully.

Estimates of what it will cost states to comply with the federal program range from $25 million a year up to ten times that amount. This is especially irresponsible considering the strain state budgets, including that of Kansas, are under. States are already having difficulty keeping their existing programs operating with scarce and dwindling resources.

Agency-based registration is an especially costly and unnecessary aspect of the measure. Through motor voter in Kansas we will boost our registration to more than 92 percent of the state's voting age population. This means that we will spend hundreds of thousands of dollars to reach less than eight percent of the voting age population through agency-based registration.

This is preposterous. It is especially preposterous considering that Kansas does not have a problem. In addition to motor-voter, Kansas has mail-in registration. We make an on-going, concerted effort to give people the opportunity to register.

The results in 1992 suggest that our efforts are successful. Kansans registered to vote and turned out on election day in record numbers. The final tally on registration showed 1,365,847 Kansans, or 75 percent of the voting age population, registered to vote. On election day, 1,160,826 Kansans, or 85 percent of those who were registered, voted. That represents 138,835 more Kansans than had ever voted before—a 14 percent increase over the previous record and 64 percent of the voting age population.

I realize that all American's should be given the opportunity to conveniently participate in our electoral process. However, to take a broad brush and paint all states into the same expensive corner is not good public policy.

Please continue your efforts to defeat this legislation. Should it become law, I hope Congress will back up its words with action and provide adequate funding.

Sincerely,

BILL GRAVES,
Secretary of State.

Mr. DOLE. Mr. President, the first thing we did this year was to pass a bill, a mandatory family leave bill which would cost businesses hundreds of millions of dollars. We reached out and told everybody with 50 or more employees in America: This is going to be your leave policy, and you can handle the costs and everything else. So we have already had one mandate. We already reached out and taxed, because it is a tax; it mandates tax on business.

Yesterday, we passed the unemployment compensation bill, which we should have done, except we did not pay for it, so we added $5.8 billion to the deficit. So we started off with an ominous tone, because we did not try to pay for it. We added it to the deficit.

Now, the third piece of legislation is another mandate, adding a couple hundred million dollars or more. Tell the States and counties: You pay for it.

I addressed the National Association of Counties last Sunday, and there were Republicans and Democrats there, and they were unanimous in saying: Do not send us more mandates, unless you send us the money.

We do not listen very well. We keep telling local and State government we are broke, the Federal Government is broke. We have a $4.3 trillion debt. So we will pass it on, and you pay for it. If you are an employer, you pay for it, if you are a county official, find the money from the taxpayers, or if you are a Governor, you have to find the money. This is Democrat and Republican; this is not partisan. "Do not send more mandates."

Now we have this great idea, this motor-voter legislation, that says to the 50 States, reform your voter registration procedures, comply with our

mandates, but do not come to us when it is time to pay the bill. Pay for it yourself. So we have all these great ideas that we cannot afford to pay for. The Federal Government is broke. So we will just mandate that you pay for them. If your State is broke and cannot comply with our requirements, that is tough, that is not our problem. That is your problem. That is what we tell the Governors, Democrats and Republicans, whatever.

So it seems to me that we ought to stop this. I was going to quote David Broder, who is considered to be a fairly responsible journalist when it comes to politics and issues.

He said that: "This legislation is the kind of underfunded, overhyped legislation that gives Congress and Washington a bad name." That did not come from some Republican. I do not know what his politics are, but I know he is a respected journalist, sort of the dean of political writers.

I will say it again: It is underfunded and overhyped. That is true. There is no money in it—just a lot of hype, always saying how good it is for everybody, and it does give us a bad name. It is the very thing that makes Ross Perot so successful when he comes to Congress and talks about irresponsibility when we keep passing the bills and telling somebody they have to pick up the cost and pay for it.

So my colleagues on this other side of the aisle will make other arguments against the bill—the potential for fraud, the possibility of coercion with agency-based registration, the very fragile linkage between voter registration and voter participation.

Mr. President, I think my biggest concern is the so-called credit card mentality. We seem to think we can come up with any idea, and we say it is good and somebody is for it, no matter how expensive; we can just charge it to business, and future generations, to the Governors, to the county commissioners, and to the mayors. I do not think it is necessary.

My State opposes this. We have a Democratic Governor. We figure it will cost maybe $800,000 a year in the State of Kansas. We do not have $800,000. We have pretty good voter registration laws now. We want people to participate.

Mr. WELLSTONE. If the Senator will yield for a moment, Mr. President, I am just managing the National Voter Registration Act at this time, and I wonder if the Senator from Kansas realizes—and I know he does—Kansas already has motor-voter. I am sure the Governor has mentioned that. I take it that it is working very well in Kansas, as it is in Minnesota and in many other States.

Mr. DOLE. But we do not need the Federal Government to come in on top of it. Give the States a chance. We are trying to register voters and be progressive, as county officials are.

Why does the Federal Government always assume it is our responsibility to tell the States and counties what they ought to do? I do not think this legislation is going to pass, so maybe it will not make any difference. If it should pass, then we are creating more problems for a lot of people in both parties, and a lot of taxpayers in both parties, who have no idea why we are doing this. I am not sure anybody here knows precisely why we are doing it, except that it might help Democrats who run for political office.

Mr. WELLSTONE. If the Republican leader will yield. I also have David Broder's piece here. I agree with the minority leader that he is a respected journalist.

I thought I might quote different sections of the article and maybe talk about the "why" of this legislation.

Mr. Broder, at one point, said: "By building on that State experience, its sponsors have done something that is altogether too rare in Washington: They allowed the design to be field-tested before taking it national."

So, in other words, we are building on some of the best of the State's efforts. Mr. Broder goes on to say, "The prospect of these newcomers makes Republicans nervous"—I think this is relevant—"even though many of the new registrants are expected to be young people. In two of the last three Presidential elections, most young people voted Republican. Some of the Republican rhetoric"—and this is what I wanted the minority leader to listen to—"condemning the bill has been even more exaggerated than Democratic descriptions of its benefits."

I think the point about what Kansas, Minnesota, and many other States have done—half of the States of the country—with motor-voter is that is a huge step forward. The problem is, if you look around the country, you find about 70 million people not registered to vote. If you look at the problem of nonregistration in this country, you find that in all too many States—let us talk about this as a basic civil rights issue—we impose enormous difficulties on people. You do not know whether it is 32 days, 26 days, or however many you have in order to register to vote. You might have to register 25 days or 32. You do not know where to register or how to register, all too often. Those people we impose difficulties on are the very people who are working, blue-collar workers, low and moderate income people.

There is a real economic bias. I would think, in trying to expand democracy, that we want to support this legislation. I say to the minority leader that is the "why" of this bill, and that is, in part, what Mr. Broder was trying to say. The cost of it, CBO says, is $20 million a year.

Please remember, States are already doing voter registration. We are not mandating States to do voter registration. CBO also says we can save somewhere over $10 billion a year in terms of making it more efficient through this program. So as I look back over the decade of the 1980's, I look at a lot of the irresponsible finances; and this strikes me as being a very, very, very small-cost item compared to the gain we make, which is finally that we do not discriminate against people. We reach out and make sure that citizens in our country have the right to register and vote. That is what the United States of America is about.

Mr. DOLE. Mr. President, I appreciate the comments from the Senator from Minnesota. We will be offering an amendment, if we ever get to the bill—and I hope we do not. If we do, we will have an amendment which says it does not go into effect until the Federal Government pays the cost, whether it is $20 million or $200 million or whatever the cost. Sooner or later, we are going to have to stop mandates. I noticed when President Clinton had the Governors down, he said, "we are going to stop the mandates, stop sending things out to you, unless we pay for them."

This is a good chance for the President to stand up and say: Stop. Unless we pay for this, we are not going to inflict it on the States and on the Federal Government.

Do not tell me when the Federal Government gets involved it is going to be more efficient. If you go out and try to prove that to someone in almost any State, I think you are getting a pretty good argument. When the Federal Government gets involved, watch out. It may never happen.

So that is one of the problems we are having right now. We hope that President Clinton's effort to streamline Government will have a chance, but this bill is certainly not needed. The States are doing it. If you already have it in your States why inflict it on other States? Other States are going to do what they need to do to get people to register.

We will have the debate and have the vote tomorrow morning at 9:30. I do not think cloture will be invoked. I hope it will not be invoked but we will be back again on Tuesday.

Mr. President, was leader time reserved?

The PRESIDING OFFICER. Leader time has been reserved.

Mr. DOLE. Mr. President, I ask unanimous consent to speak on some other subject and not interfere with the debate on this measure.

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

THE ECONOMY AND THE BUDGET

Mr. DOLE. Mr. President, since we are talking about how easy it is to spend money on programs when we do

not have to pay for them which seems to be the thrust of what we are hearing this year—mandate more spending, add to the deficit.

Mr. President, this morning I had a chance to glance through the Congressional Budget Office's preliminary analysis of the Clinton economic plan.

It seems CBO has the same problem Republicans do. Let me quote from the CBO report:

Because the [President's] April budget is likely to modify or clarify some of the administration's proposals, CBO's analysis must be viewed as preliminary.

Let me underscore the word "preliminary." Even though the CBO makes it clear that the Clinton plan is incomplete, we are still told that we have to vote on a budget resolution to implement the President's program before we get to see the President's budget and even the CBO is saying we cannot complete this, because we do not have all the figures, but we are supposed to pass a resolution in 2 or 3 weeks before we even see the President's budget.

If you take a quick look through this analysis, which I am submitting for the RECORD unless it has already been submitted earlier today, I would like to make a few remarks.

First of all, we should not forget the comments President Clinton himself made about using the independent Congressional Budget Office to calculate his plan. President Clinton also said:

This budget plan * * * will by 1997 cut $140 billion in that year alone from the deficit.

Not according to this analysis by the Congressional Budget Office which was released last night. CBO now estimates that the Clinton plan will only reduce the deficit by $116 billion in fiscal year 1997. So we have gone from cutting the deficit in half in 4 years to cutting $116 billion from the deficit in 5 years.

Second, we have this vaunted "vision of change for America." We were told yesterday why we do not need a budget. It is because we have this little pamphlet; we have a pamphlet from the President. It is not a budget. It is good enough. Go ahead and vote on the pamphlet. It claimed that the President's plan would reduce the deficit by $473 billion by 1998. CBO's analysis now says the plan will generate 25 percent less deficit reduction—or only $355 billion—by 1998. So that is a fairly substantial difference as I look at it.

On top of all these new shortcomings, we still do not know all the details of the Clinton plan. Take, for example, the President's single largest cut—$112 billion in defense cuts on top of $75 billion already authorized and passed by Congress last year. We do not have the foggiest notion what the President plans to cut in defense. President Clinton did not say during our lunch on Tuesday where the defense cuts were going to come from, who was going to be affected, what weapons systems were going to go, what bases closed.

Then, the earned income tax credit which is supposed to offset the regressive Btu tax, the so-called energy tax—how is that going to be implemented? We do not know. I got a letter from Treasury saying we will tell you later; we do not have the details of the plan yet.

But we do know this. I think the more that we learn about the plan, the harder it becomes to justify the price tag.

Let me again, just in summary, point out the highlights. It is $360 billion in increased taxes, that is billion, $360 billion in new taxes over 5 years. We also have $178 billion in new spending. We have $68 billion in new tax breaks. We have $112 billion in defense cuts on top of $75 billion we already cut.

So it just seems to me that we have a right on this side of the aisle, and I think my colleagues on the other side would agree, to know what impact the President's budget may have on our States. There may be some things in that budget that might lead some of my colleagues to have some concern about the overall package. Whether you are for it or not, you ought to ask to see the budget. I mean, you do not go in and buy a new car with a blindfold on. You should not be asked to vote on a budget resolution until you see the budget.

I have been asked by the media from time to time—most of the media, of course, tends to support everything Clinton is for and the liberals are for—well, where is the Republican plan?

The last time I checked, we are not the Government. Republicans did not win the Presidential election last November. It is up to President Clinton to propose a plan. But I can tell my colleagues, and I can tell the media if they are interested, we will have a strategy, we will have a coordinated, coherent study and will have some amendments in the budget resolution in committee and on the floor, and if I can guess correctly, and I think I know pretty much what is happening on this side of the aisle, we may have our own Republican plan to offer a leadership amendment, either an amendment or a substitute.

So I would say to my friends on both sides of the aisle we are concerned about the deficit. We agree with President Clinton. The deficit is public enemy No. 1. It ought to be reduced. We ought to deal with it. We ought to get more jobs in the private sector. We want the economy to grow. And for all those reasons, we ought to deal with the deficit as quickly as we can, but I do not believe we are in such a hurry and such a rush that we need to do it before we get the budget document.

It has never been done before. You never vote on the budget resolution before you had the budget. I thought we did. I thought in 1981 President Reagan had done that. I said so on the Senate floor.

I later was corrected and came back and corrected my remarks, because it did not happen in 1981. We had an existing budget.

So I would hope that as we continue to try to obtain information from the administration on different parts of the budget, that we will keep in mind that it is $360 billion in increased taxes, and also keep in mind all those rich people. About 70 percent, as I recall, are small business men and women who are out there trying to make it. Maybe they make $250,000. Maybe they created some jobs. And their tax increase is not going to be from 31 to 36 percent. It is going to be from 31 to about 50 percent, because they are going to lose exemptions, they are going to lose deductions, they are going to pay a 2.9-Medicare tax, pay a 10-percent surtax, and it is based on economic income, and that is another definition. It has been around since 1984, but we were cutting taxes in the eighties, not raising taxes.

I just believe that the reason our phone calls are 4 to 1 against, some days 5 to 1 against, 6 to 1 against, up as high as 9 to 1 against from my State, because people are beginning to learn about the plan.

If you want more taxes, you are going to love this package. If you want to pay more taxes, you are going to love this package that President Clinton has sent to Congress.

I would hope that President Clinton was serious when he talked to us, and I think he was. We had a very good exchange at lunch on Tuesday. We appreciate and were honored very much to have the President come to our luncheon. If we are serious about deficit reduction, then we are serious about trying to be helpful. But I have the strange feeling that maybe Republican input is not really what is desired by my colleagues on the other side or by the administration.

They have the majority. They probably have the votes, and they like taxes. So we ought to just give them all the taxes they want, but we ought to focus on spending reductions where we can and insist that we reduce the deficit, and do it through spending cuts and not increased taxes.

I ask unanimous consent to print in the RECORD the preliminary CBO estimates.

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

PRELIMINARY CBO ESTIMATES OF THE ADMINISTRATION'S BUDGETARY PROPOSALS, MARCH 3, 1993

The Congressional Budget Office (CBO) has prepared a preliminary analysis of the Clinton Administration's budgetary proposals. This note and the attached tables summarize CBO's conclusions. A forthcoming CBO paper will provide further details and explanatory information.

CBO's analysis is based on the proposals and estimates described in the Administration document, A Vision of Change for Amer-

ica, which was released on February 17. In early April the President will present a formal budget containing detailed and revised budget proposals and updated budget estimates. Because the April budget is likely to modify or clarify some of the Administration's proposals, CBO's current analysis must be viewed as preliminary.

CBO PROJECTIONS

CBO estimates that under current budgetary policies the federal deficit will total $301.6 billion in 1993, $286.7 billion in 1994, and $359.7 billion in 1998 (see Table 1). These baseline projections assume that discretionary spending is held to the limits established by the Budget Enforcement Act in 1994 and 1995 and grows at the same pace as inflation after 1995. CBO's current baseline budget projections incorporate minor revisions of those that CBO released in January in The Economic and Budget Outlook: Fiscal Years 1994–1998.

In CBO's estimation, the Administration's budgetary proposals would add $6.8 billion to the deficit in 1993 and would reduce the deficit every year thereafter. Compared with the CBO baseline, the Administration's plan would reduce the deficit by $18.6 billion in 1994, $27.4 billion in 1995, and $131.2 billion in 1998.

Although the Administration's policies would, on balance, reduce the deficit, its program includes many proposed spending increases and tax reductions. Most of these programmatic increases are labeled as stimulus or investment proposals in the Administration's February 17 document, but some are included in the category of "nondefense discretionary program savings." During the 1993–1998 period, the Administration plan provides a total of $355 billion in net deficit reduction from the CBO baseline, comprising $652 billion in gross reductions, partly offset by $297 billion in increases.

DIFFERENCES BETWEEN CBO AND ADMINISTRATION ESTIMATES

CBO's estimate of the deficit is lower than the Administration's estimate in 1993, 1997, and 1998 but higher in 1994, 1995, and 1996 (see Table 2). These differences take into account differences in estimates of the budget baseline and the Administration's policy proposals. CBO's estimate of the baseline deficit is lower than that of the Administration in most years, but CBO also projects somewhat lower savings from the Administration's proposals. Because the Administration's budget estimates are based on CBO's economic assumptions, all of the differences between the Administration and CBO reflect different technical estimating methods.

CBO's baseline estimates differ from those of the Administration in two key respects. First, CBO projects higher tax collections after 1994 than the Administration. Differing interpretations of recent trends in corporate income tax collections explain more than half of this difference. Second, both the amount and timing of spending for deposit insurance remain in doubt. During the 1993–1998 period, CBO projects higher outlays for deposit insurance of $6 billion. CBO is more pessimistic than the Administration about the anticipated outlays for savings and loans but less gloomy about the prospects for the Bank Insurance Fund.

For discretionary spending proposals, CBO has generally accepted the Administration's estimates of the changes in budget authority, even where a proposal is not clearly specified, but has reestimated the resulting changes in outlays. For mandatory spending, CBO has used its own estimates of the specific policy changes proposed by the Administration. In three cases—reforming Federal Housing Administration insurance, reforming power marketing administrations, and changing debt management policies—the Administration has not yet outlined a specific proposal, and CBO's estimate therefore includes no savings for these items.

Differences in estimates of the Administration's policy proposals are concentrated in five areas. First, the Joint Committee on Taxation's estimates of the Administration's proposals, which are reflected in the accompanying tables, are about $5 billion a year less than the Administration's estimates. Different estimates of the proposed rate increases for high-income individuals and the compliance and enforcement efforts represent most of this amount.

Second, the Administration's estimates assume savings that grow to almost $5 billion in 1998 from changes in debt management policies. Because the Administration has not detailed its specific changes in debt management policies, CBO's estimate does not include budgetary savings from this source. Achieving savings of the magnitude assumed by the Administration would require eliminating most or all borrowing in long-term bonds and much borrowing in medium-term notes.

Third, CBO's estimates of the savings from the proposed reductions in provider reimbursement in the Medicare program are below those of the Administration's by amounts that approach $2 billion in 1998. This difference in estimates is largely accounted for by the Administration's inadvertent use of different economic assumptions in estimating the effects of these proposals.

Fourth, the Administration's estimates omit the effect of the proposed reductions in federal civilian and military pay on the level of Defense Department contributions to the federal employee retirement programs. Because the agency's contributions are a set percentage of payroll, a reduction in pay will also reduce the amount of the agency's contributions, which are recorded in the budget as undistributed offsetting receipts. By neglecting to include this reduction in receipts, the Administration underestimates the deficit by amounts growing to $2.0 billion by 1998.

Fifth, because CBO's estimate of the savings generated by the Administration's proposals are lower than those reported in a Vision of Change for America, CBO's estimate of the resulting reduction in the cost of servicing the federal debt is also lower. By 1998, this difference reaches $2.3 billion.

ALTERNATIVE BASELINE CONCEPTS

The budgetary savings generated by the Administration's proposals can be measured using several alternative budget baselines (see Table 3). CBO's estimates use as their starting point the CBO baseline, which assumes compliance with the discretionary spending caps established by the Budget Enforcement Act. One alternative is the uncapped baseline, which assumes that discretionary spending in the 1994–1998 period grows at just the rate of inflation. The Administration's February 17 document employs a third baseline concept, in which nondefense discretionary spending keeps pace with inflation but defense discretionary spending is held to the levels proposed in the Bush Administration's January 1992 budget request (with various adjustments). If CBO employed the Administration's baseline concept, the estimated savings from the Administration's proposals would be greater by $9.4 billion in 1994, $17.4 billion in 1995, and $44.2 billion over the 1993–1998 period than those shown in Table 1.

TABLE 1.—CBO ESTIMATES OF THE ADMINISTRATION'S POLICY PROPOSALS

[By fiscal year, in billions of dollars]

	1993	1994	1995	1996	1997	1998
CBO baseline deficit[1]	301.6	286.7	284.4	290.0	321.7	359.7
Deficit reductions:						
Discretionary spending	0	−3.4	−7.7	−28.4	−56.2	−63.4
Mandatory spending	0	−4.2	−7.5	−17.8	−25.0	−30.8
Debt service	0	−1.6	−5.2	−11.1	−20.4	−32.2
Subtotal, outlays	0	−9.1	−20.5	−57.2	−101.6	−126.4
Revenues[2]	0	−45.8	−52.4	−68.1	−84.8	−86.0
Subtotal, reductions	0	−55.0	−72.8	−125.3	−186.4	−212.4
Deficit increases:						
Discretionary spending	3.3	13.0	22.6	31.8	39.4	44.5
Mandatory spending	3.3	3.8	5.9	7.0	7.1	7.3
Debt service	.1	1.4	3.7	6.8	10.6	15.1
Subtotal, outlays	6.8	18.2	32.1	45.5	57.1	66.9
Revenues[2]	0	18.2	13.3	11.7	12.6	14.3
Subtotal, increases	6.8	36.3	45.4	57.2	69.6	81.2
Total changes	6.8	−18.6	−27.4	−68.1	−116.7	−131.2
President's budget as estimated by CBO	308.3	268.1	257.0	222.0	204.9	228.5

[1] Assumes compliance with the discretionary spending limits in the Budget Enforcement Act through 1995; discretionary outlays are assumed to grow at the same pace as inflation after 1995.
[2] Increases in revenues are shown with a negative sign because they reduce the deficit. Estimates of the Administration's revenue proposals were prepared by the Joint Committee on Taxation.

Sources: Congressional Budget Office; Joint Committee on Taxation.

Note: The budget estimates reflect the proposals incorporated in the President's budgetary message of February 17. In early April the President will present a formal budget containing detailed and revised budget proposals and updated budget estimates.

TABLE 2.—DIFFERENCES BETWEEN CBO AND ADMINISTRATION ESTIMATES OF THE ADMINISTRATION'S PROPOSED BUDGET

[By fiscal year, in billions of dollars]

	1993	1994	1995	1996	1997	1998
Administration's estimate of the deficit	331.4	262.4	241.6	205.3	206.4	241.4
CBO reestimates of the administration's baseline:						
Revenues[1]	4.9	(2)	−6.2	−5.7	−16.0	−27.7
Deposit insurance	−13.9	−3.4	13.6	12.9	−1.5	−1.5
Other outlays	−8.5	−1.8	−1.6	−3.5	−1.5	(2)
Subtotal	−17.4	−5.2	5.8	3.8	−19.0	−29.2
CBO reestimates of the administration's proposal:						
Revenues[1]	−3.6	8.8	4.3	5.7	6.6	5.7
Debt management	0.2	1.6	2.7	3.3	3.9	4.9
Medicare	0	0.6	0.9	0.4	1.3	1.8
Pay offsets	0	0.6	1.0	1.4	1.7	2.0
Debt service	−0.2	−0.1	0.4	0.9	1.6	2.3
Other outlays	−2.0	−0.7	0.2	1.3	2.5	−0.5
Subtotal	−5.6	10.9	9.5	12.9	17.5	16.2
Total reestimates	−23.1	5.7	15.4	16.7	−1.5	−12.9
President's budget as estimated by CBO	308.3	268.1	257.0	222.0	204.9	228.5

[1] Increases in revenues are shown with a negative sign because they reduce the deficit. Estimates of the Administration's revenue proposal were prepared by the Joint Committee on Taxation.
[2] Less than $50 million.

Sources: Congressional Budget Office, Joint Committee on Taxation, and Office of Management and Budget.

Note: The budget estimates reflect the proposals incorporated in the President's budgetary message of February 17. In early April the President will present a formal budget containing detailed and revised budget proposals and updated budget estimates.

TABLE 3.—CBO AND OMB ESTIMATES OF BASELINE DEFICITS

[By fiscal year, in billions of dollars]

	1993	1994	1995	1996	1997	1998
			CBO estimates			
Uncapped baseline deficit	301.6	301.5	312.1	318.5	351.0	390.8
Reductions:						
Bush defense proposals[1]	0.2	−5.2	−9.8	−16.3	−21.1	−26.0
Debt-service savings	(2)	−5.2	−0.6	−1.4	−2.7	−4.3
Subtotal	0.2	−5.4	−10.4	−17.7	−23.7	−30.3
Administration baseline deficit	301.8	296.1	301.8	300.8	327.3	360.6
Further reductions required to meet discretionary caps:						
Discretionary spending	−0.2	−9.2	−16.4	−8.9	−3.2	1.7
Debt-service savings	(2)	−0.3	−1.0	−1.9	−2.4	−2.6
Subtotal	−0.2	−9.4	−17.4	−10.7	−5.6	−0.9
Capped baseline deficit[3]	301.6	286.7	284.4	290.0	321.7	359.7
			OMB estimates			
Uncapped baseline deficit	319.2	306.7	306.0	313.6	368.8	418.6
Reductions:						
Bush defense proposals[1]	0	−5.3	−9.5	−15.2	−20.0	−24.8
Debt-service savings	0	−0.2	−0.6	−1.4	−2.6	−4.1
Subtotal	0	−5.4	−10.1	−16.6	−22.5	−28.9
Administration baseline deficit	319.2	301.3	295.9	297.0	346.3	389.7

[1] Includes adjustments to Bush request as estimated by the Clinton Administration.
[2] Less than $50 million.
[3] Assumes compliance with the discretionary spending limits in the budget Enforcement Act through 1995; discretionary outlays are assumed to grow at the same pace as inflation after 1995.

Sources: Congressional Budget Office; Office of Management and Budget.

Mr. DOLE. I yield the floor.

Mr. WELLSTONE. Mr. President, I certainly do not want to hold the minority leader here. I find myself managing the National Voter Registration Act but I am having to respond to some of the remarks of my colleagues. I just think that the only thing I wanted to respond to was the comment of if you love taxes you will love the President's plan.

It seems to me once again that unless we forget the history we saw the decade of the eighties which was spend and borrow, and I mean there was no honesty about raising revenue to do what we said we needed to do as a Nation.

I think the reason there has been a tremendous amount of support for President Clinton's budget proposal, albeit people find some features of it they disagree with, they do not think it is smoke and mirrors. They think he is stepping up to the plate and if in fact we want to bring the deficit down and in fact one more time we say we are concerned about health care and education and children and cleaning up the environment and jobs training and jobs, we are going to have to be very honest where the revenue is going to come from. We cannot simply go into more debt.

And so the President has been talking about spending cuts. He has been talking about some investments we have to make now.

I find very few Minnesotans who do not agree with the President that we ought to make sure the children are immunized. I find very few Minnesotans who do not agree with the President that we ought to get serious about job training and investment in our economy.

Finally, the President has talked about raising the marginal rate for those Americans on the upper income end; I might add, the upper, upper income end. And I find that in Minnesota, most of the people that I meet on that end of the income spectrum say, "We are willing to do that if it is part of shared sacrifice, if it is part of bringing the deficit down, if it is part of the investment we need to make,

and if it is part of making this economy work for people."

So I just think that we get one view here from the minority leader, but I think it is decontextualized. I think it is, with all due respect, ahistorical. I think it does not go back to what the mess is that we are now trying to clean up.

Mr. President, I suggest the absence of quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WELLSTONE. 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. WELLSTONE. Mr. President, I ask unanimous consent that there now be a period for morning business, with Senators permitted to speak therein.

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

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations:

Calendar 22, Peter B. Bowman, to be a member of the Defense Base Closure and Realignment Commission;

Calendar 23, Beverly Butcher Byron, to be a member of the Defense Base Closure and Realignment Commission;

Calendar 24, James A. Courter, to be a member of the Defense Base Closure and Realignment Commission;

Calendar 25, Rebecca Gernhardt Cox, to be a member of the Defense Base Closure and Realignment Commission;

Calendar 26, Hansford T. Johnson, to be a member of the Defense Base Closure and Realignment Commission;

Calendar 27, Arthur Levitt, Jr., to be a member of the Defense Base Closure and Realignment Commission;

Calendar 28, Harry C. McPherson, Jr., to be a member of the Defense Base Closure and Realignment Commission;

Calendar 29, Robert D. Stuart, Jr., to be a member of the Defense Base Closure and Realignment Commission; and

Calendar 30, James A. Courter, to be chairman of the Defense Base Closure and Realignment Commission.

I further ask unanimous consent that the nominees be confirmed, en bloc, that any statements appear in the RECORD as if read, that the motions to reconsider be laid upon the table, en bloc, that the President be immediately notified of the Senate's action, and that the Senate return to legislative session.

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

The nominations considered and confirmed en bloc are as follows:

DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

Peter B. Bowman, of Maine, to be a member of the Defense Base Closure and Realignment Commission for a term expiring at the end of the first session of the 103d Congress.

Beverly Butcher Byron, of Maryland, to be a member of the Defense Base Closure and Realignment Commission for a term expiring at the end of the first session of the 103d Congress.

James A. Courter, of New Jersey, to be a member of the Defense Base Closure and Realignment Commission for a term expiring at the end of the first session of the 103d Congress. (Reappointment.)

Rebecca Gernhardt Cox, of the District of Columbia, to be a member of the Defense Base Closure and Realignment Commission for a term expiring at the end of the first session of the 103d Congress.

Hansford T. Johnson, of Texas, to be a member of the Defense Base Closure and Realignment Commission for a term expiring at the end of the first session of the 103d Congress.

Arthur Levitt, Jr., of New York, to be a member of the Defense Base Closure and Realignment Commission for a term expiring at the end of the first session of the 103d Congress. (Reappointment.)

Harry C. McPherson, Jr., of Maryland, to be a member of the Defense Base Closure and Realignment Commission for a term expiring at the end of the first session of the 103d Congress.

Robert D. Stuart, Jr., of Illinois, to be a member of the Defense Base Closure and Realignment Commission for a term expiring at the end of the first session of the 103d Congress. (Reappointment.)

James A. Courter, of New Jersey, to be Chairman of the Defense Base Closure and Realignment Commission. (Reappointment.)

LEGISLATIVE SESSION

Under the previous order, the Senate will resume legislative session.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. White, 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 a nomination which was referred to the Committee on Governmental Affairs.

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

MESSAGES FROM THE HOUSE

At 11:52 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 20. An act to amend title 5, United States Code, to restore to Federal civilian employees their right to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes.

At 1:20 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the bill (H.R. 920) to extend the emergency unemployment compensation program, and for other purposes.

At 3:56 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House agreed to the following concurrent resolution, without amendment:

S. Con. Res. 12. A concurrent resolution to recognize the heroic sacrifice of the Special Agents of the Bureau of Alcohol, Tobacco and Firearms in Waco, Texas.

MEASURES REFERRED

The following measure, previously received from the House of Representatives for concurrence, was read, and referred as indicated:

H.R. 20. An act to amend title 5, United States Code, to restore to Federal civilian employees their right to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes; to the Committee on Governmental Affairs.

ENROLLED BILL SIGNED

At 2:28 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 920. An act to extend the emergency unemployment compensation program, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore [Mr. BYRD].

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. LOTT:

S. 499. A bill to amend title 18, United States Code, to provide mandatory life imprisonment for persons convicted of a third violent felony; to the Committee on the Judiciary.

By Mr. METZENBAUM (for himself, Mr. MACK, Mr. GRAHAM, Mr. LEAHY, Mr. WARNER, Mr. BINGAMAN, Mr. LOTT, Mr. KERREY, and Mr. WELLSTONE):

S. 500. A bill to provide that professional baseball teams and leagues composed of such

teams shall be subject to the antitrust laws; to the Committee on the Judiciary.

By Ms. MIKULSKI:

S. 501. A bill to repeal the mandatory 20 percent income tax withholding on eligible rollover distributions which are not rolled over; to the Committee on Finance.

By Mr. ROCKEFELLER (for himself and Mr. WOFFORD):

S. 502. A bill to amend the Tariff Act of 1930 to improve the antidumping and countervailing duty provisions, and for other purposes; to the Committee on Finance.

By Mr. D'AMATO:

S. 503. A bill to amend the Immigration and Nationality Act to provide that members of Hamas (commonly known as the Islamic Resistance Movement) be considered to be engaged in a terrorist activity and ineligible to receive visas and excluded from admission into the United States; to the Committee on the Judiciary.

By Mr. KOHL (for himself, Mr. HATCH, Mr. DECONCINI, Mrs. FEINSTEIN, and Ms. MOSELEY-BRAUN):

S. 504. A bill to amend section 924 of title 18, United States Code, to make it a Federal crime to steal a firearm or explosives in interstate or foreign commerce; to the Committee on the Judiciary.

By Mr. MCCONNELL (for himself, Mr. DOLE, and Mr. LUGAR):

S. 505. A bill to amend the Food Stamp Act of 1977 to identify and curtail fraud in the food stamp program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. ROTH:

S. 506. A bill to continue until January 1, 1995, the suspension of duty on o-Benzl-p-chlorophenol; to the Committee on Finance.

S. 507. A bill to extend the existing temporary suspension of duty on fusilade; to the Committee on Finance.

S. 508. A bill to suspend temporarily the duty on 3- dimethylaminomethyleneiminiphenol hydrochloride; to the Committee on Finance.

S. 509. A bill to suspend temporarily the duty on N,N-dimethyl-N'-(3-((methylamino) carbonyl)oxy)phenyl)methanimidamide monohydrochloride; to the Committee on Finance.

S. 510. A bill to temporarily suspend the duty on Bendiocarb; to the Committee on Finance.

S. 511. A bill to suspend temporarily the duty on PCMX; to the Committee on Finance.

By Mr. KERRY:

S. 512. A bill to facilitate the providing of loan capital to small business concerns, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BRADLEY:

S. 513. A bill to amend the Internal Revenue Code of 1986 to increase the excise taxes on tobacco products, and to use the resulting revenues to fund a trust fund for health care reform, and for other purposes; to the Committee on Finance.

By Mr. INOUYE:

S.J. Res. 57. A joint resolution to designate June 4 of each year as "National Midway Recognition Day"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BURNS (for Mr. MACK (for himself, Mrs. FEINSTEIN, Mr. HELMS, Mr. GRAHAM, Mr. MCCAIN, Mr. DOLE, Mr. LIEBERMAN, and Mr. BURNS)):

S. Res. 76. A resolution urging the member nations of the United Nations Commission on Human Rights to support a resolution on human rights in Cuba; considered and agreed to.

By Ms. MOSELEY-BRAUN (for Mr. MITCHELL (for himself and Mr. DOLE)):

S. Res. 77. A resolution to authorize testimony and to authorize representation by the Senate Legal Counsel; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LOTT:

S. 499. A bill to amend title 18, United States Code, to provide mandatory life imprisonment for persons convicted of a third violent felony; to the Committee on the Judiciary.

LIFE IMPRISONMENT FOR EGREGIOUS RECIDIVISTS ACT

Mr. LOTT. Mr. President, today, I am introducing legislation aimed at putting a dent in the Nation's violent crime problem. This bill is targeted at repeat offenders of violent felonies. I want to get these criminals off the streets for good.

This bill is very simple, very straightforward. It is called Life Imprisonment for Egregious Recidivists Act—or LIFER, for short.

LIFER would impose a mandatory life sentence on anyone convicted of a Federal violent felony if that person has two previous violent felonies—Federal or State—on his or her record. Sometimes there is really no better solution than locking the door and throwing away the key.

All the available evidence suggests that getting the most hard-core violent criminals off the street would substantially reduce the incidence of violent crime. Statistics tell us that 6 percent of all violent offenders commit a full 70 percent of all violent crimes. And there is a 76-percent recidivism rate among those with three or more incarcerations.

Again, I am proud to introduce this bill in conjunction with Representative BOB LIVINGSTON in the House, and I also urge that all 50 States pass similar legislation affecting violent transgressors of State law.

The LIFER bill very simply is three strikes and you are out.

I urge my colleagues to look at this legislation.

By Mr. METZENBAUM (for himself, Mr. MACK, Mr. GRAHAM, Mr. LEAHY, Mr. WARNER, Mr. BINGAMAN, Mr. ROBB, Mr. LOTT, Mr. KERREY, and Mr. WELLSTONE):

S. 500. A bill to provide that professional baseball teams and leagues composed of such teams shall be subject to the antitrust laws; to the Committee on the Judiciary.

PROFESSIONAL BASEBALL ANTITRUST REFORM ACT OF 1993

Mr. METZENBAUM. Mr. President, I rise today to introduce legislation that would remove the blanket exemption from the antitrust laws that major league baseball currently enjoys.

This legislation—cosponsored by Senators MACK, GRAHAM, LEAHY, WARNER, WELLSTONE, BINGAMAN, ROBB, LOTT, and KERREY of Nebraska—is long overdue.

The game of baseball has been a national treasure for over a century. But baseball is also a big business that does not need special treatment under the antitrust laws. And baseball's owners certainly do not deserve the privilege of being exempt from laws which other businesses—including all other professional sports—must follow.

Baseball is a $1.5 billion a year business and many of its teams are owned by or affiliated with some of America's largest corporations. The business deals of baseball's barons do not just affect the price of a ticket or the cost of a hot dog at the stadium. They also affect things like the taxes paid by the public, the economic well-being of local communities, the size of a consumer's cable bill, and the educational and career choices of thousands of young men in this country. And yet these deals—even if they hurt consumers or harm competition—are completely exempt from scrutiny under our Nation's fair competition laws.

I believe it is time to change that—and that is why I am introducing this bill. This bill is not designed to punish the owners or threaten baseball. I believe that revoking baseball's antitrust exemption is in the best interest of the public, the fans, and the sport of baseball.

The antitrust exemption granted to baseball over 70 years ago by the Supreme Court was rooted in sentiment rather than logic. Justice Holmes, one of our Nation's most revered justices, writing for the Court in the 1922 Federal Baseball case, held that the antitrust laws did not apply because baseball could not be considered interstate commerce.

Today, few scholars are willing to defend Justice Holmes' opinion. Most legal experts share the view expressed by the former chief judge of the Second Circuit Court of Appeals, Henry Friendly, who stated that the Federal Baseball case "was not one of Mr. Justice Holmes' happiest days." The Supreme Court itself has questioned the Holmes ruling, calling it "an aberration" and "an anomaly," but it has refused to overturn the decision.

The Court, however, has suggested that Congress should act. In 1971, the last time this issue came before the Justices, the Court stated that "if there is any inconsistency or illogic in

all this, it is an inconsistency and illogic of long standing that is to be remedied by the Congress and not by the Court."

The bottom line is this: As a legal matter, the basis for baseball's antitrust exemption is insupportable. The question is whether there is some overriding policy reason to continue to allow baseball to be totally exempt from the antitrust laws. At a hearing in December held by my antitrust subcommittee on this issue, former baseball Commissioner Fay Vincent stated that baseball's antitrust exemption should be retained only if "the owners can justify the privilege of the special status the exemption affords."

I agree with Mr. Vincent that baseball's owners must show that the exemption is in the public interest. And I have come to the conclusion that the owners have failed to meet that burden.

Baseball's owners are not acting like privileged stewards who use their special status under the law to protect the interests of the fans and preserve the vitality of our national pastime. Instead, they are acting more like selfish barons of a billion-dollar business which they believe belongs to them exclusively.

For example, the ouster of Fay Vincent was a clear signal that any baseball commissioner who placed the best interests of the sport ahead of the financial interests of the owners would be out of a job. Chicago White Sox owner Jerry Reinsdorf, one of the key participants in Vincent's ouster, stated that the job of the next baseball commissioner will be to "run the business for the owners, not the players or the umpires or the fans."

There the issue is summarized entirely. Baseball wants to be exempt from the laws. They want to be exempt from the edicts of their own commissioner.

The owners now tell us that they want a strong commissioner. Sure, because they hear that there may be some action in the Congress with respect to their antitrust exemption. But their actions speak louder than their words. Although they said they would move quickly to pick a new commissioner, they are nowhere close to picking a replacement for Fay Vincent. Although they said that by November 1 of last year they would redefine the duties and powers of the commissioner's office, they still have not met that deadline. So it is critical to watch what the owners do, and not what they say. As one sportswriter commented: "The reason the owners don't have a strong commissioner now—or any commissioner—is because they fired the last one because he was acting too strong."

Vincent's ouster was the latest in a series of events signaling that the direction and future of major league baseball are going to be dictated solely by the business interests of the owners. In recent years, a number of owners have threatened to leave their home cities and desert their loyal fans, unless the public subsidized the costs of new stadiums. The players—especially the minor league players—have been forced to accept restrictions on their mobility as a condition of employment. Fans in some cities cannot follow their teams closely unless they are willing to pay for expensive cable TV channels. And some baseball owners use accounting gimmicks and transfer-pricing schemes to understate their profits in order to increase their leverage in negotiations with the players, the cities and, ultimately, the fans.

Clearly, the baseball owners do not shrink from playing the kind of financial hardball you see in other businesses. That is why I believe the owners should be required to play by the same antitrust rules that apply to other businesses.

Baseball's owners will try to argue that removal of the exemption will throw the sport into chaos. Do not believe it. At the hearings held by the Antitrust Subcommittee, Fay Vincent testified that, "Baseball is not seriously dependent on the continuation of the antitrust exemption." He stated that, "The antitrust immunity baseball enjoys is not essential either to the economic health or the legal integrity of the game."

No other professional sport has a blanket exemption from the antitrust laws. For example, both pro football and pro basketball are subject to the antitrust laws. Each of those sports currently enjoys better labor relations and greater economic stability than baseball. The irony is that in both instances, improved stability and better labor relations came about as a result of antitrust lawsuits filed against the leagues by the players. The antitrust suits forced the leaders of football and basketball to restructure their labor relations and financial arrangements in a manner that worked to the benefit of the fans and the long-term interest of those sports.

That is a crucial point. The baseball owners are a legally-sanctioned cartel which cannot be held accountable for conduct which hurts consumers or harms competition. Giving the baseball owners free rein to decide what is in the best interests of the game is like giving the members of OPEC free rein to set world energy policy.

Unless there is some form of accountability, the interests of the cartel will always take precedence over the public interest.

I believe the time has come for the public to take back its national pastime. And the first step toward doing that is to put major league baseball on the same legal footing as other professional sports and other billion-dollar businesses. Subjecting baseball to the pro-competitive and pro-consumer tests of our antitrust laws will impose true accountability on baseball's owners.

Let me address the chief argument which baseball makes in support of the exemption. At the Antitrust Subcommittee hearing, Bud Selig, who is the owner of the Milwaukee Brewers and the chairman of baseball's executive council, testified that application of the antitrust laws would render baseball impotent to stop franchise relocations. In other words, baseball argues that the exemption promotes franchise stability, but that lifting it would prompt team owners to desert their loyal fans and move to greener pastures for bigger bucks and better stadium deals. This argument distorts both the facts and the law. It really is nothing but an overblown scare tactic.

Look at the facts. History does not suggest that baseball's antitrust exemption leads to greater franchise stability. Baseball's overall record on franchise migration is no better than the record compiled by the other three major sports—football, basketball, and hockey, all of which are subject to the antitrust laws. Many teams have moved during the 70 years in which the exemption has been in effect, and a number of other teams have threatened to move. Taxpayers in a number of cities have been forced to cough up millions of dollars in public subsidies in order to keep their team from moving.

The owners also have distorted the law by suggesting that the antitrust laws do not permit a sports league to impose reasonable restrictions on franchise relocations. They point to the fact that the Oakland Raiders brought a successful antitrust challenge against the NFL's effort to stop their movement to Los Angeles. But the baseball owners have misrepresented the Raiders case. The court which decided that case has made it clear that the antitrust laws do permit a sports league to impose reasonable restrictions on franchise relocation. Even Fay Vincent admitted that if the antitrust laws applied, the owners "could construct approval conditions and terms under which baseball could prevent migration [in a manner] that would be legally valid."

Moreover, the evidence suggests that baseball's antitrust exemption actually promotes franchise instability. A number of witnesses who testified before the Antitrust Subcommittee stated that the baseball owners deliberately maintain an artificial scarcity of franchises in order to maximize team revenues and maintain their leverage with the cities. A scarcity of franchises inflates the resale value of existing teams and increases each owner's share of baseball's national broadcasting revenue. It also enables owners to squeeze

concessions and subsidies from their home cities by threatening relocation to another city which is eager for a franchise.

Fans in Tampa Bay, Washington, DC, Phoenix and other communities are eager to have the national pastime played in their city. But it is more profitable for the owners to threaten relocation to these cities than it is to expand and put new teams in those communities. As a result, fans in those cities are still without baseball—not because they are incapable of supporting a team but because the owners would rather use them as bargaining chips.

If baseball were subject to the antitrust laws, the owners would not be allowed to maintain an artificial scarcity of teams for anticompetitive or anticonsumer reasons. Lifting baseball's antitrust exemption should lead to greater franchise stability and put major league baseball in more cities. Instead of threatening to move existing teams to open cities, major league baseball will look to fill those markets with new teams.

The bottom line is this: removing baseball's antitrust exemption should encourage more expansion, improve relations with the players, discourage owners from putting most or all of their games on expensive pay TV channels, and spur better decisionmaking about the direction and future of the game.

Nevertheless, this will be an uphill battle. The owners will—as they always have—come before us and plead that baseball continues to deserve its special treatment under the law. There also will be threats—sometimes implicit, sometimes explicit—that changing baseball's antitrust status will mean that some legislators will see teams in their cities and States move to other areas.

I think it is time for Congress to wake up and recognize that baseball is a billion-dollar business that is no longer worthy of special treatment under the law. Indeed, Mr. President, it is becoming apparent that the financial interests of the owners and the best interests of the sport and the fans are often in conflict with one another.

The public wants more teams, but the owners want to hold down the number of franchises. The sport needs labor stability, but the owners seem intent on forcing a showdown with labor. The public wants to see more games on free TV, but the owners continue to move games to cable. The sport needs a strong commissioner, but the owners' actions indicate they want a weak commissioner.

Baseball's 28 owners can no longer be entrusted with sole stewardship of our national pastime. The time has come to impose a measure of accountability on the owners, by making them subject to the same rules as every other sport and every other business in America. The time has come to remove baseball's antitrust exemption.

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

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

S. 500

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 "Professional Baseball Antitrust Reform Act of 1993".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the business of organized professional baseball is in, or affects, interstate commerce; and

(2) the antitrust laws should be amended to reverse the result of the decisions of the Supreme Court of the United States in Federal Baseball Club v. National League, 259 U.S. 200 (1922), Toolson v. New York Yankees, Inc., 346 U.S.C. 356 (1953), and Flood v. Kuhn, U.S. 258 (1972), which exempted baseball from coverage under the antitrust laws.

SEC. 3. APPLICATION OF ANTITRUST LAWS TO PROFESSIONAL BASEBALL.

The Clayton Act (15 U.S.C. 12 et seq.) is amended by adding at the end the following new section:

SEC. 27. Except as provided in Public Law 87–331 (15 U.S.C. 291 et seq.) (commonly known as the Sports Broadcasting Act of 1961), the antitrust laws shall apply to the business of organized professional baseball."

SEC. 4. EFFECTIVE DATE.

The provisions and amendments made by this Act shall take effect one year after the date of the enactment of this Act and—

(1) shall apply to conduct that occurs and any agreement in effect after such effective date; and

(2) shall not apply to conduct that occurred before such effective date.

QUESTIONS AND ANSWERS REGARDING MAJOR LEAGUE BASEBALL'S ANTITRUST EXEMPTION

1. What is the basis for Major League Baseball's blanket exemption from the antitrust laws?

The exemption was granted to baseball over 70 years ago, in the case of *Federal Baseball Club of Baltimore* v. *National League of Professional Baseball Clubs*. Justice Holmes, writing for the Court, held that the antitrust laws did not apply because the business of baseball could not be considered interstate commerce. Baseball clearly is interstate commerce, so the legal basis for the Holmes ruling is erroneous. The Court itself stated in 1971, in the case of *Flood* v. *Kuhn*, "Professional baseball is a business and it is engaged in interstate commerce."

2. If the legal basis for the exemption is faulty, why does it continue to be in place?

While the Supreme Court has called the *Federal Baseball* case "an aberration" and "an anomaly," it has refused to overturn the decision. The Court has justified its inaction by stating that baseball has relied on the precedent established in the 1922 decision. But the Court has strongly suggested that Congress should act. In 1957, 35 years after the *Federal Baseball* decision, the Court stated that

"Were we considering the question of baseball for the first time upon a clean slate we would have no doubts. But Federal Baseball held the business of baseball outside the scope of the [antitrust laws] * * *. We therefore conclude that the orderly way to eliminate this error, if there be any, is by legislation and not by Court decision."

The last time the Court considered this issue, in the 1971 case of *Flood* v. *Kuhn*, it stated that "if there is any inconsistency or illogic in all this, it is an inconsistency and illogic of long standing that is to be remedied by the Congress and not by the Court."

3. Has Congress ever acted to remove baseball's antitrust exemption?

In the last four decades, a number of bills aimed at overturning baseball's antitrust exemption have been introduced, but neither the full House nor the full Senate have ever acted on such a proposal.

In 1976, the House Select Committee on Professional Sports issued a report finding that "adequate justification does not exist for baseball's special exemption from the antitrust laws and its exemption should be removed."

4. Does any other professional sport enjoy a blanket exemption from the antitrust laws?

No. The Court has expressly declined to extend the exemption to other professional sports, such as football, basketball, and boxing. And the Court has stated that it is "unrealistic, inconsistent, and illogical" to treat baseball differently from other professional sports—which are subject to the antitrust laws.

5. Does baseball need the exemption?

Three months ago, former Baseball Commissioner Fay Vincent testified that "Baseball is not seriously dependent on the continuation of the antitrust exemption." The owners do not need the exemption to engage in joint agreements which are reasonable or which preserve or strengthen the sport without harming consumers or competition. That's why the other professional sports are able to function effectively, even though they do not enjoy a blanket exemption from the antitrust laws.

6. What is the relationship between the exemption and the authority of the Commissioner's office?

In recent years, Congress has tolerated baseball's privileged treatment under the antitrust laws in part because the Commissioner of baseball had independent authority to place the best interests of the sport ahead of the business interests of the owner, in instances in which those two interests might be in conflict. Former Commissioner Fay Vincent recognized that there had to be some kind of an internal check on the ability of the owners to abuse of their special privilege under the antitrust laws. Commissioner Vincent testified to the Antitrust Subcommittee that "Only a strong Commissioner acting in the interests of baseball, and therefore the public, can protect the institution from the selfish and myopic attitudes of owners."

Vincent's ouster suggests that the owners no longer want a strong Commissioner with independent authority to place the interests of the sports and the fans ahead of the financial interests of the owners. Chicago White Sox owner Jerry Reinsdorf, one of the key participants in Vincent's ouster, stated the job of the next baseball commissioner will be to "run the business for the owners, not the players or the umpires or the fans."

In short, the owners seem poised to abandon the notion that their special status under the law imposes upon them an obligation to put the public interest ahead of their

financial interest. Fay Vincent testified that: "The existing antitrust exemption for Major League Baseball should be retained only so long as baseball can persuade [Congress] that it is a unique institution with special public interest obligations and not merely another business * * *. If the owners of baseball continue on their stated course of making baseball into their business and at the same time insist that the Commissioner is their CEO to be fired at will, I would no longer support the preservation of the exemption."

7. What does the exemption enable baseball to do?

In essence, the exemption allows the owners to engage in conduct which may be anticompetitive or anti-consumer without fear of antitrust exposure. For example, a number of witnesses at a hearing held by the Antitrust Subcommittee testified that the baseball owners have deliberately held down the number of franchises in order to reap monopoly profits and to maximize their bargaining leverage with the players and the cities. If the baseball owners were engaging in such conduct while subject to the antitrust laws, they would run the risk of an antitrust challenge.

The baseball owners also agree among themselves to divide markets and allocate territories for local television broadcasting. In some instances, these territorial allocations are exclusive. For example, the Red Sox have the exclusive right to show their games on local television stations in four New England States. In other instances, these territorial agreements limit the number of teams who can sell games to local stations in a particular state. For example, only the Houston Astros and the Texas Rangers can sell games to local TV channels in Texas and Louisiana. In essence, the baseball owners are agreeing among themselves to divide markets and limit output in an apparent effort to maximize their revenues from broadcasting. It is certainly a tremendous advantage for the owners to be able to engage in these kind of agreements without fear of antitrust exposure.

8. How does the exemption affect relations with the players?

Up until the mid-1970s, baseball needed the exemption in order to preserve the validity of the reserve clause. The reserve clause bound a player to the team which first signed him for the duration of his baseball career. In essence, the reserve clause was an agreement among the owners not to compete in the market for player services. Generally, such agreements would not pass muster under the antitrust laws.

While a portion of major league players (those with more than 6 years experience) can become free agents, the bulk of big leaguers still have no opportunity to offer their services in a free market. Because these restrictions on the mobility of major leaguers are now included in the current collective bargaining agreement with the players, they would not be subject to challenge under the antitrust laws.

However, the current labor agreement expires at the end of this year. If the owners and the players fail to reach an agreement, the owners could unilaterally impose restrictions on player mobility that would limit the competition for player services and thus probably run afoul of the antitrust laws. However, because of the exemption, the baseball players—unlike the football or basketball players—would have no ability to challenge the restrictions under the antitrust laws. Their only recourse against unreasonable restrictions on player mobility would be a strike. Thus, the antitrust exemption makes labor negotiations between the owners and the players more confrontational than they might be otherwise. That helps to explain why there has been a work stoppage (either a lockout or a strike) in baseball during every labor negotiation in the last five years.

The exemption also protects the severe restrictions on player mobility imposed upon minor leaguers. A player drafted out of high school can be bound to the same major league farm system for up to six years. So if a big league club is talent-rich at a particular minor league player's position, or if the player's development is being poorly handled by a particular club, that player still cannot move to another team's farm system. Removing the antitrust exemption should give minor league players a bit more freedom to move to farm systems that can best use their talent.

9. Why is lifting the exemption in the public interest?

Lifting the exemption will make the baseball owners more accountable to the public. Subjecting baseball to the antitrust laws means that the owners can be held accountable if they make joint decisions which hurt competition or harm consumers. That means the owners will have a legal obligation to take into account the impact of their business decisions on the players, the cities, and the fans.

Revoking baseball's antitrust exemption should help spur expansion and discourage the owners from using relocation threats in order to obtain taxpayer-financed subsidies from their home cities. A number of witnesses testified to the Antitrust Subcommittee that baseball's owners deliberately maintain an artificial scarcity of teams in order to maximize revenue and maximize their leverage with the cities. Fans in cities such as Tampa, Washington, D.C., and Phoenix, are without a big league club—not because they are incapable of supporting a team—but because it is in the collective financial interest of the owners to use those cities as bargaining chips in their negotiations with their home cities.

If baseball were subject to the antitrust laws, the owners would not be allowed to maintain an artificial scarcity of teams for anti-competitive or anti-consumer reasons. Lifting baseball's antitrust exemption should lead to greater franchise stability and put major league baseball in more cities. Instead of threatening to move existing teams to open cities, major league baseball will look to fill those markets with new teams.

In addition, lifting the exemption raises the possibility that a competing league may develop. Right now, no investor in his right mind would put up money to compete against an unregulated monopoly which has an antitrust exemption. And a competing league would need to draw from the pool of talent in the minor leagues, but the antitrust exemption prevents the minor league players from negotiating with a competing league. The possibility of competition should encourage further expansion, and spur better long-term decision-making by baseball's leadership.

Removing the exemption also should foster more stable labor relations. As noted above, the antitrust exemption exacerbates the tendency of the owners and players to be confrontational in labor negotiations. A work stoppage is more likely in baseball than in the other sports because the players have no opportunity to bring an antitrust challenge against the restrictions on their mobility imposed by the owners. The owners have no reason to fear an antitrust suit, so their incentive to compromise is diminished; meanwhile, a strike is the players' only option if the owners seek to unreasonably limit competition for player services.

By contrast, both football and basketball—which are subject to the antitrust laws—currently enjoy better labor relations and greater economic stability than baseball. The irony is that in both instances, improved stability and better labor relations came about as a result of antitrust lawsuits filed against the leagues by the players. The antitrust suits forced the leaders of football and basketball to restructure their labor relations and financial arrangements in a manner that worked to the benefit of the fans and the long-term interests of those sports.

Lifting the exemption also should discourage the owners from placing most or all of their games on expensive pay TV channels. As noted earlier, the baseball owners have agreed among themselves to divide markets and allocate territories for local broadcasting of games. The owners say these restrictions are in the fans' best interest, but the Consumer Federation of America has suggested that they may be hurting fans. For example, these territorial restrictions hike the value of local broadcast contracts, and thus give the edge to cable channels which, unlike broadcast stations, have a dual revenue stream (i.e., they get income from both advertisers and cable subscribers). In addition, these restrictions allow a team owner to move games to more expensive and less accessible cable TV channels without fear of competition. When George Steinbrenner sold all of the Yankee games to a cable TV channel in New York, he didn't have to worry that a free TV station might try to compete with him by putting together a package of American League games for the benefit of fans who don't have access to or can't afford cable.

If these territorial restrictions do in fact reduce the availability of games to a substantial segment of fans, or unreasonably increase the cost of viewing the games, they could be challenged under the antitrust laws. That means the owners would be much more careful about raising prices for fans by moving a substantial chunk of games onto expensive, pay cable channels.[1]

10. Would lifting the exemption cause a rash of franchise movements?

No. If baseball were subject to the antitrust laws, the owners could still place reasonable restrictions on franchise relocation.

Some observers point to the fact that the Oakland Raiders brought a successful antitrust challenge against the NFL's effort to stop their movement to Los Angeles. But it is wrong to suggest that the Raiders case means that a sports league is powerless to prevent franchise relocations.

The 9th Circuit Court of Appeals—which approved the Raiders' move—has stated that "Neither the jury's verdict in the Raiders case, nor the Court's affirmance of that ver-

[1]The bill I am introducing does not overturn the 1961 Sports Broadcasting Act. That law provides the four major professional sports leagues with an antitrust exemption for the purpose of negotiating a national TV package with any of the free, over-the-air TV networks. But the 1961 Act does not apply to local TV contracts, and it was not intended to shield from antitrust scrutiny TV contracts—either national or local—with cable channels. It is the TV contracts with cable channels which are causing the most concern among fans. Removing baseball's blanket antitrust exemption will mean that those deals can be subject to antitrust review.

dict, held that a franchise movement rule, in and of itself, was invalid under the antitrust laws." The court went on to say that "a careful analysis of the Raiders case makes it clear that franchise movement restrictions are not invalid as a matter of law." Former Commissioner Fay Vincent testified at the Antitrust Subcommittee hearing that even if the antitrust laws applied, "it is likely that baseball in the area of franchise migration could construct approval conditions and terms under which baseball could prevent migration [in a manner] that would be legally valid." Indeed, sports leagues which are subject to the antitrust laws have been able to stop franchise relocations in the aftermath of the Raiders case: the NFL's Philadelphia Eagles were prevented from moving to Phoenix, and the NHL's St. Louis Blues were stopped from moving to Saskatoon, Saskatchewan.

Mr. GRAHAM. Mr. President, I am pleased today to be an original cosponsor of the Professional Baseball Antitrust Reform Act of 1993, the legislation that our colleague, Senator METZENBAUM, has just introduced.

To give a little history, Mr. President, in 1922, in a case entitled Federal Baseball Club of Baltimore, Inc. versus National League of Professional Baseball Clubs, the Supreme Court ruled that major league baseball was not interstate commerce and therefore was exempt from the Sherman Antitrust Act. At that time, baseball was considered a game, not a business.

This court-created exemption was never put into law by Congress or expanded to other professional sports. The 1922 decision on baseball is part of the American psyche. It is just like apple pie. Baseball holds a unique public trust, and since the ruling, has been untouched by Federal antimonopoly laws.

Mr. President, the rationale for baseball's antitrust exemption is gone. In 1922, Justice Oliver Wendell Holmes said baseball games were "purely State affairs"—teams traveled to other States for games, but this was not enough to equal interstate commerce.

Fifty years later, however, the Supreme Court ruled that professional baseball is a business engaged in interstate commerce, but upheld the antitrust exemption.

Today, major league baseball is a vast, complex organization of multimillion dollar franchises, broadcast rights, and concession deals. If it talks, walks, and looks like interstate commerce, then it must be interstate commerce.

Professional baseball, the great American pastime, no longer deserves a place on the legal pedestal for the following reasons:

The arrogant and self-serving manner in which major league baseball has handled expansion and relocation disqualifies the owners from special exemption.

Many communities, Mr. President, can cite their own example—this community, the District of Columbia, Phoenix, and Buffalo, to mention three. I want to talk about the experience of the community that I know well: Tampa Bay.

Major league baseball has continued to shun, to tease, and to lead the Tampa Bay area to believe a major league baseball team is on the way. The baseball-hungry Tampa Bay area—probably the Nation's most attractive market without a team—played by the rules to get a franchise. Tampa Bay was jilted.

Owners of the San Francisco Giants, frustrated by setbacks, put the franchise up for sale. Baseball's commissioner sent signals that the Giants could be relocated.

Investors from the Tampa Bay area offered $115 million for the Giants. A California group offered $100 million, a group which was largely put together by the current owners of major league baseball. Major league baseball forced the owner of the Giant to reject the higher offer from Tampa Bay and accept the lower offer from the San Francisco group.

The San Francisco community has been asked on four occasions to build a new stadium to replace what, by all standards, is the least adequate major league baseball park in America. On four occasions, voters in the San Francisco Bay area have said, no, they would not support the building of a new stadium. San Francisco's attendance answer has dropped by 25 percent since 1989. Last year, it had the second lowest attendance per game in the National League.

In that context, the Tampa Bay community has sold more than 30,000 season tickets for their new team in a modern stadium. In spite of that, major league baseball rejected Tampa Bay's higher offer, using its antitrust exemption as the basis of doing so.

But the treatment of communities that are able and desirous of having major league franchises is not the only reason why the antitrust exemption has become an anachronism.

The poor handling of baseball commissioner Fay Vincent also disqualifies the owners from its antitrust exemption. I think it is significant that at the time Oliver Wendell Holmes was ruling that major league baseball was exempt from the antitrust exemption was also the time baseball was going through its greatest crisis—the Black Sox scandal of 1919. As a result of that scandal, major league baseball established a strong independent commissioner's office.

Mr. President, installed in that position, was probably the strongest commissioner any professional sport has had in the history of American athletics, Judge Kenesaw Mountain Landis. It was in that context of a strong independent commissioner who was representing the public interest that Oliver Wendell Holmes ruled that baseball was not subject to the normal rules of commerce.

Well, today, that commissioner's office has been largely eviscerated. The commissioner who most recently attempted to make strong decisions, Fay Vincent, was fired, because he was found to be not making decisions that were in the best interest of the owners, even though they were in the best interest of the sport of baseball.

In the meantime, the owners have continued to stall in the appointment of a new commissioner. I will submit for the RECORD a news item from today's New York Times about an even further delay in the appointment of a major league commissioner.

Third, Mr. President, the executive committee's handling of the Marge Schott incident is a glaring indication of the owner's inability to police themselves without a strong commission. One of the most respected sport columnists in America, Tom Boswell, in an article entitled "Crime and No Punishment," written for the Washington Post, February 4, 1993, thoughtfully reviewed this incident. According to Boswell, "She (Marge Schott) handed baseball a perfect chance to take a stand and make progress in one of its weakest areas." But the owners blew it.

As Boswell pointed out, "a real commissioner would have known it." But the owners were too arrogant to want a real commissioner. They are not interested in the best interests of baseball. They are interested in the best interests of themselves.

Mr. President, major league baseball has had at least three strikes. It has missed the ball. For these reasons, our legislation revisits the issue of the exemption. Our bill reverses the Supreme Court decision, and in doing so, the legislation which we are introducing today applies the Federal antitrust law to organized professional baseball.

It is interesting that Justice Holmes, in a law review article which preceded the baseball decision, speaking on the general principles of jurisprudence, articulated the best reason for our legislation when he said:

> It is revolting to have no better reason for a rule than it was laid down in the time of Henry IV. It is still more revolting if the grounds upon which it was laid down have banished long since and the rule simply persists for blind imitation of the past.

That is what we have—blind imitation of the past in a sport which no longer needs or justifies the antitrust exemption.

Mr. President, I am pleased to join Senator METZENBAUM and others, including my colleague Senator MACK, in this legislation which will repeal this anachronism.

Mr. President, I ask unanimous consent to print in the RECORD an item from the New York Times of today and the article referred to in my statement from the Washington Post of February 4.

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

CHOICE OF COMMISSIONER MOVES TO BACK BURNER

(By Murray Chass)

PHOENIX, March 3.—Six months to the day after they asked Fay Vincent to resign as commissioner, major league club owners gathered today amid a growing movement among them to delay the selection of a new commissioner until they have negotiated new labor and television contracts.

The owners did appear to be making progress on at least one front. At a joint session of all 28 owners Thursday, they were scheduled to discuss a proposal by Richard Ravitch, their chief labor executive, to share all of their financial information with one another.

If the owners approve the proposal, which they are expected to do, it would mark a significant step in Ravitch's effort to achieve a major revenue sharing agreement among the clubs. Ravitch has told the owners that the players union will never agree to the salary cap the owners want to implement if they don't increase the amount of revenue they share among themselves.

A LOW-KEY DEBATE

A timetable for the selection of a commissioner has not been a topic of discussion at any of the seven owners meetings in the last six months. The debate has been conducted on an informal, low-key basis because no owner wants to be on record as pushing for the status quo, the absence of a commissioner.

Bud Selig of the Milwaukee Brewers, the man acting in place of a commissioner, said today that "there are people who have different opinions" on the selection of a successor to Vincent, but he declined to elaborate.

"We have a search committee in place that is doing its work and will continue to move forward," he said. "The committee is meeting this evening."

Another club official, who spoke on the condition that he not be identified, explained the thinking of the owners who favor a delay. A commissioner, he said, could only impede the clubs' efforts to achieve the kind of labor agreement they want and also interfere with the work of the three-man owners committee negotiating new television contracts, which expire after this season.

"More and more owners are understanding this," the official said.

GETTING PRIORITIES STRAIGHT

Ravitch doesn't have a vote on the selection of a commissioner, but he has been quoted by owners as telling them that they have to determine their priorities. If their first priority is to gain the kind of labor agreement they think is necessary to the economic well-being of baseball, Ravitch has told the owners, they should move ahead on that front.

If the owners decide to wait on choosing a commissioner, they probably will further arouse the ire of members of Congress who have been threatening to take action against baseball's antitrust exemption. It was the owners' ouster of Vincent in September that caught the attention of some Congress members and prompted a hearing of a Senate committee into the exemption in December, and today an aide for Senator Howard M. Metzenbaum, Democrat of Ohio, said Metzenbaum will introduce legislation Thursday aimed at ending baseball's antitrust exemption.

The aide, Nancy Coffey, said that Metzenbaum's position was that "baseball should play by the same laws as all other American businesses, including the three other major professional sports leagues."

Metzenbaum is chairman of the Senate judiciary subcommittee on antitrust, monopolies and business rights.

On the revenue-sharing front, Ravitch met last week with chief financial officers of all teams in his move to convince owners of the necessity of sharing financial information. One person who attended the meeting said Ravitch told them that everything would have to be disclosed, including side deals and all related transactions, such as the agreement the Atlanta Braves have with WTBS, the cable channel that is owned by Ted Turner.

A NEW ECONOMIC RELATIONSHIP

Owners have always been reluctant to let one another know their financial picture. The only time they have shared such information was in 1985, when Peter Ueberroth, then the commissioner, induced them to do it as part of labor negotiations. As developments later showed, the opening of clubs' books led to the owners' three-year period of collusion against free agents.

At the owners' previous meeting, here on Feb. 17, they established, in a unanimous vote, "linkage" between revenue sharing on their part and a salary cap on the players' part. The owners saw the vote as a major step toward forging a new economic relationship with the players.

In another matter, the executive council met today and discussed the restructuring report, which defines the role of the commissioner. The owners, as a group, will not receive the report until the council passes it on, with or without recommendations.

[From the Washington Post, Thursday, Feb. 4, 1993]

CRIME AND NO PUNISHMENT

(By Thomas Boswell)

Baseball dropped the big one on Marge Schott yesterday. The sport's Executive Council fined her $25,000—or about five innings worth of beer sales in Riverfront Stadium—and told her that she'll have to watch games in the upper deck executive suites next season, not the lower deck owner's box.

That's it, folks. That's the big punishment. Marge has to take the elevator up an extra floor. She'll just have to sit in those awful air-conditioned suites with the closed-circuit TVs and the waiters. She won't be able to sit in the box seats and sweat with the common people.

This isn't even a slap on the wrist. It's a kiss on the back of Schott's hand from a spineless group of owners, led by invertebrate Bud Selig, because they were too gutless to stand up to Schott's high-powered lawyer.

Hopefully Mrs. Schott, the queen of gall, will never again say that she has been bullied and discriminated against by baseball's male owners. She couldn't have been treated more like a member of their white male club if she belched.

"I know Marge is laughing all the way to wherever it is she's going," said Atlanta Braves Senior Vice President Hank Aaron last night. "She won this one. I'm very much disappointed. * * * [This] just gives everybody else, the owners, the right to do and say what they want. Nobody is going to attack one of their own peers. It's a country club. It sends out a message that we're still living in a * * * world where blacks are treated no better than 20 or 30 years ago."

Yes, this is what you get in baseball for allegedly admitting to racial and ethnic remarks against blacks and Jews. That's what baseball—our all-American sport—does to owners who keep swastikas at home with the Christmas ornaments and who tell the New York Times that "Hitler was good in the beginning" but "went too far."

Baseball will tell you that Schott was fined and suspended from the game for a year. Try not to get nauseous, especially when your read Selig's hypocritical comments: "There should be no question that the type of language commonly used by Mrs. Schott is offensive and unacceptable. There is simply no place for this in major league baseball."

Anybody with good common sense will tell you the simple truth of this sleazy deal. Schott hired an expensive Washington lawyer, threw a 200-page volume of red herrings and counter charges at the Executive Council and threatened to sue if she didn't get off very, very lightly.

Selig and his fellow Fire Fay plotters have no feeling for the symbolic place of their game in American culture or for the need to defend the powers of the commissionership on issues of moral leadership. Schott's mouthpiece wouldn't even have had a fig leaf to protect him in court. Five years ago the Supreme Court ruled, in the (former UNLV basketball coach) Jerry Tarkanian case against the NCAA, that private organizations can generally discipline their members any way they see fit without due process. Schott signed the major league agreement. It says you act right or get kicked out of the club. Owners have been suspended or forced to sell their clubs for everything from gambling to tax evasion to giving illegal campaign contributions to merely tampering with another team's player.

Baseball just didn't have the stomach for a fight, even one it couldn't have lost even if Jerry Reinsdorf had been lead counsel. Too much aggravation. Sorry, we have to go back to making money. Short of saying, "We're sorry, Mrs. Schott, you were the wronged party" baseball couldn't have done less.

Executive Council Chairman Selig, a key player in ousting former commissioner Fay Vincent, surpassed himself for wishywashiness. He could have fined Schott $250,000; she adores money. She sometimes makes her players pay for balls they flip to fans. If you want to cause her small mind pain, reach in her purse. So Selig nicked her for 10 percent of the top fine. What do you have to do to get hit for six figures around here?

As for the "suspension," here's the truth.

It's not suspension.

It's nothing.

To Marge Schott, owning a baseball team means only two things: Making at least $10 million a year, and getting to come to the games with her St. Bernard so she can wander around like a big Schott and cheer.

Next year, Schott will make her $10 million. She doesn't know first base from third base. But she knows that anybody who works for her and spends her nickels excessively gets fired. From a financial point of view, suspension means nothing. Whoever runs the team knows that, unless he worships Marge's bottom line, he'll be fired the day she gets back. And when will she get back? She can apply for November 1 reinstatement. Hard time: 8 months. If she doesn't get caught wearing a white sheet, she has a heck of a shot.

The tiptopper on this shame is that she can come to every game. Her lawyer plea bar-

gained that one for her. In other words, he scared the knickers off the old boys and they folded. No wonder Schott agreed to all the terms. She is "allowed to sit in the Reds executive suites, but not in the owner's field box." This is enormously important to her. She can show her face. She can play the local hero. She can wave and wish Schottzie luck on his rounds.

"Marge is very upset and very depressed that she has been singled out," said Bennett.

Poor Marge. She should call Al Campanis. In his generation, few men did more to help black and Latin players than he. He didn't use politically correct phrases. He didn't know the buzz words to avoid. He made a mistake on TV. But, on race, he lived right.

But he didn't own a team. He didn't have a fancy lawyer. He was just an employee. So he took the fall.

Now we know why Selig holed himself up for eight hours yesterday, repeatedly delaying the Schott decision. Every hour he'd send word, "Pretty soon."

Come out with your hands up, Bud.

We know you're in there. Come out peacefully and you won't get hurt. Poor Bud, he was just stalling probably so his copout would not make the national evening TV news. The minute Rather, Brokaw and Jennings were off the air, here came the announcement.

Marge Schott should have been fined $250,000 and suspended from baseball—really suspended—for two years. If her lawyer whined, he should have been told that Schott was lucky she wasn't being forced to sell her gold mine; after all, her scandal may have damaged baseball's reputation irreparably. If she'd wanted to fight—and she'd have been a national pariah if she had—it would have been an easy chance for baseball to reinforce its powers in the courts. She handed baseball a perfect chance to take a stand and make progress in one of its weakest areas.

A real commissioner would have known it. A real commissioner would have gone on every TV news show to trumpet his stand. "Marge Schott is the past. This is where baseball is going in the 21st century."

Yes, a strong commissioner.

There used to be one.

The PRESIDENT pro tempore. The junior Senator from Florida [Mr. MACK] is recognized for not to exceed 5 minutes.

Mr. MACK. Mr. President I thank Senator METZENBAUM for his leadership on the issue of revoking the antitrust status for major league baseball. The barons of baseball have treated the people of the Tampa Bay area with disdain, utterly disregarding their hopes and dreams for a future with a baseball team.

Senator METZENBAUM was keen to see the abuse of this special privilege and he acted quickly with a hearing in his subcommittee last fall. I was pleased to be a participant at the December hearing.

Those involved learned a great deal from the testimony presented. Three months later, the baseball owners have done nothing to mitigate the damage of their onerous actions which are shielded by the exemption they, and they alone, enjoy.

The Senator from Ohio [Mr. METZENBAUM] was correct to introduce this legislation and I am proud to be the lead cosponsor. Perhaps, now baseball will come to terms with the many crises it faces and come to know the central force which can save the sport—the free-market system.

The owners will sing their tired, old song and claim baseball acted to protect fans by upholding its policy of locking teams into their present homes when it refused the legitimate sale and movement of the Giants to the Tampa Bay area. Well, there are at least 1.2 million households in the Tampa-St. Petersburg metropolitan area filled with brokenhearted fans whose interests major league baseball did not protect.

In fact, major league baseball showed no respect for those fans at all. I deeply regret that baseball has turned its back on these deserving people. Millions of fans deserve to be a part of our national pastime, instead they have been unfairly left out.

They merely want the thrill of catching a foul ball, getting an autograph, hollering at the ump calling a play, but they can not. I am convinced this occurred because baseball alone has an antitrust exemption and that exemption had some bearing on the owners' curious behavior.

The antitrust exemption represents an artificial legal framework which the courts have set up around major league baseball to protect it. The exemption has made the owners' pursuit of their self-interest inconsistent with the basic interests of baseball fans. This is the opposite of what happens when free-market competition is allowed to work. Why will not the owners accept the system which has brought so much good to every other industry in this country?

Instead their system is a fraud—an emotionally wrenching fraud. The people of Tampa-St. Petersburg were used, demeaned, and insulted. Owners should be ashamed of what they did, but they are not. Since our hearing, the owners have done little to address any concerns Senators have expressed. Expansion, league finances, the Commissioner's office, a potential labor lockout and minor league disputes are all on the table, unaddressed, and unsolved.

Baseball's blundering of the location of a team in Tampa-St. Petersburg is inexcusable. On seven occasions in the last 8 years, Tampa-St. Petersburg has tried unsuccessfully to secure a team through expansion or by purchase. We always played by the rules. We made bona fide offers.

We had commitments, promises, and signed agreements, but still no team.

The good people of the Tampa Bay area built a stadium; 30,000 season tickets were sold. In the end, nothing.

And when the citizens in Florida tried to redress their grievances through the court system and subpoenaed National League President Bill White, we were told by the courts that the antitrust exemption put Mr. White out of the reach of our subpoena. In short, major league baseball is above the law.

Major league baseball has used us as a pawn. Owners hold St. Petersburg as if it were their market, not ours. Then they use it for leverage on the current, host cities, and fans to extract new stadiums, tax benefits, and the like. This is a game in which only baseball owners win, while everybody else loses. Enough is enough.

Since the courts refuse to act and major league baseball is committed to its present course, the exemption from the antitrust laws must be removed, the Congress must act.

I urge my colleagues to cosponsor the Metzenbaum-Mack legislation to relieve fans, players, and ultimately the owners from the undue burden the antitrust exemption has put on them.

A common question asked about the antitrust exemption is: Will removing it really solve the problems of major league baseball? I believe it will. And in the end there will be more players and more teams in more cities with more fans—it is the best thing for major league baseball.

Mr. President, I have a long family tradition in the game of baseball. I love the game. I believe this legislation will be a positive step toward bringing the public interest back into the decisionmaking process of major league baseball.

Mr. President, I ask unanimous consent to print the following article in the RECORD.

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

[From the New York Times, Mar. 4, 1993]

CHOICE OF COMMISSIONER MOVES TO BACK BURNER

(By Murray Chass)

Phoenix, March 3.—Six months to the day after they asked Fay Vincent to resign as commissioner, major league club owners gathered today amid a growing movement among them to delay the selection of a new commissioner until they have negotiated new labor and television contracts.

The owners did appear to be making progress on at least one front. At a joint session of all 28 owners Thursday, they were scheduled to discuss a proposal by Richard Ravitch, their chief labor executive, to share all of their financial information with one another.

If the owners approve the proposal, which they are expected to do, it would mark a significant step in Ravitch's effort to achieve a major revenue sharing agreement among the clubs. Ravitch has told the owners that the players union will never agree to the salary cap the owners want to implement if they don't increase the amount of revenue they share among themselves.

A LOW-KEY DEBATE

A timetable for the selection of a commissioner has not been a topic of discussion at any of the seven owners meetings in the last six months. The debate has been conducted

on an informal, low-key basis because no owner wants to be on record as pushing for the status quo, the absence of a commissioner.

Bud Selig of the Milwaukee Brewers, the man acting in place of a commissioner, said today that "there are people who have different opinions" on the selection of a successor to Vincent, but he declined to elaborate.

"We have a search committee in place that is doing its work and will continue to move forward," he said. "The committee is meeting this evening."

Another club official, who spoke on the condition that he not be identified, explained the thinking of the owners who favor a delay. A commissioner, he said, could only impede the clubs' efforts to achieve the kind of labor agreement they want and also interfere with the work of the three-man owners committee negotiating new television contracts, which expire after this season.

"More and more owner are understanding this," the official said.

GETTING PRIORITIES STRAIGHT

Ravitch doesn't have a vote on the selection of a commissioner, but he has been quoted by owners as telling them that they have to determine their priorities. If their first priority is to gain the kind of labor agreement they think is necessary to the economic well-being of baseball, Ravitch has told the owners, they should move ahead on that front.

If the owners decide to wait on choosing a commissioner, they probably will further arouse the ire of members of Congress who have been threatening to take action against baseball's antitrust exemption. It was the owners' ouster of Vincent in September that caught the attention of some Congress members and prompted a hearing of a Senate committee in to the exemption in December, and today an aide for Senator Howard M. Metzenbaum, Democrat of Ohio, said Metzenbaum will introduce legislation Thursday aimed at ending baseball's antitrust exemption.

The aide, Nancy Coffey, said that Metzenbaum's position was that "baseball should play by the same laws as all other American businesses, including the three other major professional sports leagues."

Metzenbaum is chairman of the Senate judiciary subcommittee on antitrust, monopolies and business rights.

On the revenue-sharing front, Ravitch met last week with chief financial officers of all teams in his move to convince owners of the necessity of sharing financial information. One person who attended the meeting said Ravitch told them that everything would have to be disclosed, including side deals and all related transactions, such as the agreement the Atlanta Braves have with WTBS, the cable channel that is owned by Ted Turner.

A NEW ECONOMIC RELATIONSHIP

Owners have always been reluctant to let one another know their financial picture. The only time they have shared such information was in 1985, when Peter Ueberroth, then the commissioner, induced them to do it as part of labor negotiations. As developments later showed, the opening of clubs' books led to the owners' three-year period of collusion against free agents.

At the owners' previous meeting, here on Feb. 17, they established, in a unanimous vote, "linkage" between revenue sharing on their part and a salary cap on the players' part. The owners saw the vote as a major step toward forging a new economic relationship with the players.

In another matter, the executive council met today and discussed the restructuring report, which defines the role of the commissioner. The owners, as a group, will not receive the report until the council passes it on, with or without recommendtion.

By Ms. MIKULSKI:

S. 501. A bill to repeal the mandatory 20 percent income tax withholding on eligible rollover distributions which are not rolled over; to the Committee on Finance.

INCOME TAX ROLLOVER ACT OF 1993

Ms. MIKULSKI. Mr. President, I rise today on behalf of hard-working employees in Maryland and across America. Their retirement savings are now in jeopardy because of a confusing new Government tax law. To remedy that I am introducing a bill to repeal that law and protect employees' pensions.

My bill will remove the 20 percent withholding tax that affects people who change jobs and want to transfer their pension funds. Anyone who takes possession of their own pension money, even for one day, now has to pay 20 percent to the Government immediately. Even if they put all of their money into a new pension plan or IRA, the Government still keeps 20 percent until tax time the following year.

But this law gets even more confusing. A deliveryman in Baltimore who gets a job with a new company in Towson might have $50,000 saved in his retirement plan. His new company will accept the entire amount in a rollover, and the deliveryman decides to take that money and write a check for all $50,000 to his new company plan.

That used to be fine. But now that deliveryman can only get $40,000 of his money, because the Government is witholding $10,000. So to put all $50,000 into the new plan, this deliveryman has to come up with $10,000 of his own savings because the Government is holding his money.

Lots of people who go to work at 7:30 every morning don't have $10,000 in their bank accounts. They are fighting to pay the orthodontist for their daughter's braces, and trying to meet the mortgage or the rent. They have car payments, insurance premiums, and grocery bills to pay.

So what does the Government do if this deliveryman can't come up with the $10,000 to put in the savings account? They make him pay taxes on that money and make him pay a 10 percent penalty because they say he took his money before he retired at age 60.

That's a bad and confusing law, and that's why I want to repeal it. We need to put Government back on the side of hardworking Americans. You shouldn't need an accountant and a pension actuary every time you change a job or make a decision. And you shouldn't be penalized thousands of dollars for trying to do the right thing.

I know that Congress was trying to help with this law, but they missed the mark. We need to help make pensions portable, so employees can take their pensions with them when they change jobs, and so they can trust that their savings will be protected for their retirement. But this new 20 percent tax doesn't do the job.

I'll keep up my fight to make sure that pensions are available to all Americans, and that those pensions are effective and portable and will be there when they retire. I urge my colleagues to join me and fight for the interests of all working Americans.

Let's repeal this punitive and unfair law and get down to the business of creating good jobs and a secure future for the people of Maryland and of the United States.

Mr. President, I ask unanimous consent that an article be printed in the CONGRESSIONAL RECORD.

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

[From the Washington Post, Jan. 31, 1993]

TAX LAW ON 401(K) ROLLOVERS CAN COST THE UNINFORMED A LOT

(By Jane Bryant Quinn)

To improve its money flow, Congress has passed a new tax collection law that will be unfair to a lot of people. It touches everyone who might withdraw money from an employer-sponsored, tax-deferred retirement plan.

Don't get me wrong; I'm all in favor of rules that will capture every dime that taxpayers owe.

But this law can entrap you, by creating a tax liability where none had to exist. Even worse, it raises money only from the ill-informed. The well-informed will know how to avoid it.

Rep. Jan Meyers (R-Kan.) has introduced a bill to repeal this unwise law. All fair-minded people should write to their senators and representatives, in support.

The new provision applies to most withdrawals from employee retirement plans, like 401(k)s. The easiest way to explain it is to give an example.

Assume that you have $20,000 in your 401(k) plan and leave your company for a new job. If you request that $20,000 in a personal check, as is often done, your company can now give you only $16,000. Exactly 20 percent—$4,000—must be withheld for income taxes.

But what income taxes? You won't owe a tax if—within 60 days—you roll your 401(k) distribution into an individual retirement account (IRA) or into your new employer's retirement plan.

In that case, you can get your $4,000 back, by claiming it as a refund on your tax return.

What does the government get from this deal? The temporary use of your money, interest free.

But the government has an ace up its sleeve. To avoid paying taxes, you have to roll over the entire 401(k) distribution—which in this example is $20,000.

Since your company gave you only $16,000, you have to find $4,000 somewhere else. If you can't raise the money (or didn't know you had to), that $4,000 will be treated as a taxable withdrawal.

So you'll owe a tax. On a $4,000 withdrawal, you'd owe $1,520 in the 28 percent bracket

(counting the 10 percent penalty for funds withdrawn prior to age 59½). You'll also be liable for state and local income taxes.

Those who support the new tax withholding law point out that it's easy to avoid. All you have to do is tell your employer to transfer your 401(k) funds directly into an individual retirement account, or into the retirement plan of your new employer. In that case, no taxes will be withheld.

Unfortunately, not everyone will get the message. Some employees will err, and be caught in the tax trap.

Under the law, your employer has to give you a written explanation of your choices, at least 30 days before you take the money.

But my associate Amy Eskind took a look at some of the memos employers are putting out, and found a mixed bag.

Some are clear and direct, and will help people reach the right decision. Others can only be called opaque.

I saw one especially good idea, for Continental Corp. in New York City. Continental set up an interim IRA at Metropolitan Life. If an employee isn't sure where to transfer his or her money, it can be wired to Metropolitan; at a later date, those funds can be transferred somewhere else. Both of these transfers can escape tax withholding.

You can also set up your own interim IRA, ideally at a money market mutual fund or bank money market account. That keeps your money safe while you're thinking about where to invest it long term.

The 20 percent income tax withholding is not levied on withdrawals set up as lifetime annuities or on installment payments lasting 10 years or more.

But taxes will be withheld from "hardship" withdrawals, for things like medical payments or college funds.

When you cash any money out of the plan, you will owe income taxes and perhaps penalties for that year. So you might not mind the tax withholding.

But I worry about those who intend to roll over the money tax-deferred, and don't get the message on how to do it right.

Rep. Meyers's bill would restore the old rule: no mandatory tax withholding. Then, no unlucky soul would pay taxes by mistake.

By Mr. ROCKEFELLER (for himself and Mr. WOFFORD):

S. 502. A bill to amend the Tariff Act of 1930 to improve the antidumping and countervailing duty provisions, and for other purposes; to the Committee on Finance.

TRADE LAW REFORM LEGISLATION

• Mr. ROCKEFELLER. Mr. President, one of the results of the last election, in my judgment, was a mandate from the people to restore America's manufacturing competitiveness. The people understand that our country's economic problems go beyond recession. They see our manufacturing base, and the jobs that go with it, quickly eroding. They see more and more products, like the VCR and the fax, invented here but made abroad. They see our technology lead being surrendered to our trading partners, and they see that what we are getting back are low-quality assembly jobs rather than high-quality, high wage manufacturing jobs. The people understand that losing our industrial base cripples our ability to stay ahead technologically. If we don't make anything, ultimately we won't invent anything either. And when that capacity goes, our status as a world leader will go with it.

These challenges must be met on a broad front. One or two pieces of rifle shot legislation will not do the job. A number of us in the Senate have responded by developing the Senate Democratic economic leadership strategy, a set of proposals designed to address America's competitiveness problems in research and development, technology commercialization, manufacturing extension, training and education, export promotion and trade. Last year, the strategy was embodied in 30 specific proposals, 23 of which were substantially enacted. This year the strategy will appear in the form of specific bills, the first of which was introduced on January 21: S. 4, the National Competitiveness Act of 1993. This bill deals with significant parts of the first three categories I mentioned—R&D, commercialization, and extension. I already commented on its proposals when the bill was introduced, so I will not repeat those comments at this time.

Today, Mr. President, I want to make clear that trade policy is also a component of competitiveness policy. President Clinton has made clear that he prefers to deal with trade problems proactively and preemptively; that is, by addressing the underlying domestic problems that cause them before they develop into major bilateral irritants. I support that policy and believe the economic leadership strategy will help to insure it is successful.

At the same time, however, our Nation will continue to face market access problems abroad and unfair trade practices here at home. We have created the section 301 process to address the former, and in 1988 added the so-called Super 301 process to push the President into using his authority more aggressively. Part of our economic leadership strategy, which I support, is renewal of Super 301, and I am continuing my cosponsorship of that legislation this year.

Successfully combating unfair trade practices demands effective antidumping and countervailing duty laws, and I am today reintroducing legislation to address a number of problems that have emerged in those laws over our past 13 years of experience with them. These problems do not affect only those industries, like steel, that always seem to get the most publicity. They also affect sectors like semiconductors and other electronics that are on the cutting edge of American technology competitiveness. Steel is, of course, important to West Virginia, but the many other sectors impacted by these laws are likewise important, both to my State's economy and to the country's economic health.

These laws are not new, they date back over 70 years, but they are virtually our only line of defense against unfair trade practices, and it is important that we keep them current. This bill is identical to the one I introduced last July 23, with two changes I will comment on shortly.

Last updated in 1979 following the Tokyo round of trade negotiations, these laws represent a GATT-consistent means of addressing two kinds of unfair trade practices that have become increasing problems in the global marketplace. The countervailing duty law is designed to offset government subsidies, and the antidumping law is designed to deal with dumping, which is defined as selling below one's home market price, a third market price, or the cost of production.

In both cases, the theory is that these practices, the former by governments and the latter by individual producers, distort the market system and thereby confer an unfair advantage. Because of that, the General Agreement on Tariffs and Trade has erected multilaterally agreed-upon codes intended to provide some discipline over these practices. U.S. law embodies those codes.

I should emphasize, Mr. President, that these laws are not designed to be either punitive or arbitrary. If an unfair practice is found, the penalty is a duty on the import in an amount calculated to offset the dumping or subsidy. In order to obtain such a duty, a domestic complainant must demonstrate both that the unfair practice is occurring and that the domestic industry has been injured by it. Over the life of these statutes there have been numerous cases where the subsidy or dumping is clearly established, but the International Trade Commission has determined that, even so, there has not been material injury.

While the laws are not punitive, we do want them to be effective. The United States is somewhat unusual in the world in its reliance on its legal system and relatively transparent procedures to deal with these problems. Most countries find other, less formal means, sometimes outright quotas or other import limits, sometimes informal arrangements that result in the voluntary limitation of imports after Government pressure. This is why American manufacturers are so concerned with the Uruguay round's Dunkel draft, which would require changes that would weaken United States law and would weaken discipline over these practices. Other countries can make these concessions because they don't rely on these laws. If we do the same, we have nothing else as a fall back.

Even without the Dunkel draft, however, the effectiveness of these laws is declining, largely because, over time, importers learn how to evade them or how to minimize the impact of the penalties. This is not a new problem. We

have been plugging leaks in these dikes for years, passing amendments piecemeal as we encounter new types of violations. The proper approach at this point would be a complete overhaul, as we undertook in 1979, but realistically, that is most likely to occur after the conclusion of the Uruguay round, an event that is increasingly uncertain.

In the short run, however, there are a number of problems that have been identified that can easily be addressed without a comprehensive revision of the laws. Some of them have already been identified by others. The anticircumvention language in this bill, for example, is the same as that proposed by Congressman ROSTENKOWSKI, the chairman of the Ways and Means Committee, in his omnibus trade bill, H.R. 5100, which passed the House on July 8, 1992. Other provisions can hardly be called major changes in the law, but each of them is intended to address a serious problem of current procedure or legal interpretation that has arisen in recent years. A number of them relate to the experiences of West Virginia firms with the trade laws, particularly those in the steel industry. I would also note, however, that since most of these provisions would apply to cases begun after the date of enactment, they will not have an effect on pending cases, including those filed by the steel industry.

Since these provisions, not to mention current law, are complicated, they deserve some explanation in a way that I hope will be clear to both Senators and members of the public who read these remarks after they are printed. Accordingly, let me try to summarize each of the provisions in the bill and the problems they are trying to address.

STANDARD FOR INITIATION

Current law mandates a fairly low standard for accepting antidumping or countervailing duty petitions. Over the years, however, the Commerce Department bureaucracy has effectively raised the standard to demand more information and evidence before accepting a petition. This has had the effect of increasing the expense of filing and deterring cases from being pursued.

Mr. President, congressional intent on this matter was expressed very clearly in 1979. We wanted a low standard for accepting petitions because we wanted every citizen to have access to this important administrative process. In some respects, the procedures we adopted in 1979 made winning a case somewhat more difficult—particularly in the case of a subsidy complaint, where we added an injury test, and Congress felt, therefore, it was very important that we give petitioners every opportunity to have their complaint fully and carefully considered.

The bill would address this problem by clarifying the statute to require that petitions contain "a short and plain statement of the elements necessary for the imposition of the duty * * * and adequate information to give notice of the factual basis for the petitioner's allegations." While current law is also an adequate expression of congressional intent, its meaning has been distorted over time by the Department, and it is appropriate to state again in statutory form our determination that the standard for accepting a petition be a low one.

DETERMINATION OF MATERIAL INJURY—VOLUME OF IMPORTS

When the International Trade Commission votes on injury in a dumping or countervailing duty case, it considers whether the industry is injured at the time of the vote. That can lead to negative decisions in the numerous cases where the act of filing the petition had an impact on the quantity of imports. Importers often reduce their shipments during the period of investigation due to the market uncertainty the petition creates or in the hopes of securing a negative decision from the Commission by arguing the domestic industry could not be injured because imports have declined.

The bill addresses this problem by simply making clear that no negative inference can be drawn from a record of declining imports after the filing of a petition.

PRICE COMPETITION

Normally, when considering a purchase, a consumer would compare the actual prices he would have to pay for competing goods. The Commission, however, sometimes compares an import's price at the port to the domestic product's factory price. This can lead to the conclusion that the import sells at a higher price than the domestic product, when from the actual consumer point of view the opposite might be true.

The bill would address these situations by directing the Commission to compare prices of goods as they are sold to the ultimate consumer. That should produce a more appropriate comparison.

CUMULATION

As countries develop and the production/manufacturing process becomes increasingly decentralized, we have begun to encounter the phenomenon of similar imports from a wide variety of countries, many of them with only a small share of our market. Pursuing an unfair trade complaint against only the largest importers, however, is often helpful only in the short term, as those importers, once subject to dumping or countervailing duties, are quickly replaced by others who were not subject to the trade action.

American industry has responded to this problem first by filing cases against more than just the biggest importers and by encouraging the Commission to cumulate imports in its consideration of injury, that is, to determine whether all the imports collectively from the various countries subject to investigation were causing injury rather than whether the imports from each country were individually causing injury.

This provision of law, which first appeared in law in 1984 and was subsequently amended in 1988, has produced some unexpected problems in its administration, one of which relates to the circumstance of a complaint being filed against a new source of imports after a final affirmative determination has been made on the other sources of imports. At that point, the new imports cannot be cumulated with the old ones, because the latter are no longer subject to investigation. As a result, the law effectively encourages what might be called serial dumping—the repeated entry of new dumped imports from new sources after each old source is addressed through a trade complaint.

The bill addresses this problem through a look-back provision, which directs the Commission in the above circumstances to consider the injurious dumping over the previous 3 years as an important factor in determining the vulnerability of the industry to injury in the present case.

NEGLIGIBILITY

A related problem in the administration of the cumulation provisions relates to the Commission's 1988 authority to exclude negligible imports from an investigation. Following an affirmative final determination on the remaining imports, those that were dropped on the grounds of negligibility can and probably will grow significantly and become a new dumping problem. Just as in the previous provision, these imports are hard to reach because they cannot be cumulated with the earlier imports.

The bill addresses this problem in a manner similar to the direct cumulation problem above. If a subsequent petition is filed within 3 years of an earlier affirmative determination, the Commission's normal investigative period, on imports that had been found negligible, the imports covered by the later petition will be deemed to be causing material injury if the Commission would have reached an affirmative decision on them had the pattern of their volume, price, import penetration, and other factors been of similar dimensions during the earlier period of investigation when the imports were found to be negligible.

SUSPENSION AGREEMENTS

Current law gives the administering authority the option of suspending an investigation, along with any duties that might be imposed, in return for commitments by the importing parties, generally to cease the injurious activity. If the agreement is subsequently violated, the case would essentially pick up at the point it was suspended. Although the Government has quite

properly entered into very few of these agreements over the years, concern has arisen that the way the law is structured it could be to the advantage of a foreign party to enter into such an agreement temporarily and then violate it at a point when economic conditions made the likely outcome of the case when it was resumed more favorable to them. In other words, someone who was dumping might agree to suspend such activity because he anticipated losing the case, but he might at some later point deliberately violate the agreement and resume dumping in the expectation that the domestic industry could no longer establish injury or dumping of the same magnitude.

The Commission commented on this possibility in its 1991 decision on "Sheet Piling From Canada:"

* * * Congress has directed the Commission not to consider the effect of the suspension agreement when determining which merchandise is subject to investigation. 19 U.S.C. 1673c(j). Subsection (j), however, does not direct the Commission to ignore the impact of a suspension agreement on relevant economic indicators, such as changes in the volume or price of imports brought about by an agreement to eliminate LTFV sales. Such an interpretation would provide a benefit to importers who violate suspension agreements. Moreover, it would create an incentive for all importers to violate suspension agreements as soon as prices rise, imports drop, and the condition of the domestic industry improves.

The bill provides that, in an investigation that has been resumed because of such a violation, the Commission may not consider a decline in the volume of imports or an improvement in the condition of the domestic industry, both of which may occur as a result of a suspension agreement, to be indicators that the domestic industry is not injured. Similar language precluding the Commerce Department from considering changes in the foreign market value or the U.S. price of the good after the date of the suspension agreement is also included. This language is consistent with congressional intent and an appropriate clarification of an unanticipated problem when the 1979 changes were made.

CONCENTRATION OF IMPORTS

In an investigation involving a regional industry, the Commission may find injury only "if there is a concentration of subsidized or dumped imports into" the region. The legislative history of this provision makes it clear that such concentration exists when the ratio of the dumped or subsidized imports to the consumption of the imports and the domestic product is clearly higher in the regional market than the rest of the United States. This is essentially a market share test, and the Commission initially applied it in a manner faithful to congressional intent, as in "Certain Steel Wire Nails From The Republic of Korea" (1980), and "Cut-To-Length Carbon Steel Plate From The Federal Republic of Germany" (1984).

More recently, however, the Commission has tended to ignore this standard and has begun to look simply at whether the region in question accounts for a large share of the imports. With an occasional exception, the Commission has generally found that standard satisfied when the region accounts for at least 80 percent of the imports, as in "Gray Portland Cement And Cement Clinker From Mexico" (1989). This standard is not what Congress intended, and it has in several cases resulted in finding no import concentration in situations where use of the propoer standard would likely have resulted in the opposite conclusion. Examples are "Gray Portland Cement And Cement Clinker From Japan" (1991), and "Dry Aluminum Sulfate From Sweden" (1989).

The amendment solves this problem simply by incorporating into the statute the language from the legislative history of the Trade Agreements Act of 1979, ensuring that the Commission in future investigations will apply the clearly higher standard Congress intended.

DEFINITION OF SUBSIDY

Although the Tokyo round made some progrss in defining what a subsidy is, our experience since then has made clear that both the round's subsidies code and U.S. practice do not adequately reach some government subsidies that have a clear impact on an industry's ability to export. In particular, the Commerce Department currently does not apply countervailing duties against international development bank—the World Bank or its counterpart regional institutions—loans or loan guarantees, even if they are at concessionary rates or even if the loan would not have been available from commercial sources, in other words, when the recipient is not credit worthy.

The bill's response to that gap is very straightforward. It simply includes such loans in the statutory definition of a subsidy.

Simiarly, a problem has arisen with respect to loans or loan guarantees for the expansion of production or improvements in existing production when the effect of such loans is to increase production for export purposes. In such cases, the loan or loan guarantee is in reality an export subsidy, even though it may not be explained that way by the offending government.

In order to plug that gap, the bill defines as an export subsidy any loan by a government for expansion of production, or for improvements to existing production where one-third or more of the output can reasonably be expected to be exported.

CIRCUMVENTION

One of the most difficult and complex problems this bill attempts to deal with is circumvention of dumping duties. This problem was not anticipated in 1979, but it should come as no surprise that over 14 years importers and foreign manufacturers have learned a great deal about our law, including its loopholes, and have discovered how to exploit those gaps to their advantage. The trend toward globalization of production has also contributed significantly toward the problem by making it easier for producers to move their production or assembly from place to place to stay ahead of a dumping duty orders.

At the most obvious leve, Mr. President, circumvention is fraud, which is already addressed in our law. If, for example, duties have been imposed on photo albums from Korea, and the same albums suddenly start appearing from another country, such as Singapore, falsely labeled as originating in the new country, then we have adequate statutory authority to address the problem although sufficient enforcement resources is always a problem in cases of this kind. It is not hard for a determined importer consistently to stay ahead of Customs enforcement authorities.

The more complicated situations, of course, are when the product in question is in some fashion transformed in the second country, thus permitting the argument that the import is no longer of the dumping country's origin. Often that also involves a Customs Service decision as to whether the product has been sufficiently altered or sufficient value has been added in the second country to transfer origin. Most complicated in this category is when assembly of a finished product is moved into the United States. In that case, the dumped end product is no longer being imported, but most or all of its component parts are, for assembly here. Since both U.S. law and GATT rules limit attaching dumping duties to the "like" product, the duties cannot simply and easily be transferred from the finished product to its parts.

Another related problem deals with what is known as diversionary dumping. It occurs when intermediate goods on which there is an outstanding dumping duty order are shipped to a third country and are there incorporated into a finished product which is subsequently imported into the United States. An example would be steel sheet or coil from Taiwan which has been found to be dumped in the United States and which is then shipped to Korea and made into pipe and tube, which is then imported into the United States. Current law does not address this problem, and the administration has regularly opposed any serious effort to deal with it.

The solution to the first problem, the case where final assembly is in the United States and the components are imported from countries other than

that covered by the initial duty order, the bill would apply the existing order in cases where the same company was involved in the assembly in the United States and the parts came from historic suppliers. This is the same approach as that proposed by Congressman ROSTENKOWSKI, the chairman of the Ways and Means Committee, in H.R. 5100, the omnibus trade bill the House passed last year.

The problem of diversionary dumping is addressed with language that is a somewhat revised version of a proposal first made by several members of the Finance Committee in 1986 and 1987. A version of this provision was initially incorporated into the Senate markup vehicle for the 1988 trade bill but was ultimately removed due to opposition from the Reagan administration. A much more modest version was incorporated into the bill, but it is so limited it has not successfully dealt with the problem.

MONITORING

Current law provides for Commerce Department monitoring of imports in the limited circumstance where more than one antidumping duty order on the same merchandise is already in effect. Despite numerous requests, there has never been a monitoring program initiated under this provision, which is unfortunate, since the act of monitoring can have a discouraging effect on dumped imports without forcing hard-pressed domestic industries to go to the expense of filing a formal complaint.

The bill would broaden somewhat Commerce's authority by permitting a monitoring request when there is only one other antidumping duty order outstanding. That would not reduce the Commerce Department's discretion but would at least expand the universe of situations where monitoring could occur.

UPSTREAM SUBSIDIES

One of the post-1979 problems Congress attempted to address in the 1980's was that of upstream subsidies, a manufacturer's use of an input or component part that benefits from a subsidy. Accepting this concept, as we have done, leaves the Commerce Department with the technical problem of determining the value of the benefit of the subsidy to the manufacturer.

In the first case where this issue was raised, Certain Agricultural Tillage Tools from Brazil, Commerce established a hierarchy of price comparisons for determining such a value. In general, the methodology is to compare the price paid to the subsidized input supplier to: First, prices charged by unsubsidized producers of the inputs in the same country; second, prices paid for unsubsidized imports of the input for use by downstream producers; third, information on world market prices in cases of commodity products; and fourth, the best information available to calculate a benchmark price.

This construct, in my judgment, is an adequate elaboration of congressional intent, and it appears to have been successful in practice. Now, however, the Department has announced its intention to abandon this methodology and instead compare the price paid by the producer to a subsidized supplier in the country under investigation to F.O.B. prices of subsidized and unsubsidized foreign suppliers. This is an unwarranted and uncalled-for change in an otherwise acceptable practice. The amendment in my bill would prevent this change simply by putting into the statute the previous Commerce practice.

NEW ITEMS

In addition to these provisions, which are identical to those in S. 3046 which I introduced last year, this bill contains two further changes.

First, upstream subsidies. The bill amends the provision dealing with subsidies provided by a customs union to include also those subsidies authorized by the customs union. This would permit subsidy investigations in those cases where products subsidized by one European Community country are further processed in another EC country. Since subsidy practices by EC member nations are supposed to be approved by the EC Commission or Council, they should be considered part of overall EC policy and therefore fair game for our trade laws.

Second, diversionary dumping. As introduced last year, the diversionary dumping provision raised the question as to whether it could be applied in situations where the dumped input is further processed in the same country where it was produced instead of being restricted to cases where the dumped input is sent to another country for further processing before it is imported into the United States. Since it was my intention that both situations be covered by the provision, I have made a minor change in wording to remove any ambiguity.●

By Mr. D'AMATO:

S. 503. A bill to amend the Immigration and Nationality Act to provide that members of Hamas—commonly known as the Islamic Resistance Movement—be considered to be engaged in a terrorist activity and ineligible to receive visas and excluded from admission into the United States; to the Committee on the Judiciary.

TERRORIST GROUP HAMAS BANNING ACT OF 1993

● Mr. D'AMATO. Mr. President, I rise today to offer a bill to amend section 212 of the Immigration and Naturalization Act, to add the terrorist group Hamas, to the alien exclusion list. Identical restrictions exist for members of the PLO and there is no reason why Hamas should not be included also. In the wake of widespread Hamas violence in Israel and their recently reported presence in the United States, it is vital that they be banned from the United States.

If a member of Hamas enters the United States and the authorities have reason to believe that the person is likely to engage in terrorism, support for terrorism such as transportation, communication, and fundraising, or soliciting for membership in the group, or simply proven to be a member of Hamas, in my legislation, the member can be denied a visa to enter or stay in the United States.

Within our midst, an expansive network is aiding Hamas in its terror and murder in Israel. Acting in the guise of simple fundraising, groups in northern Virginia, Dallas, Detroit, Chicago, Tucson, and in my State of New York, are channeling large amounts of money back to Hamas in Israel.

Moreover, the United States is reportedly home to at least a dozen Hamas leaders who hold clandestine titles within the Hamas organization. One Palestinian recently arrested in Israel while visiting from Chicago, actively worked on behalf of Hamas, bringing $650,000, raised in the United States, to hand over to Hamas officials there.

Additionally, on Wednesday, it was revealed that the State Department has just put a halt to its meetings held with Hamas in Jordan, Jerusalem, and Tel Aviv. This is outrageous. We do not meet with the PLO, and we should not meet with Hamas. Why were our diplomats meeting with these murderers?

Both groups commit murder and outrageous acts of terrorism. We exclude the PLO and we must exclude Hamas.

This radical Islamic fundamentalist group is based in the Gaza Strip but also operates in Judea and Samaria. Its covenant declares that Israel must be destroyed and that Islamic fundamentalism must be adopted and spread violently if necessary, by all Arab States. This coupled with its support by Iran, makes Hamas a deadly force and one we must stop.

If we fail to take action now, we may be very sorry later. Banning Hamas from the United States is a first step. I urge my colleagues to support this important legislation.

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

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

S. 503

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

SECTION 1. TERRORIST ACTIVITIES.

Section 212(a)(3)(B)(i) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(3)(B)(i)) is amended by adding at the end "An alien who is a member, officer, official, representative, or spokesperson of Hamas (commonly known as the Islamic Resistance Movement) is considered, for purposes of this Act, to be engaged in a terrorist activity."●

By Mr. KOHL (for himself, Mr. HATCH, Mr. DECONCINI, Mrs. FEINSTEIN, and Ms. MOSELEY-BRAUN):

S. 504. A bill to amend section 924 of title 18, United States Code, to make it a Federal crime to steal a firearm or explosives in interstate or foreign commerce; to the Committee on the Judiciary.

FIREARMS THEFT ACT OF 1993

Mr. KOHL. Mr. President, I rise today—along with my distinguished colleagues, Senator HATCH, Senator DECONCINI, Senator MOSELEY-BRAUN, and Senator FEINSTEIN—to introduce legislation that is long overdue: the Firearms Theft Act of 1993. This bill creates Federal penalties of up to 10 years imprisonment and fines of up to $5,000 for anyone stealing firearms or explosive materials.

The violent crime rate in our Nation is rising at an alarming rate. Every day police face automatic gunfire on our city streets. Drive-by shootings by gang members have become commonplace. Every 19 seconds there is a violent crime committed in the United States. Mr. President, the Senate has no time to delay.

Sadly, no State or city is immune from this scourge. Last year, 146 murders were committed in my home city of Milwaukee. Of those, 104 were committed with firearms.

In both major metropolitan areas and small rural communities, the rates of murder, assault with a deadly weapon, and drug-related crimes are skyrocketing—and stolen firearms figure prominently in many of the most heinous crimes. In 1991, the Washington Post reported that over an 8-month period, 18 gunshops were robbed in the District of Columbia vicinity. Approximately 600 firearms were stolen. Some of these weapons were traced to Washington area crack houses just a few hours after they were stolen from a Maryland gunshop. At least one was used in the murder of a Washington man, and we can only imagine the atrocities committed with the others.

These are not isolated incidents. The Justice Department has informed the Judiciary Committee that approximately 20,000 stolen guns are reported each month. Combine this with the fact that five out of six criminals receive their guns from the black market, and we have the makings of a national crisis.

My bill will empower Federal law enforcement agencies to halt these acts of thievery and reduce the number of guns available on the streets. Like the gun-free school zones law I authored 2 years ago, this proposal provides an additional tool to the prosecutors' arsenal, so that they can convict the persistent offenders who profit from firearms violence in our communities.

Mr. President, I urge my colleagues to support this legislation, and ask unanimous consent that the bill be printed in the RECORD.

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

S. 504

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

SECTION 1. THEFT OF FIREARM OR EXPLOSIVE MATERIAL.

(a) FIREARMS.—Section 924 of title 18, United States Code, is amended by adding at the end the following new subsection:

"(i) A person who steals a firearm that is moving as, or is a part of, or that has moved in, interstate or foreign commerce shall be fined under this title, imprisoned for not more than 10 years, or both.".

(b) EXPLOSIVES.—Section 844 of title 18, United States Code, is amended by adding at the end the following new subsection:

"(k) A person who steals explosive material that is moving as, or is a part of, or that has moved in, interstate or foreign commerce shall be fined under this title, imprisoned for not more than 10 years, or both.".

By Mr. MCCONNELL (for himself, Mr. DOLE, and Mr. LUGAR):

S. 505. A bill to amend the Food Stamp Act of 1977 to identify and curtail fraud in the Food Stamp Program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD STAMP ANTI-FRAUD ACT OF 1993

Mr. MCCONNELL. Mr. President, today, I am introducing legislation that will reduce the fraud and trafficking abuse that is occurring in our Nation's largest food assistance program, the Food Stamp Program. More than 25 million Americans receive food vouchers every month from this program which hands out over $20 billion in benefits a year. The amount of money lost to fraud, waste, and abuse is very difficult to determine; however, it is estimated to be in the millions of dollars. The bottom line is simple: Our Government cannot afford to lose the taxpayers' money to fraud and waste in the Food Stamp Program.

Every 1 percent of Food Stamp Program funds lost to fraud represents $200 million of taxpayer's money wasted. From trafficking food stamp coupons to trading the stamps for guns and drugs, the violations are deplorable and the transgressors must be brought to justice.

In a program as large as the Food Stamp Program, the Government must have the necessary tools to administer and enforce the rules of the program. The 1990 farm bill required the submission of identification numbers by the retailers and beefed up the penalties to assist USDA in targeting and punishing the violators. These measures have helped; however, the Department of Agriculture is still hampered by restrictions in their attempts to target and identify Food Stamp Program abusers.

My bill, the Food Stamp Anti-Fraud Act of 1993, will give the Food and Nutrition Service the tools it needs to identify violators and coordinate its efforts with other law enforcement agencies. Specifically, this legislation will expand the use of the application information and identification numbers provided by the retailer to FNS. Currently, the use of application information is restricted to persons directly involved in the Food Stamp Program and to state agencies that operate the Special Supplemental Food Program for Women, Infants, and Children [WIC]. Furthermore, the use of the Social Security and taxpayer ID numbers is limited to the maintenance of a list of those already sanctioned for or convicted of violating the Food Stamp Act.

The Department of Agriculture has been stifled by these restrictions in their efforts to eliminate fraud in the Food Stamp Program. My bill will expand USDA's investigative activities by allowing them to match and verify existing information on retailers in their efforts to establish evidence of violations of the Food Stamp Act by retail establishments. This legislation extends the use of the retailer's ID numbers so that law enforcement and investigative agencies, such as the FBI, the IRS, the Office of Inspector General [OIG], and the Financial Crimes Enforcement Network [FINCEN] can use the ID numbers to verify the identity of violators.

Let me give you an example of how this legislation will help the Department locate abusers. Someone could go into a retail food store with $50 in food stamps and ask the storekeeper of the food concern to pay $0.60 on the dollar for the coupons. If the storekeeper agreed to the exchange, the recipient could come out of the deal with $30 in hard cash, and the retailer would end up with an extra $20 after cashing the coupons in, all without food products ever exchanging hands. It is obvious there are two guilty parties here: the recipient and the retailer.

USDA has the rules and authority in place to initiate the investigation of such an incident; however, their ability to follow through and positively identify the retailer is stifled by existing restrictions. When the investigators need to confirm sales data, they must rely solely on the information reported by that retailer; they are not able to verify this data with the IRS or State taxing agencies. My legislation will give the Department the possibility of calling the taxing authorities to check the data for discrepancies and use ID numbers for identity confirmation.

Federal and State authorities already have the ability to verify information provided by recipients of welfare programs such as AFDC, Medicaid, supplemental security income, and the Unemployment Compensation Program by using the recipient's Social Security number. USDA also has this authority

to verify the information provided by the recipients of food stamps. Yet the Government does not have the same ability to check the information provided by the retail establishments participating in the program. This legislation will make our laws consistent and allow USDA to verify information provided by the users of this program.

My bill also beefs up the penalties against both recipients and retailers if they are found to have traded food stamps for guns, drugs, ammunition, or explosives. The cap that is currently placed on the civil money penalties for retailers would be lifted, and a recipient would be permanently disqualified if they traded their food stamps for the aforementioned items. This is not an unreasonable punishment for these people who are found to so blatantly abuse this Government program.

I want to stress that the vast majority of participants in the Food Stamp Program, be it recipients or retailers, are not involved in illegal activities. Most of the participants are honest, trustworthy citizens, and the stories of food stamp fraud you hear do not occur every day, but they do happen. The Food Stamp Anti-Fraud Act does not change the rules of the game, it only changes the penalties for violators and gives the Department the necessary tools to enhance the integrity of the program.

This legislation does not change eligibility requirements for recipients or retailers. It will not affect the honest participants in the Food Stamp Program. It will help our Government find and eliminate fraud in our Nation's largest food assistance program.

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. 505

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 "Food Stamp Anti-Fraud Act of 1993".

TITLE I—RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS

SEC. 101. USE OF APPLICATION INFORMATION.

Section 9(c) of the Food Stamp Act of 1977 (7 U.S.C. 2018(c)) is amended—

(1) by designating the first sentence as paragraph (1);

(2) by designating the second and third sentences as subparagraphs (A) and (C), respectively, of paragraph (2); and

(3) in paragraph (2)—

(A) in subparagraph (A) (as so designated), by inserting before the period at the end the following: "or officers or employees of Federal or State law enforcement or investigative agencies for purposes of administering or enforcing the provisions of this Act or any other Federal or State law and the regulations issued under this Act or such law";

(B) by inserting after subparagraph (A) (as so designated) the following new subparagraph:

"(B) An officer or employee described in subparagraph (A) who publishes, divulges, discloses, or makes known in any manner or to any extent not authorized by law any information obtained under the authority granted by this subsection shall be subject to section 1905 of title 18, United States Code."; and

(C) in subparagraph (C) (as so designated), by striking "Such purposes" and inserting "The purposes referred to in subparagraph (A)".

SEC. 102. PENALTIES FOR TRAFFICKING IN FOOD STAMPS.

Section 12(b)(3)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2021(b)(3)(B)) is amended by striking "(except that the amount of civil money penalties imposed during a 2-year period may not exceed $40,000)".

SEC. 103. PENALTIES FOR STORES FOR TRADING FIREARMS, AMMUNITION, EXPLOSIVES, OR CONTROLLED SUBSTANCES FOR FOOD STAMPS.

Section 12(b)(3)(C) of the Food Stamp Act of 1977 (7 U.S.C. 2021(b)(3)(C)) is amended by striking "(except that the amount of civil money penalties imposed during a 2-year period may not exceed $40,000)".

SEC. 104. USE OF TAXPAYER IDENTIFICATION NUMBERS.

(a) SOCIAL SECURITY ACCOUNT NUMBERS.—Clause (iii) of section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)(iii)) (as added by section 1735(a)(3) of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 104 Stat. 3791)) is amended—

(1) in the second sentence—

(A) by inserting after "Department of Agriculture" the following: ", or officer or employee of a Federal or State law enforcement or investigative agency,"; and

(B) by inserting before the period at the end the following: "or for the administration or enforcement of such Act or any other Federal or State law"; and

(2) in the third sentence, by inserting before the period at the end the following: "or officers and employees of Federal or State law enforcement or investigative agencies whose duties or responsibilities require access for the administration or enforcement of such Act or any other Federal or State law".

(b) EMPLOYER IDENTIFICATION NUMBERS.—Section 6109(f) of the Internal Revenue Code of 1986 (relating to access to employer identification numbers by the Secretary of Agriculture for purposes of the Food Stamp Act of 1977) is amended—

(1) in the second sentence of paragraph (1)—

(A) by inserting after "Secretary of Agriculture" the following: ", or an officer or employee of a Federal or State law enforcement or investigative agency,"; and

(B) by inserting before the period at the end the following: "or for the administration or enforcement of such Act or any other Federal or State law"; and

(2) in the first sentence of paragraph (2), by inserting before the period at the end the following: "or officers and employees of Federal or State law enforcement or investigative agencies whose duties or responsibilities require access for the administration or enforcement of such Act or any other Federal or State law".

TITLE II—MISCELLANEOUS

SEC. 201. PERMANENT DISQUALIFICATION OF RECIPIENTS FOR TRADING FIREARMS, AMMUNITION, EXPLOSIVES, OR CONTROLLED SUBSTANCES FOR FOOD STAMPS.

Section 6(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(b)(1)) is amended by striking clause (iii) and inserting the following new clause:

"(iii) permanently upon—

"(I) the third occasion of any such determination (except as provided in subclause (II)); or

"(II) the first occasion of a finding of the trading of firearms, ammunition, explosives, or controlled substances (as the term is defined in section 802 of title 21, United States Code) for coupons.".

SEC. 202. USE OF PENALTIES COLLECTED FROM RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.

Section 18 of the Food Stamp Act of 1977 (7 U.S.C. 2027) is amended by adding at the end the following new subsection:

"(g) Funds collected from claims against retail food stores or wholesale food concerns under section 12 shall—

"(1) be credited to the food stamp program appropriation account for the fiscal year in which the collection occurs, and remain available until expended; and

"(2) be used for investigation and enforcement activities under this Act relating to retail food stores and wholesale food concerns.".

TITLE III—EFFECTIVE DATES

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this Act shall become effective and implemented not later than 120 days after the date of issuance of final regulations by the Secretary of Agriculture to carry out the amendments.

(b) EXCEPTIONS.—The amendments made by sections 102, 103, and 202 shall become effective on the date of enactment of this Act.

By Mr. ROTH:

S. 506. A bill to continue until January 1, 1995, the suspension of duty on o-Benzl-p-chlorophenol; to the Committee on Finance.

S. 507. A bill to extend the existing temporary suspension of duty on fusilade; to the Committee on Finance.

S. 508. A bill to suspend temporarily the duty on 3-dimethylaminomethyleneiminiphenol hydrochloride; to the Committee on Finance.

S. 509. A bill to suspend temporarily the duty on N,N-dimethyl-N'-(3-((methylamino)carbonyl)oxy)phenyl) methanimidamide monohydrochloride; to the Committee on Finance.

S. 510. A bill to temporarily suspend the duty on Bendiocarb; to the Committee on Finance.

S. 511. A bill to suspend temporarily the duty on PCMX; to the Committee on Finance.

COMPETITIVENESS ACT OF 1993

• Mr. ROTH. Mr. President, today I am introducing six miscellaneous duty suspension bills on behalf of three constituent companies in my home State of Delaware: Nipa Labs, Nor-Am Chemical, and Zeneca. It is my understanding that these bills are noncontroversial. I am introducing them because they will help lower overall costs of production for the companies involved, which will, in turn, bolster their competitiveness.•

By Mr. KERRY:

S. 512. A bill to facilitate the providing of loan capital to small business

concerns, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

THE SMALL BUSINESS CREDIT ACT OF 1993

Mr. KERRY. Mr. President, today, I am introducing a bill which is designed to respond to the credit crunch by creating a Government-chartered corporation to foster securitization of small business lending.

The bill is a companion bill to H.R. 660, introduced last month in the other body by Congressman JOHN J. LAFALCE, chairman of the House Small Business Committee. The bill is identical to that authored by Congressman LAFALCE.

I am doing this in an effort to place before the Senate as quickly as possible a plausible model for using Government credit-enhancement to stimulate small business lending as an engine for recovery.

The credit crunch is real and it is having an impact on our overall recovery. The United States has seen very substantial commercial and industrial lending contraction over the past 2 years, amounting to a net reduction of $70 billion nationally over the past 2 years, with the contraction extending to every region and being greatest in the West.

As Federal Reserve Chairman Alan Greenspan recently testified:

> Incentives to lend have been damped by market and regulatory pressures for depository institutions to increase capital rations, as well as by other factors raising their costs of intermediating credit, such as higher deposit insurance premiums, rising regulatory costs, and more stringent supervisory oversight. As a result, banking and thrift institutions have sought to limit balance-sheet growth or actually to shrink. * * * Historically, banking institutions have played a critical role in financing small and medium-sized businesses—firms that in the past have been a key source of growth in the economy. Some of the factors leading to the relative shrinkage of our banking industry, by limiting the availability of credit to smaller firms, have restrained aggregate demand and thus have significantly hindered the economic expansion.

Thus, as Chairman Greenspan acknowledged, there is a credit crunch, and small businesses which ought to be getting credit, are unable to obtain it not because they are suddenly risky borrowers, but because the banks are limiting credit.

What we are seeing at the regional level in New England is a sequence of contraction in which intensified capital requirements have been put into place at the same time that banks are experiencing losses due to the recession and the real estate collapse. While some of the decrease in lending is due to reduced demand, we have numerous accounts of small businesses losing their ability to maintain commercial and industrial revolving lines of credit. These often have been drawn down as a consequence of a collateral crunch resulting from the lowered value of the underlying real estate securing the lending, together with the desire of many of the banks to increase their capital rations by reducing their outstanding business lending generally.

The collateral crunch caused by deflated real estate and the imposition of tighter lending rules by both regulators and bankers has resulted in widespread complaints across my State that credit is still unavailable.

Among the examples I have encountered personally are the metal fabricator I visited in the act of giving back business to Duke University because he could not finance it, and abandoning plans to rehire workers in the process; the president of a leading environmental technology firm who returned from a Mexican trade mission with Gov. William Weld only to find that his bank had cut his line of credit despite increased orders; and the ex-banker who moved his electronic instruments manufacturing from Taiwan to Massachusetts only to find his bank capping his credit line because he is growing too fast to stay within applicable loan ratios. These unfortunately are not isolated cases, but representative of a pervasive problem.

Last year was the first time in history that U.S. banks held more assets in Government securities than in loans to businesses. For several reasons—including the new risk-based capital standards and the steep yield curves of long-term Treasuries by comparison to the cost of deposits—banks have found it very attractive to invest deposits in Treasury bonds. As a result, deposits are not being invested in the level of commercial and industrial lending necessary to achieve full economic recovery.

Every loan not made means less capital available to help small businesses invest in equipment and hire more workers, or to enable a consumer to buy a new car. Most economists see increased lending as a key to stimulating the sluggish economy.

In response to a question I asked during her confirmation hearing last month, Laura Tyson, the new Chairman of President Clinton's Council of Economic Advisors, stated that she believed that credit enhancement for small business lending through a mechanism that facilitated securitization was an option that needed to be considered very seriously to respond to credit constriction.

The legislation I am introducing today would do just that, establishing an entity to be called the Venture Enhancement and Loan Development Administration for Smaller Undercapitalized Enterprises, or Velda Sue.

Under the terms of the bill, Velda Sue would be designed to replicate the success achieved by Fannie Mae and Freddie Mac in packaging mortgages for the secondary market, and applying it to the area of small business lending. Through packaging and securitizing small business loans, Velda Sue would make capital more available to small businesses for investments in plants and equipment. Typically, this capital would come from institutional investors who are not in a position today to lend directly to small businesses, but who may well be interested in buying small-business loans in the form of securities at attractive interest rates in a package.

Velda Sue would be similar in many respects to Fannie Mae, Freddie Mac, and Sallie Mae in its function and its mechanisms, and would be a Government-sponsored enterprise that is not backed by the full faith and credit of the United States, but instead, has enhanced credit by being able to draw on a limited line of Government credit.

The Federal Government would sponsor Velda Sue with initial loans of up to $300 million, after Velda Sue had raised $30 million in private funds. These U.S. Government loans would be repaid to the Treasury by Velda Sue in 15 years or less, with interest. Once established, Velda Sue would function with no cost to the Treasury. In addition, Velda Sue would under certain circumstances have the ability to call on the Treasury for additional short-term purchases of its obligations up to $1.5 billion, as a means of creating credit enhancement through the limited backing of the Treasury. In turn, the Treasury would according to mutually agreed upon terms sell these obligations back to Velda Sue, plus interest, with no net cost to the Government.

In the near term, Velda Sue could have a substantial impact in combatting the credit crunch on small business lending, by creating a secondary market for such loans accessible to pension funds and insurance companies and other major institutional investors, making long-term capital available to finance purchases of plants and equipment.

Banks would continue to originate the small business loans eligible for securitization by Velda Sue, as would S&L's, commercial finance companies, insurance companies, small business lending companies, and other loan origination businesses. In order to meet Velda Sue's underwriting standards, each loan would have to be secured by a nonsubordinated mortgage, and be made to an enterprise which qualifies as a small business under the Small Business Act—one that does not have a net worth in excess of $18 million or an average net income in excess of $6 million. Velda Sue would not securitize the entire loan, only 80 percent, leaving the other 20 percent with the originating institution, ensuring that the originator shares in any risk of default.

Velda Sue would be self-financing, with its operations paid through fees

imposed on originators and poolers, with the Secretary of the Treasury given regulatory responsibility over its activities, and a board of directors consisting of a mix of private citizens appointed by shareholders and Government appointees.

I want to emphasize that the way this legislation is structured, any funds that come from the Government are repaid with interest, and the taxpayers wind up being on the hook for not a single penny.

Some of the specific mechanisms and details of the plan I am introducing today, which was developed by Congressman LAFALCE, may change during the course of the legislative process. I recognize that Senator D'AMATO has another approach to foster securitization through deregulation, which does not rely on a GSE. We need to take a careful look at both approaches.

What is clear is that early action is needed to create a vibrant secondary market in small business industrial mortgages. Given the credit crunch and the restructuring of the banking industry that is taking place in the midst of that crunch, Velda Sue is an idea whose time has come, and an entity which could make a significant difference in assisting small business success and job growth in the United States in years to come.

I look forward to working with the chairman of the Senate Committee on Small Business, Senator BUMPERS, and the chairman of the Senate Committee on Banking, Senator RIEGLE, to set dates for hearings on this concept within the near future.

I ask unanimous consent that a fact sheet on Velda Sue, and the full text of the Small Business Credit Availability Act of 1993 appear in full at the conclusion of my remarks.

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

S. 512

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Business Credit Availability Act of 1993".

SEC. 2. CONGRESSIONAL FINDINGS.

The Congress hereby finds that—

(1) secondary mortgage markets have successfully increased the availability and affordability of long-term residential mortgages through government sponsored enterprises;

(2) many smaller, innovative businesses could grow more rapidly, create more jobs, and increase United States competitiveness in world markets if additional long-term capital were available to finance purchases of new plant and equipment;

(3) institutional investors are a major source of long-term capital for the United States economy, but such investors are not well equipped to make large numbers of direct loans to individual business firms;

(4) commercial banks specialize in short-term business lending and have the facilities and specialized expertise to evaluate loan applications and to originate and service the large number of relatively small loans required by smaller innovative businesses; and

(5) a secondary market for industrial mortgages would link the loan production ability of commercial lenders with the long-term investment horizons of pension funds and insurance companies, thereby increasing the efficiency of United States capital markets and the amount of long-term capital that is available to finance purchases of plant and equipment by smaller innovative businesses.

SEC. 3. STATEMENT OF PURPOSE.

It is the purpose of this Act—

(1) to establish a corporation chartered by the Federal Government as a government sponsored enterprise whose function would be to purchase or guarantee loans and facilitate their packaging into pools for sale to institutional investors;

(2) to authorize the certification of loan poolers by the corporation;

(3) to provide for a secondary marketing arrangement for small business loans that meet the underwriting standards of the Corporation—

(A) to increase the availability of long-term credit to small businesses at stable interest rates;

(B) to provide greater liquidity and lending capacity in extending credit to small businesses; and

(C) to provide an arrangement for new lending to facilitate capital market investments in providing long-term small business funding, including funds at fixed rates of interest; and

(4) to enhance the ability of small businesses to obtain financing by improving the distribution of mortgage financing, particularly from institutional investors.

SEC. 4. DEFINITIONS.

For the purpose of this Act:

(1) BOARD.—The term "Board" means—

(A) the interim board of directors established in section 6(a), or

(B) the permanent board of directors established in section 6(b),

as the case may be.

(2) CERTIFIED POOLER.—The term "certified pooler" means a secondary marketing loan pooler that is certified under section 9 of this Act.

(3) CORPORATION.—The term "Corporation" means the Venture Enhancement and Loan Development Administration for Smaller Undercapitalized Enterprises (Velda Sue) established in section 5 of this Act.

(4) GUARANTEE.—The term "guarantee" means the guarantee of timely payment of the principal and interest on qualified loans or securities representing interests in, or obligations backed by, pools of such qualified loans in accordance with this Act.

(5) INTERIM BOARD.—The term "interim board" means the interim board of directors established in section 6(a) of this Act.

(6) ORIGINATOR.—The term "originator" means any institution, bank, insurance company, business and industrial development company, savings and loan association, commercial finance company, trust company, credit union, small business lending company or development company licensed by the Small Business Administration to participate in financing programs under the Small Business Act or the Small Business Investment Act of 1958, or other entity that originates and services loans.

(7) PERMANENT BOARD.—The term "permanent board" means the permanent board of directors established in section 6(b) of this Act.

(8) QUALIFIED LOAN.—The term "qualified loan" means an extension of credit which—

(A) is secured by a fee-simple or lease hold mortgage with status as a first lien on real estate located in the United States or which is secured by an unsubordinated lien on any other type of property or equipment as the Board deems appropriate;

(B) is used to finance the acquisition, rehabilitation, renovation, modernization, refurbishing, or improvement of land, facilities, buildings or equipment used for productive business activities conducted in the United States;

(C) is an obligation of a person, corporation, or partnership that has training or business experience that, under criteria established by the Corporation, is sufficient to ensure a reasonable likelihood that the loan will be repaid according to its terms; and

(D) is an obligation of a small business concern.

(9) SMALL BUSINESS CONCERN.—The term "Small Business Concern" means a concern which is independently owned and operated and which is not dominant in its field of operations and which, together with its affiliates—

(A) qualifies for loans under section 7(a) of the Small Business Act under standards promulgated by the Small Business Administration, or

(B) does not have net worth in excess of $18,000,000 and does not have an average net income, after Federal income taxes, for the preceding two years in excess of $6,000,000 (average net income to be computed without benefit of any carryover loss).

(10) STATE.—The term "State" has the meaning given such term in section 3 of the Small Business Act.

SEC. 5. VENTURE ENHANCEMENT AND LOAN DEVELOPMENT ADMINISTRATION FOR SMALLER UNDERCAPITALIZED ENTERPRISES.

(a) ESTABLISHMENT.—There is hereby established a corporation to be known as the Venture Enhancement and Loan Development Administration for Smaller Undercapitalized Enterprises, which shall be a federally chartered instrumentality of the United States.

(b) DUTIES.—The Corporation shall—

(1) in consultation with originators, develop uniform underwriting, security appraisal, and repayment standards for qualified loans;

(2) determine the eligibility of certified poolers to contract with the Corporation for the provision of guarantees for specific mortgage pools; and

(3) provide guarantees for the timely repayment of principal and interest on qualified loans and securities representing interest in, or obligations backed by, pools of qualified loans.

SEC. 6. BOARD OF DIRECTORS.

(a) INTERIM BOARD.—

(1) NUMBER AND APPOINTMENT.—Until the permanent board of directors established in subsection (b) first meets with a quorum of its members present, the Corporation shall be under the management of an interim board of directors composed of seven members appointed by the President within ninety days after the effective date of this Act as follows:

(A) three members appointed from among persons who are representatives of banks, other financial institutions or entities, and insurance companies,

(B) two members appointed from among persons who are representative of small business, one of whom shall be an owner or operator of a small business,

(C) two members appointed from among persons who represent the interests of the general public and who are not serving, and have not served, as a director or officer of any financial institution or entity.

(2) POLITICAL AFFILIATION.—Not more than four members of the interim board shall be of the same political party.

(3) VACANCY.—A vacancy in the interim board shall be filled in the manner in which the original appointment was made.

(4) TERMS.—The members of the interim board shall be appointed for the life of such board.

(5) QUORUM.—Four members of the interim board shall constitute a quorum.

(6) CHAIRPERSON.—The President shall designate one of the members of the interim board as the chairperson of the interim board.

(7) MEETINGS.—The interim board shall meet at the call of the chairperson or a majority of its members.

(8) VOTING COMMON STOCK.—

(A) INITIAL OFFERING.—Upon the appointment of sufficient members of the interim board to convene a meeting with a quorum present, the interim board shall arrange for an initial offering of common stock and shall take whatever other actions are necessary to proceed with the operations of the Corporation.

(B) PURCHASES.—The voting common stock shall be offered to originators and to certified poolers.

(9) TERMINATION.—The interim board shall terminate when the permanent board of directors established in subsection (b) first meets with a quorum present.

(b) PERMANENT BOARD.—

(1) ESTABLISHMENT.—Immediately after the date that at least $30,000,000 of common stock of the Corporation has been purchased and fully paid for, the Corporation shall arrange for the election and appointment of a permanent board of directors. After the termination of the interim board of directors, the Corporation shall be under the management of the permanent board.

(2) COMPOSITION.—The permanent board shall consist of nine members, of which—

(A) five members shall be elected by holders of common stock of the Corporation; and

(B) four members shall be appointed by the President, by and with the advice and consent of the Senate; of the members so appointed,—

(i) none shall be, or have been, an owner, officer or director of any financial institution or financial entity;

(ii) all shall be representatives of the general public;

(iii) not more than two shall be members of the same political party; and

(iv) at least one shall be experienced in operating a small business and shall be a representative of small business.

(3) PRESIDENTIAL APPOINTEES.—The President shall appoint the members of the permanent board referred to in paragraph (2)(B) not later than 60 days after the stock sale referred to in paragraph (1).

(4) VACANCY.—

(A) ELECTED MEMBERS.—Subject to paragraph (6), a vacancy among the members elected to the permanent board in the manner described in paragraph (2)(A) shall be filled by the permanent board from among persons eligible for election to the position for which the vacancy exists.

(B) APPOINTED MEMBERS.—A vacancy among the members appointed to the permanent board under paragraph (2)(B) shall be filled in the manner in which the original appointment was made.

(5) CONTINUATION OF MEMBERSHIP.—If—

(A) any member of the permanent board who was elected to the permanent board from among persons who are representatives of originators ceases to be such a representative, or

(B) any member who was appointed by the President becomes an owner, officer or director of any financial institution or entity,

such member may continue as a member for not longer than a forty five-day period beginning on the date such member ceases to be such a representative.

(6) TERMS.—

(A) APPOINTED MEMBERS.—The members appointed by the President shall serve until their successors have been appointed and have qualified. The terms of such members shall be staggered as follows: one shall serve an initial term of one year, one an initial term of two years, one an initial term of three years, and one an initial term of four years. All subsequent appointments shall be for a term of four years except that any vacancy shall be filled for the unexpired term of the vacancy. Such members shall be removed only for cause.

(B) ELECTED MEMBERS.—The members elected under paragraph (2)(A) shall each be elected annually for a term ending on the date of the next annual meeting of the common stockholders of the Corporation and shall serve until their successors are elected and qualified.

(C) VACANCY APPOINTMENT.—Any member elected or appointed to fill a vacancy occurring before the expiration of the term for which the predecessor of the member was appointed shall be elected or appointed, as the case may be, only for the remainder of such term.

(D) SERVICE AFTER EXPIRATION OF TERM.—A number may serve after the expiration of the term of the member until the successor of the member has taken office.

(7) QUORUM.—Five members of the permanent board shall constitute a quorum.

(8) NO ADDITIONAL PAY FOR FEDERAL OFFICERS OR EMPLOYEES.—Members of the permanent board who are full time officers or employees of the United States shall receive no additional pay by reason of service on the permanent board.

(9) CHAIRPERSON.—The President shall designate one of the members of the permanent board who are appointed by the President as the chairperson of the permanent board.

(10) MEETINGS.—The permanent board shall meet at the call of the chairperson or a majority of its members.

(c) OFFICERS AND STAFF.—The Board may appoint, employ, fix the pay of, and provide other allowances and benefits for such officers and employees of the Corporation as the Board determines to be appropriate.

SEC. 7. POWERS AND DUTIES OF CORPORATION AND BOARD.

(a) AUTHORITY.—After the Board has been duly constituted, subject to the other provisions of this Act and other commitments and requirements established pursuant to law, the Corporation may guarantee, on such terms and conditions as it determines, qualified loans or securities issued on the security of, or in participation in, pooled interests in qualified loans, or it may issue securities based on the security of, or in participation in, pooled interests in qualified loans as provided in section 10.

(b) OBLIGATIONS.—

(1) The aggregate amount of obligations of the Corporation and obligations and securities guaranteed by the Corporation outstanding at any one time shall not exceed thirty times the sum of its capital, capital surplus, general surplus, reserves, and undistributed earnings, expressly excluding subordinated obligations, unless, based on amounts needed to assure reasonable safety and soundness of the Corporation and with due consideration of the need for the Corporation to facilitate the extension of long term credit to small businesses, the Secretary of the Treasury establishes a higher or lower ratio.

(2) All obligations issued by the Corporation or guaranteed by the Corporation shall be approved by a majority vote of the Board of Directors and shall be issued at such times and contain such terms and conditions as the Corporation shall determine, with approval of the Secretary of the Treasury. The Secretary shall not approve the issuance of any obligations or guarantees if he determines that the issuance would impair the financial safety or soundness of the Corporation. In no event shall the Corporation issue obligations or guarantees if the amount of its net realized earnings deficit exceeds or thereby would exceed the sum of its capital, capital surplus, general surplus, reserves and undistributed earnings.

(c) DUTIES OF THE BOARD.—The Board shall—

(A) determine the general policies that shall govern the operations of the Corporation;

(B) select, appoint, and determine the compensation of qualified persons to fill such offices as may be provided for in the bylaws of the Corporation; and

(C) assign to such persons such executive functions, powers, and duties as may be prescribed by the bylaws of the Corporation or by the Board.

(d) POWERS OF THE CORPORATION.—The Corporation shall be a body corporate and shall have the following powers:

(1) To operate under the direction of its Board.

(2) To issue stock in the manner provided in section 8.

(3) To adopt, alter, and use a corporate seal, which shall be judicially noted.

(4) To provide for a president, one or more vice presidents, secretary, treasurer, and such other officers, employees, and agents, as may be necessary, define their duties and compensation levels, all without regard to title 5, United States Code, and require surety bonds or make other provisions against losses occasioned by acts of the persons.

(5) To provide guarantees and issue obligations in the manner provided under section 10.

(6) To have succession until dissolved by a law enacted by the Congress.

(7) To prescribe bylaws, through the Board, not inconsistent with law, that shall provide for—

(A) the classes of the stock of the Corporation; and

(B) the manner in which—

(i) the stock shall be issued, transferred, and retired;

(ii) the officers, employees, and agents of the Corporation are selected;

(iii) the property of the Corporation is acquired, held, and transferred;

(iv) the commitments are made and other financial assistance of the Corporation is provided;

(v) the general business of the Corporation is conducted; and

(vi) the privileges granted by law to the Corporation are exercised and enjoyed;

(8) To prescribe such standards as may be necessary to carry out this Act.

(9) To enter into contracts and make payments with respect to the contracts.

(10) To prescribe and impose fees and charges for services by and guarantees of the Corporation as provided in section 12;

(11) To settle, adjust, and compromise, and with or without consideration or benefit to the Corporation, to release or waive in whole or in part, in advance or otherwise, any claim, demand or right of, by, or against the Corporation.

(12) To sue and be sued in its corporate capacity and to complain and defend in any action brought by or against the Corporation in any State or Federal court of competent jurisdiction.

(13) To make and perform contracts, agreements, and commitments.

(14) To acquire, hold, lease, mortgage or dispose of, at public or private sale, real and personal property, purchase or sell any securities and obligations, and otherwise exercise all the usual incidents or ownership of property necessary and convenient to the business of the Corporation.

(15) To exercise such other incidental powers as are necessary to carry out the powers, duties, and functions of the Corporation in accordance with this Act.

(e) FEDERAL RESERVE BANK AS DEPOSITORIES AND FISCAL AGENTS.—Notwithstanding any other provision of law, any depository institution, as defined in section 19(b)(1)(A) of the Federal Reserve Act (12 U.S.C. 461(b)(1)(A)), shall be authorized to make payments to the Corporation of the capital contributions referred to in this Act, to receive stock of the Corporation evidencing such capital contributions, and to dispose of such stock, subject to the provisions of this Act. It may also act as a depository for, or as a fiscal agent or custodian of, the Corporation.

SEC. 8. STOCK ISSUANCE.

(a) VOTING COMMON STOCK.—

(1) ISSUE.—The Corporation shall issue voting common stock having such par value as may be fixed by the Board from time to time. Each share of voting common stock shall be entitled to one vote with rights of cumulative voting at all elections of directors.

(2) AUTHORITY OF BOARD TO ESTABLISH TERMS AND PROCEDURES.—The Board shall adopt such terms, conditions, and procedures with regard to the issue of stock under this section as may be necessary, including the establishment of a maximum amount limitation on the number of shares of voting common stock that may be outstanding at any time.

(3) TRANSFERABILITY.—Subject to such limitations as the Board may impose, any share of any class of voting common stock issued under this section shall be transferable, except that, as to the Corporation, such shares shall be transferable only on the books of the Corporation.

(b) REQUIRED CAPITAL CONTRIBUTIONS.—

(1) IN GENERAL.—The Corporation may require each originator and each certified pooler to make, or commit to make, such nonrefundable capital contributions to the Corporation as are reasonable and necessary to meet the administrative expenses of the Corporation and to contribute to the financial safety and soundness of the Corporation.

(2) STOCK ISSUED AS CONSIDERATION FOR CONTRIBUTION.—The Corporation, from time to time, shall issue to each originator or certified pooler voting common stock evidencing any capital contributions made pursuant to this subsection.

(c) DIVIDENDS.—

(1) IN GENERAL.—Such dividends as may be declared by the Board, in its discretion, shall be paid by the Corporation to the holders of the voting common stock of the Corporation pro rata based on the total number of shares.

(2) RESERVE REQUIREMENTS.—No dividend may be declared or paid by the Board under this section unless the Board determines that adequate provision has been made for reserves.

(3) DIVIDENDS PROHIBITED WHILE OBLIGATIONS ARE OUTSTANDING.—No dividend may be declared or paid by the Board under this section while any obligation issued by the Corporation to the Secretary of the Treasury under section 15 remains outstanding.

(d) NONVOTING COMMON STOCK.—The Corporation is authorized to issue nonvoting common stock having such par value as may be determined by the Board from time to time. Such nonvoting common stock shall be freely transferable, except that, as to the Corporation, such stock shall be transferable only on the books of the Corporation. Such dividends as may be declared by the Board, in the discretion of the Board, to the holders of voting common stock shall also be declared by the Corporation to the holders of the nonvoting common stock of the Corporation, subject to paragraphs (2) and (3) of subsection (c).

(e) PREFERRED STOCK.—

(1) AUTHORITY OF BOARD.—The Corporation is authorized to issue nonvoting preferred stock having such par value as may be fixed by the Board from time to time. Such preferred stock issued shall be freely transferable, except that, as to the Corporation, such stock shall be transferred only on the books of the Corporation.

(2) RIGHTS OF PREFERRED STOCK.—Subject to paragraphs (2) and (3) of subsection (c), the holders of the preferred stock shall be entitled to such rate of cumulative dividends, and such holders shall be subject to such redemption or other conversion provisions, as may be provided for at the time of issuance. No dividends shall be payable on any share of common stock at any time when any dividend is due on any share of preferred stock and has not been paid.

(3) PREFERENCE ON TERMINATION OF BUSINESS.—In the event of any liquidation, dissolution, or winding up of the business of the Corporation, the holders of the preferred shares of stock shall be paid in full at the par value thereof, plus all accrued dividends, before the holders of the common shares receive any payment.

SEC. 9. CERTIFICATION OF LOAN POOLERS.

(a) ELIGIBILITY STANDARDS.—

(1) ESTABLISHMENT REQUIRED.—Within one hundred and eighty days after the date on which the permanent board first meets with a quorum present, the Corporation shall issue standards for the certification of loan poolers, including eligibility standards in accordance with paragraph (2).

(2) MINIMUM REQUIREMENTS.—To be eligible to be certified under the standards referred to in paragraph (1), a loan pooler shall—

(A) meet or exceed capital standards established by the Board;

(B) have as one of his purposes, the sale or resale of securities representing interests in, or obligations backed by, pools of qualified loans that have been guaranteed by the Corporation;

(C) demonstrate managerial ability with respect to loan underwriting, servicing, and marketing that is acceptable to the Corporation;

(D) adopt appropriate loan underwriting, appraisal, and servicing standards and procedures that meet or exceed the standards established by the Board;

(E) for purposes of enabling the Corporation to examine the pooler, agree to allow officers or employees of the Corporation to have access to all books, accounts, financial records, reports, files, and all other papers, things, or property, of any type whatsoever, belonging to or used by such pooler that are necessary to facilitate an examination of his operations in connection with securities, and the pools of qualified loans that back securities, for which the Corporation has provided guarantees; and

(F) adopt appropriate minimum standards and procedures relating to loan administration and disclosure to borrowers concerning the terms and rights applicable to loans for which a guarantee is provided, in conformity with uniform standards established by the Corporation.

(b) CERTIFICATION BY CORPORATION.—Within one hundred and twenty days after receiving an application for certification under this section, the Corporation shall certify the pooler if the applicant meets the standards established by the Corporation under subsection (a).

(c) MAXIMUM TIME PERIOD FOR CERTIFICATION.—Any certification by the Corporation shall be effective for a period determined by the Corporation, but not to exceed five years.

(d) REVOCATION.—

(1) IN GENERAL.—After notice and an opportunity for a hearing, the Corporation may revoke the certification of a pooler if the Corporation determines that such pooler no longer meets the standards referred to in subsection (a).

(2) EFFECT OF REVOCATION.—Revocation of a certification shall not affect any pool guarantee that has been issued by the Corporation.

SEC. 10. GUARANTEES AND OTHER OBLIGATIONS.

(a) GUARANTEE AUTHORIZED.—

(1) IN GENERAL.—Subject to the requirements of this section and on such other terms and conditions as the Corporation shall consider appropriate, the Corporation shall guarantee the timely payment of not to exceed 80 per centum of principal and interest on qualified loans and 100 per centum of the securities issued by a certified pooler that represent the guaranteed portion of interests in, or obligations backed by, any pool of qualified loans held by such certified pooler.

(2) DEFAULT.—If the issuer is unable to make any payment of principal or interest on any qualified loan, or security for which a guarantee has been provided by the Corporation under paragraph (1), subject to the provisions of subsection (b) the Corporation shall make such payment as and when due in cash, and on such payment shall be subrogated fully to the rights satisfied by such payment.

(3) POWER OF CORPORATION.—Notwithstanding any other provision of law, the Corporation is empowered, in connection with any guarantee under this subsection, whether before or after any default, to provide by contract with the issuer for the extinguishment, on default by the issuer, of any redemption, equitable, legal, or other right, title, or interest of the issuer in any mortgage or mortgages constituting the security for the loan or pool against which the guaranteed securities are issued. In the event of default and pursuant to the terms of the contract, the mortgages that constitute such security or pool shall, proportionate to the current ownership interests in the amount of the loans originally retained by the originators, become the absolute property of the Corpora-

tion subject only to the unsatisfied rights of the holders of the securities.

(b) STANDARDS REQUIRING DIVERSIFIED POOLS.—

(1) IN GENERAL.—To reduce the risks incurred by the Corporation in providing guarantees under this section and to further the purposes of this Act, the Board shall establish standards governing the composition of each pool (in connection with which such guarantees are provided) over the period during which the commitment to provide guarantees is effective.

(2) MINIMUM CRITERIA FOR LOAN POOLS.—The standards established by the Board pursuant to paragraph (1) for pools of qualified loans shall, at a minimum—

(A) require that any pool of loans, if feasible based upon the size of the pool—

(i) include security interests that are distributed geographically; and

(ii) vary in terms of amounts of principal;

(B) prohibit the inclusion in any such pool of—

(i) any loan the principal amount of which exceeds 5 per centum of the aggregate amount of principal of all loans in such pool; and

(ii) two or more loans to related borrowers; and

(C) require that each pool consist of not less than twenty loans.

(c) OTHER RESPONSIBILITIES OF AND LIMITATIONS ON POOLERS.—As a condition for providing any guarantees under this section for securities issued by a certified pooler that represent interests in, or obligations backed by, any pool of qualified loans, the Corporation shall require such pooler to agree to comply with the following requirements:

(1) DEFAULT RESOLUTION.—The pooler shall act in accordance with the standards of a prudent institutional lender to resolve defaults.

(2) SUBROGATION OF UNITED STATES AND CORPORATION TO INTERESTS OF POOLER.—The proceeds of any collateral, judgments, settlements, or guarantees received by the pooler with respect to any loan in such pool shall be applied, after payment of costs of collection—

(A) first, to reduce the amount of any principal outstanding on any obligation of the Corporation that was purchased by the Secretary of the Treasury under section 15 to the extent the proceeds of such obligation were used to pay claims for guarantees in connection with such securities; and

(B) second, to reimburse the Corporation for any such guarantee payments.

(3) SERVICING.—The originator of any loan in such pool shall be permitted, at his option, to retain the right to service the loan.

(4) COMPLIANCE WITH DIVERSIFIED POOL STANDARDS.—The pooler shall comply with the standards adopted by the Board under subsection (b) in establishing and maintaining the pool.

(5) MINORITY PARTICIPATION IN PUBLIC OFFERINGS.—The pooler shall take such steps as may be necessary to ensure that minority owned or controlled investment banking firms, underwriters, and bond counsels throughout the United States have an opportunity to participate to a significant degree in any public offering of securities.

(d) ADDITIONAL AUTHORITY OF THE BOARD.—To ensure the liquidity of securities for which guarantees have been provided under this section, the Board shall adopt appropriate standards regarding—

(1) the characteristics of any pool of qualified loans serving as collateral for such securities;

(2) registration requirements (if any) with respect to such securities; and

(3) transfer requirements.

(e) In addition to the guarantees authorized herein, the Corporation may purchase 80 per centum of the principal amount of qualified loans. If it makes such purchases, it shall promptly issue an equivalent amount of securities which are based on the security of, or in participation in, pooled interests in the purchased portion of the qualified loans.

SEC. 11. STANDARDS FOR QUALIFIED LOANS.

(a) STANDARDS.—Not later than one hundred and eighty days after the appointment and election of the Board, the Corporation, in consultation with originators, shall establish uniform underwriting, security appraisal, and repayment standards for qualified loans. In establishing standards for qualified loans, the Corporation shall limit eligibility, so far as practicable, to loans that are deemed by the Board to be of such quality so as to meet, substantially and generally, the purchase standards imposed by private institutional investors.

(b) MINIMUM CRITERIA.—To further the purpose of this Act to provide a new source of long-term fixed rate financing to assist small businesses, the standards established by the Board pursuant to subsection (a) shall, at a minimum—

(1) set the maximum principal amount of any loan which the Corporation will purchase or guarantee;

(2) limit the maximum term of the loan to thirty years in the case of land or facilities or to ten years in the case of equipment, but in no event longer than the useful life of the property;

(3) require that the principal amount of the loan will be fully amortized over the life of the loan;

(4) provide that no loan shall have a loan-to-value ratio in excess of 90 per centum;

(5) require each borrower to demonstrate sufficient cashflow to adequately service the loan;

(6) contain sufficient documentation standards; and

(7) contain adequate standards to protect the integrity of the appraisal process with respect to any loan.

(c) CONGRESSIONAL REVIEW.—No standard prescribed under this section shall take effect before the later of—

(1) the end of a period consisting of thirty legislative days and beginning on the date such standards are submitted to the Congress; or

(2) the end of a period consisting of ninety calendar days and beginning on such date the standards are submitted.

(e) NONDISCRIMINATION REQUIREMENT.—The standards established under subsection (a) shall not discriminate against small originators or small mortgage loans that are at least $50,000.

SEC. 12. FUNDING FOR GUARANTEE RESERVES OF CORPORATION.

(a) GUARANTEE FEES.—

(1) LOAN FEE.—At the time a guarantee is issued for a qualified loan by the Corporation or at the time the Corporation purchases a loan pursuant to section 10(e), the Corporation shall assess the originator a fee of not more than 2 per centum of the initial principal amount of the loan.

(2) POOLER FEE.—At the time a guarantee is issued for securities issued by a qualified pooler, the Corporation shall assess such pooler an additional fee of not more than one-half of 1 per centum of the principal amount of the loans then constituting the pool if the originator has already paid the fee for guarantee of a qualified loan as provided in paragraph (1). If the pool includes any loan on which the originator has not paid a guarantee fee, the Corporation shall assess the pooler a fee of not more than 2½ per centum of the principal amount of any such loan.

(3) DETERMINATION OF AMOUNT.—The Corporation shall establish such fees based on the amount of risk incurred by the Corporation in providing the financial assistance or guarantees with respect to which such fee is assessed, as determined by the Corporation. Fees assessed under paragraphs (1) or (2) shall be established on an actuarially sound basis, but not to exceed the per centums specified.

(b) ANNUAL REVIEW BY GAO.—The Comptroller General of the United States shall annually review, and submit to the Congress a report regarding, the actuarial soundness and reasonableness of the fees established and amounts collected by the Corporation under this subsection.

(c) CORPORATION RESERVE AGAINST GUARANTEE LOSSES REQUIRED.—

(1) IN GENERAL.—So much of the fees assessed under this section as the Board determines to be necessary shall be set aside by the Corporation in a segregated account as a reserve against losses arising out of the guarantee activities of the Corporation.

(2) EXHAUSTION OF RESERVE REQUIRED.—The Corporation may not issue obligations to the Secretary of the Treasury under section 15 in order to meet the obligations of the Corporation with respect to any guarantees or securities issued provided under this Act until the reserve established under paragraph (1) has been exhausted.

(d) FEES TO COVER ADMINISTRATIVE COSTS AUTHORIZED.—The Corporation may impose charges or fees in reasonable amounts in connection with the administration of its activities under this Act to recover its costs for performing such administration.

SEC. 13. SUPERVISION, EXAMINATION, AND REPORT OF CONDITION.

(a) REGULATION.—

(1) AUTHORITY.—The Secretary of the Treasury (hereinafter in this section referred to as the Secretary) is authorized and directed to examine the financial condition of the Corporation and its activities. The Secretary shall have general regulatory power over the Corporation to insure that the purposes of this Act are accomplished, especially with respect to the Corporation's safety and soundness and the safe and sound performance of the Corporation's powers, functions and duties.

(2) CONSIDERATIONS.—In exercising its authority pursuant to this section, the Secretary shall consider—

(A) the purposes for which the Corporation was created;

(B) the practices appropriate to the conduct of secondary markets in loans; and

(C) the reduced levels of risk associated with appropriately structured secondary market transactions.

(b) EXAMINATIONS AND AUDITS.—

(1) IN GENERAL.—The financial transactions of the Corporation shall be examined by examiners of the Secretary in accordance with the principles and procedures applicable to commercial corporate transactions under such rules and regulations as may be prescribed by the Secretary.

(2) FREQUENCY.—The examinations shall occur at such times as the Secretary may determine, but in no event less than once each year.

(3) ACCESS.—The examiners shall—

(A) have access to all books, accounts, financial records, reports, rules, and all other papers, things, or property belonging to or in use by the Corporation and necessary to facilitate the audit; and

(B) be afforded full access for verifying transactions with certified poolers and other entities with whom the Corporation conducts transactions.

(c) ANNUAL REPORT OF CONDITION.—The Corporation shall make and publish an annual report of condition as prescribed by the Secretary. Each report shall contain financial statements prepared in accordance with generally accepted accounting principles and contain such additional information as the Secretary may by regulation prescribe. The financial statements of the Corporation shall be audited by an independent public accountant. If the Secretary, in his discretion, determines that it would contribute to the financial safety and soundness of the Corporation and would not impose an undue expense or administrative burden on it, he may also require the Corporation to include in the report additional financial statements prepared on a market-value basis, including the Corporation's market-value net worth.

(d) ASSESSMENTS TO COVER COSTS.—The Secretary shall assess the Corporation for the cost to the Secretary of any regulatory activities conducted under this section, including the cost of any examination.

SEC. 14. SECURITIES.

(a) FEDERAL LAWS.—

(1) APPLICABILITY OF CERTAIN FEDERAL SECURITIES LAWS.—For purposes of section 3(a)(2) of the Securities Act of 1933, no security issued by the Corporation nor qualified loan nor security representing an interest in a pool of qualified loans for which guarantees have been provided by the Corporation shall be deemed to be a security issued or guaranteed by a person controlled or supervised by, or acting as an instrumentality of, the Government of the United States. No such security shall be deemed to be a "government security" for purposes of the Securities Exchange Act of 1934 or for purposes of the Investment Company Act of 1940.

(2) NO FULL FAITH AND CREDIT OF THE UNITED STATES.—Each loan or security for which credit enhancement has been provided by the Corporation and each security issued by the Corporation shall clearly indicate that it is not an obligation of, and is not guaranteed as to principal or interest by the United States, or any other agency or instrumentality of the United States (other than the Venture Enhancement and Loan Development Administration for Smaller Undercapitalized Enterprises).

(b) STATE SECURITIES LAWS.—

(1) GENERAL EXEMPTION.—Any security issued by the Corporation and any qualified loan, security or obligation that has been provided a guarantee by the Corporation shall be exempt from any law of any State with respect to or requiring registration or qualification of securities or real estate to the same extent as any obligation issued by, or guaranteed as to principal and interest by, the United States or any other agency or instrumentality of the United States.

(2) STATE OVERRIDE.—The provisions of paragraph (1) shall not be applicable to any State that, during the 5-year period beginning on the effective date of this Act, enacts a law that—

(A) specifically refers to this subsection; and

(B) expressly provides that paragraph (1) shall not apply to the State.

(c) AUTHORIZED INVESTMENTS.—

(1) IN GENERAL.—Securities issued by the Corporation and qualified loans, or securities representing an interest in, or obligations backed by, pools of qualified loans with respect to which the Corporation has provided a guarantee shall be authorized investments of any person, trust corporation, partnership, association, business trust, or business entity created pursuant to or existing under the laws of the United States or any State to the same extent that the person, trust, corporation, partnership, association, business trust, or business entity is authorized under any applicable law to purchase, hold, or invest in obligations issued by or guaranteed as to principal and interest by the United States or any agency or instrumentality of the United States. Such loans, securities or obligations may be accepted as security for all fiduciary, trust, and public funds, the investment or deposits of which shall be under the authority and control of the United States or any State or any officers of either.

(2) STATE LIMITATIONS ON PURCHASE, HOLDING, OR INVESTMENT.—If State law limits the purchase, holding, or investment in obligations issued by the United States by the person, trust, corporation, partnership, association, business trust, or business entity, then qualified loans, or securities or obligations of a certified pooler on which the Corporation has provided a guarantee shall be considered to be obligations issued by the United States for purposes of the limitation.

(3) NONAPPLICABILITY OF PROVISIONS.—

(A) SUBSEQUENT STATE LAW.—Paragraphs (1) and (2) shall not apply with respect to a particular person, trust, corporation, partnership, association, business trust, or business entity, or class thereof, in any State that, prior to the expiration of the five year period beginning on the date of the enactment of this Act, enacts a law that specifically refers to this section and either prohibits or provides for a more limited authority to purchase, hold, or invest in the qualified loans or securities by any person, trust, corporation, partnership, association, business trust, or business entity, or class thereof, than is provided in paragraphs (1) and (2).

(B) EFFECT OF SUBSEQUENT STATE LAW.—The enactment by any State of a law of the type described in subparagraph (A) shall not affect the validity of any contractual commitment to purchase, hold, or invest that was made prior to the effective date of the law and shall not require the sale or other disposition of any loans or securities acquired prior to the effective date of the law.

(d) STATE USURY LAWS SUPERSEDED.—Any provision of the constitution or law of any State which expressly limits the rate or amount of interest, discount points, finance charges, or other charges that may be charged, taken, received, or reserved by the Corporation, originators or certified poolers shall not apply to any qualified loan made by an originator or to security issued by the Corporation or a certified pooler in accordance with this Act.

SEC. 15. AUTHORITY TO ISSUE OBLIGATIONS TO COVER LOSSES OF CORPORATION.

(a) SALE OF OBLIGATIONS TO TREASURY.—

(1) IN GENERAL.—Subject to the limitations contained in section 12(c) and the requirement of paragraph (2), the Corporation may issue obligations to the Secretary of the Treasury, the proceeds of which may be used by the Corporation solely for the purpose of fulfilling the obligations of the Corporation under any security issued by the Corporation or guarantee provided by the Corporation under this Act.

(2) CERTIFICATION.—The Secretary of the Treasury may purchase obligations of the Corporation under paragraph (1) only if the Corporation certifies to the Secretary that—

(A) the requirements of section 12(c) have been fulfilled; and

(B) the proceeds of the sale of such obligations are needed to fulfill the obligations of the Corporation under any guarantee provided by or security issued by the Corporation under this Act.

(b) LIMITATION OF AMOUNT OF OUTSTANDING OBLIGATIONS.—The aggregate amount of obligations issued by the Corporation under subsection (a)(1) which may be held by the Secretary of the Treasury at any time (as determined by the Secretary) shall not exceed $1,500,000,000.

(c) TERMS OF OBLIGATION.—

(1) INTEREST.—Each obligation purchased by the Secretary of the Treasury shall bear interest at a rate determined by the Secretary, taking into consideration the average rate on outstanding marketable obligations of the United States as of the last day of the last calendar month ending before the date of the purchase of such obligation.

(2) REDEMPTION.—The Secretary of the Treasury shall require that such obligations be repurchased by the Corporation within a reasonable time.

(d) COORDINATION WITH TITLE 31, UNITED STATES CODE.—

(1) AUTHORITY TO USE PROCEEDS FROM SALE OF TREASURY SECURITIES.—For the purpose of purchasing obligations of the Corporation, the Secretary of the Treasury may use as a public debt transaction the proceeds from the sale by the Secretary of any securities issued under chapter 31 of title 31, United States Code, and the purposes for which securities may be issued under such chapter are extended to include such purchases.

(2) TREATMENT OF TRANSACTIONS.—All purchases and sales by the Secretary of the Treasury of obligations issued by the Corporation under this section shall be treated as public debt transactions of the United States.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary of the Treasury $1,500,000,000, without fiscal year limitation, to carry out the purposes of this Act.

SEC. 16. FEDERAL JURISDICTION.

(a) Notwithstanding section 1349 of title 28, United States Code, or any other provision of law:

(1) The Corporation shall be considered an agency under sections 1345 and 1442 of such title.

(2) All civil actions to which the Corporation is a party shall be deemed to arise under the laws of the United States and, to the extent applicable, shall be deemed to be governed by Federal common law. The district courts of the United States shall have original jurisdiction of all such actions, without regard to the amount of value.

(3) Any civil or other action, case, or controversy in a court of a State or any court, other than a district court of the United States, to which the Corporation is a party may at any time before trial be removed by the Corporation, without the giving of any bond or security—

(A) to the district court of the United States for the district and division embracing the place where the same is pending; or

(B) if there is no such district court, to the district court of the United States for the district in which the principal office of the Corporation is located;

by following any procedure for removal for causes in effect at the time of such removal.

(4) No attachment or execution shall be issued against the Corporation or any of the

property of the Corporation before final judgment in any Federal, State, or other court.

(b) NATURE OF CORPORATION.—The Corporation shall, for the purposes of section 14(b)(2) of the Federal Reserve Act (12 U.S.C. 355), be deemed to be an agency of the United States. The obligations of the Corporation shall be deemed to be obligations of the United States for purposes of section 3124 of title 31, United States Code. For the purpose of section 101(41) of title 11, United States Code, the Corporation shall be deemed to be an agency of the United States; however, for the purpose of section 101(35) of title 11, United States Code, the Corporation shall not be deemed to be a governmental unit, but instead shall be deemed to be a corporation.

(c) FRAUD BY CORPORATE OFFICER.—Section 1006 of title 18, United States Code, is amended by inserting before "or any Small Business Investment Company," the following: "or the Venture Enhancement and Loan Development Administration for Smaller Undercapitalized Enterprises,".

(d) BANKING AUTHORITY.—The sixth sentence of the seventh paragraph of section 5136 of the Revised Statutes of the United States (12 U.S.C. 24) is amended by inserting after "Student Loan Marketing Association," the following "or obligations or other instruments or securities of the Venture Enhancement and Loan Development Administration for Smaller Undercapitalized Enterprises,".

SEC. 17. GAO AUDIT OF CORPORATION.

(a) AUDITS AUTHORIZED.—Notwithstanding any other provision of law and under such regulations as the Comptroller General may prescribe, the Comptroller General shall perform a financial audit of the Corporation on whatever basis the Comptroller General determines to be necessary.

(b) COOPERATION OF CORPORATION REQUIRED.—The Corporation shall—

(1) make available to the Comptroller General for audit all records and property of, or used or managed by, the Corporation which may be necessary for the audit; and

(2) provide the Comptroller General with facilities for verifying transactions with the balances of securities held by any depositary, fiscal agent, or custodian.

SEC. 18. FEDERAL FUNDING.

(a) INTERIM TEMPORARY ADVANCES.—After the Corporation has sold the minimum amount of common stock as provided in section 10(b)(1), the Secretary of the Treasury shall purchase obligations of the Corporation in such sums, and at such times, as the Corporation may request, but not to exceed $300,000,000. The proceeds shall be deemed to be capital of the Corporation for purposes of section 7(b)(1).

(1) TERM AND INTEREST.—The obligations shall be repayable over a term of ten years commencing fifteen years after the date of the purchase by the Secretary. Repayments shall be amortized and the obligations shall bear interest at a rate determined by the Secretary, taking into consideration the current average market yield on outstanding marketable obligations of the United States with fifteen years maturities, adjusted to the nearest one-eighth of 1 per centum. During the first five years of each obligation, interest payments shall be limited annually not to exceed the retained earnings of the corporation after all other expenses except such interest payments have been made.

(2) PREPAYMENTS.—The Corporation may pre-pay the obligations at any time without the payment of any type of prepayment penalty.

(b) WARRANTS.—Upon the purchase of obligations pursuant to subsection (a), the Corporation shall issue warrants to the Secretary of the Treasury for the purchase of non-voting common stock in the Corporation. If the warrants are exercised by the Secretary, the stock so acquired shall be non-voting as long as it is held by the Secretary. The warrants shall be freely transferable and if exercised by any person in any capacity other than as an employee or officer of the Federal government, stock so acquired shall be with full voting rights.

(1) AMOUNT.—The exercise price of the warrants shall be the average price at which voting common stock of the Corporation, was sold during the year preceding issuance of the warrants, plus 10 per centum. The Secretary shall receive warrants in such amounts as will enable the Secretary to purchase one dollar in common stock for each ten dollars of obligations purchased under subsection (a).

(2) DURATION.—The warrants shall be exercisable at any time by the Secretary for a period of 15 years from the date of issuance.

(c) AUTHORIZATION.—In addition to the amounts authorized in section 15(e), there are authorized to be appropriated to the Secretary of Treasury, $300,000,000 without fiscal year limitation, to carry out the provisions of this section.

FACT SHEET ON VELDA SUE

The "Venture Enhancement and Loan Development Administration for Smaller Undercapitalized Enterprises" ("VELDA SUE").

WHAT IS VELDA SUE?

Velda Sue, the Venture Enhancement and Loan Development Administration for Smaller Undercapitalized Enterprises, would seek to replicate the success of Fannie Mae and Freddie Mac in packaging mortgages for the secondary market, and applying it to the area of small business lending.

Through packaging and securitizing small business loans, Velda Sue would assist smaller businesses in obtaining credit by making it possible for institutional investors, such as pension funds, to purchase small business industrial mortgages in the same manner they can today purchase residential mortgages through Fannie Mae and Freddie Mac.

HOW WOULD VELDA SUE WORK?

Velda Sue would be a publicly traded, government-sponsored enterprise, established with seed money from private venture capital and with a U.S. government loan, that would be repaid, with interest.

In its start-up phase, Velda Sue would work with experts from the securities rating agencies such as Standard and Poor and Moody's to develop a set of standards for packaging groups of small business loans at the level of 80 percent of the total loan that is granted by a bank or other lending institution, secured by real estate. These loans would be for a fixed term, such as seven years, and provide a competitive rate of interest. Like the securities sold by Fannie Mae and Freddie Mac, the interest rates would be somewhat higher than U.S. Treasuries, but lower than the rates for lower-grade or "junk" bonds. The Velda Sue securities would then be traded on public exchanges, and whose value would rise and fall with overall interest rates, in tandem with other securities of similar terms.

Banks would continue to originate the small business loans eligible for securitization by Velda Sue, as would S&Ls, commercial finance companies, insurance companies, small business lending companies, and other loan origination businesses. In order to meet Velda Sue's underwriting standards, each loan would have to be secured by a non-subordinated mortgage, and be made to an enterprise which qualifies as a small business under the Small Business Act—one that does not have a net worth in excess of $18 million or an average net income in excess of $6 million. Velda Sue would not securitize the entire loan, only 80 percent, leaving the other 20 percent with the originating institution, insuring that the originator shares in any risk of default.

Velda Sue would be self-financing, with its operations paid through fees imposed on originators and poolers, with the Secretary of the Treasury given regulatory responsibility over its activities, and a board of directors consisting of a mix of private citizens appointed by share-holders and government appointees.

WHO WOULD BENEFIT FROM VELDA SUE?

Velda Sue would benefit three different classes at once: small business borrowers, lenders, and investors.

Credit-worthy small business borrowers would now have sources of capital available even if banks in their region are curtailing lending in response to regulatory pressures.

Banks who do not want to be penalized by regulators under risk-based capital standards for having too little capital, can lend to a small business, sell off 80 percent of the loan, and have just one-fifth of the loan applied against their capital. The result would be that each bank would be in a position to make up to five times as many small business loans.

Investors would have be able to purchase small business industrial mortgages at an attractive interest rate and a favorable price, at very little risk.

WHY IS VELDA SUE NECESSARY?

The credit crunch is real, and it is having an impact on our overall recovery. The United States has seen very substantial contractions in commercial and industrial lending over the past two years, amounting to a net reduction of $70 billion nationally over the past two years, with the contraction extending to every region.

As Federal Reserve chairman Alan Greenspan recently testified, "incentives to lend have been dampened by market and regulatory pressures for depository institutions to increase capital ratios, as well as by other factors raising their costs of intermediating credit, such as higher deposit insurance premiums, rising regulatory costs, and more stringent supervisory oversight. As a result, banking and thrift institutions have sought to limit balance-sheet growth or actually to shrink. * * * Historically, banking institutions have played a critical role in financing small and medium-sized businesses—firms that in the past have been a key source of growth in the economy. Some of the factors leading to the relative shrinkage of our banking industry, by limiting the availability of credit to smaller firms, have restrained aggregate demand and thus have significantly hindered the economic expansion."

What this has meant, in practical terms, is that banks who are trying to respond to regulatory pressure are not lending—even to credit-worthy businesses. Instead, encouraged by regulations that force them to count loans against capital, they are purchasing risk-free government securities that they do not have to count against their capital.

Every loan not made means less capital available to help small businesses invest in

equipment and hire more workers, or to enable a consumer to buy a new car. Most economists see increased lending as a key to stimulating the sluggish economy.

Velda Sue would combat the credit crunch on small business lending, by creating a secondary market for such loans accessible to pension funds and insurance companies and other major institutional investors, making long-term capital available to finance purchases of plants and equipment.

WHY CAN'T THE PRIVATE SECTOR SECURITIZE SMALL BUSINESS LOANS WITHOUT VELDA SUE?

Just as Fannie Mae and Freddie Mac created the securities markets for residential mortgages, a GSE like Velda Sue is necessary to create the securities market for commercial and industrial small business loans. In the absence of a GSE, there is no one in a position to standardize loan packages and to absorb some of the risk through credit enhancement, thereby making the securities marketable.

Some people contend that the reason there is no market for small business industrial mortgage loan securities today is that small business lending is not easily standardized. This argument was once used to suggest that residential mortgages could not be packaged and securitized, either. In fact, a GSE can create a new market.

DOES VELDA SUE REQUIRE THE FULL-FAITH AND CREDIT OF THE UNITED STATES?

Absolutely not. Velda Sue would be similar in many respects to Fannie Mae, Freddie Mac, and Sallie Mae in its function and its mechanisms, and would be a government-sponsored enterprise that is not backed by the full faith and credit of the United States, but instead, has enhanced credit by being able to draw on a limited line of government credit.

Unlike FDIC insurance, a GSE does not promise to the purchasers of the securities that there would be a government bailout if something went wrong. To the contrary, every security issued by Velda Sue would be required to state on its face that it was not guaranteed by the federal government.

WHAT WOULD VELDA SUE COST?

Once operational, Velda Sue should cost the taxpayers nothing. Initially, however, some federal funds would be loaned to Velda Sue as seed money, which would then be repaid by Velda Sue out of its operational revenues.

Under the terms of the Velda Sue proposed legislation, the federal government would sponsor Velda Sue with initially loans of funds by the government of up to $300 million, after Velda Sue had raised $30 million in private funds. These U.S. government loans would be repaid to the Treasury by Velda Sue in fifteen years or less, with interest. Thus over the long term, Velda Sue would function with no cost to the Treasury. In addition, Velda Sue would under certain circumstances have the ability to call on the Treasury for additional short-term purchases of its obligations up to $1.5 billion, as a means of creating credit-enhancement through the limited backing of the Treasury. In turn, the Treasury would according to mutually agreed upon terms sell these obligations back to Velda Sue, plus interest, with no net cost to the government.

Thus, Velda Sue is designed so that that the taxpayers overall will not have to pay a single penny for its existance.

WHAT IS VELDA SUE'S LEGISLATIVE HISTORY?

Velda Sue was originally conceptualized by Congressman John La Falce, chairman of the House Small Business Committee, who has introduced the legislation a number of times since 1980. During that period, the Velda Sue concept has undergone a number of enhancements, and has been endorsed by numerous groups representing small business, including the Chamber of Commerce.

Most recently, Velda Sue was introduced as H.R. 660.

By Mr. BRADLEY:

S. 513. A bill to amend the Internal Revenue Code of 1986 to increase the excise taxes on tobacco products, and to use the resulting revenues to fund a trust fund for health care reform, and for other purposes; to the Committee on Finance.

HEALTH IMPROVEMENT ACT OF 1993

• Mr. BRADLEY. Mr. President, I rise today to introduce legislation that takes a bold step toward reducing the devastating health and financial effects of tobacco use in this country. My distinguished colleague in the House, Congressman MIKE ANDREWS, today is introducing companion legislation.

Mr. President, 2 years ago I rose before this Chamber to talk about the destructive effects of tobacco use and to introduce legislation that would begin to redress these effects. Since that time close to 1 million more people have died from tobacco-related illnesses. The time to stop this travesty is now, and to do that I am introducing legislation that will raise the Federal excise tax on tobacco fourfold.

Nearly 30 years after the 1964 Surgeon General's report sounded the health alarm for smoking, one-fourth of the Nation's adults remain addicted to cigarettes. Smoking now kills an estimated 435,000 Americans every year—more than alcohol, heroin, crack, automobile and airplane accidents, homicides, suicides, and AIDS combined. Furthermore, environmental tobacco smoke—smoke from other people's cigarettes—causes tens of thousands of additional deaths.

If these statistics were not staggering enough, each year a growing number of teenagers start smoking, even though selling cigarettes to minors is illegal. This is also the only group in the country where smoking is on the rise. The efforts that have been waged by public health officials against youth smoking have been dwarfed by the billions spent by the industry on advertising aimed at children and teenagers. The addiction of children to tobacco, and consequently the long-term effects, is a moral disgrace.

A spokesman for the Tobacco Institute, a lobbying group for the tobacco industry, was quoted as saying with regard to smoking:

This is a day and age when we ultimately have to recognize that adults are going to indulge in the legal pleasures that others don't approve of.

My response to the industry is: This legal pleasure kills more than one out of three long-term users when used as intended. This legal pleasure has been determined to be a major cause of heart disease, lung cancer, emphysema, chronic bronchitis, low-birthweight babies, strokes, and a variety of other diseases. This legal pleasure is as addictive as cocaine or heroin. They are right that I don't approve of the effects of this legal pleasure, and for good reason.

Furthermore, this legal pleasure contributes substantially to health care costs every year. One of the most effective things we can do to control health care costs is to end smoking. I view tobacco taxes as compensation for the health care cost burden we are forced to bear, thanks to smoking. This tax should be thought of as a downpayment on health care reform—a very important goal considering all of the health problems that are caused by smoking.

People call this a sin tax. Mr. President, the sin is a government that allows 400,000 people to die every year without doing what they can about it. The sin is a government that sits back while billions of dollars are spent on health care to address problems caused by tobacco. We cannot ignore this toll any longer.

Mr. President, the Government should speak with one voice on this problem, and that voice should unequivocally say: "Tobacco use will harm you." We will not subsidize the seller; we will not underwrite the smoker; we will support efforts to stop; and we will dedicate our resources to preventing Americans from ever starting.

I ask unanimous consent that the text of the bill and a bill summary follow my remarks.

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

S. 513

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 "Tobacco Consumption Reduction and Health Improvement Act of 1993".

SEC. 2. INCREASE IN TAXES ON TOBACCO PRODUCTS.

(a) IN GENERAL.—

(1) CIGARS.—Subsection (a) of section 5701 of the Internal Revenue Code of 1986 (relating to rate of tax on cigars) is amended—

(A) by striking "$1.125 cents per thousand (93.75 cents per thousand on cigars removed during 1991 and 1992)" in paragraph (1) and inserting "$4.6875 per thousand"; and

(B) by striking paragraph (2) and inserting the following new paragraph:

"(2) LARGE CIGARS.—On cigars weighing more than 3 pounds per thousand, a tax equal to 50 percent of the price for which sold but not more than $120 per thousand."

(2) CIGARETTES.—Subsection (b) of section 5701 of such Code (relating to rate of tax on cigarettes) is amended—

(A) by striking "$12 per thousand ($10 per thousand on cigarettes removed during 1991 and 1992)" in paragraph (1) and inserting "$50 per thousand"; and

(B) by striking "$25.20 per thousand ($21 per thousand on cigarettes removed during 1991 and 1992)" in paragraph (2) and inserting "$105 per thousand".

(3) CIGARETTE PAPERS.—Subsection (c) of section 5701 of such Code (relating to rate of tax on cigarette papers) is amended by striking "0.75 cent (0.625 cent on cigarette papers removed during 1991 or 1992)" and inserting "3.12 cents".

(4) CIGARETTE TUBES.—Subsection (d) of section 5701 of such Code (relating to rate of tax on cigarette tubes) is amended by striking "1.5 cents (1.25 cents on cigarette tubes removed during 1991 or 1992)" and inserting "6.25 cents".

(5) SNUFF.—Paragraph (1) of section 5701(e) of such Code (relating to rate of tax on smokeless tobacco) is amended by striking "36 cents (30 cents on snuff removed during 1991 or 1992)" and inserting "$1.50".

(6) CHEWING TOBACCO.—Paragraph (2) of section 5701(e) of such Code is amended by striking "12 cents (10 cents on chewing tobacco removed during 1991 or 1992)" and inserting "50 cents".

(7) PIPE TOBACCO.—Subsection (f) of section 5701 of such Code (relating to rate of tax on pipe tobacco) is amended by striking "67.5 cents (56.25 cents on chewing tobacco removed during 1991 or 1992)" and inserting "$2.8125".

(b) FLOOR STOCKS.—

(1) IMPOSITION OF TAX.—On cigars, cigarettes, cigarette paper, cigarette tubes, snuff, chewing tobacco, and pipe tobacco manufactured in or imported into the United States which is removed before January 1, 1994, and held on such date for sale by any person, there shall be imposed the following taxes:

(A) SMALL CIGARS.—On cigars, weighing not more than 3 pounds per thousand, $3.5625 per thousand.

(B) LARGE CIGARS.—On cigars, weighing more than 3 pounds per thousand, a tax equal to 37.25 percent of the price for which sold, but not more than $90 per thousand.

(C) SMALL CIGARETTES.—On cigarettes, weighing not more than 3 pounds per thousand, $38 per thousand.

(D) LARGE CIGARETTES.—On cigarettes, weighing more than 3 pounds per thousand, $79.80 per thousand; except that, if more than 6½ inches in length, they shall be taxable at the rate prescribed for cigarettes weighing not more than 3 pounds per thousand, counting each 2¾ inches, or fraction thereof, of the length of each as one cigarette.

(E) CIGARETTE PAPERS.—On cigarette papers, 2.37 cents for each 50 papers or fractional part thereof; except that, if cigarette papers measure more than 6½ inches in length, they shall be taxable at the rate prescribed, counting each 2¾ inches, or fraction thereof, of the length of each as one cigarette paper.

(F) CIGARETTE TUBES.—On cigarette tubes, 4.75 cents for each 50 tubes or fractional part thereof; except that, if cigarette tubes measure more than 6½ inches in length, they shall be taxable at the rate prescribed, counting each 2¾ inches, or fraction thereof, of the length of each as one cigarette tube.

(G) SNUFF.—On snuff, $1.14 per pound and a proportionate tax at the like rate on all fractional parts of a pound.

(H) CHEWING TOBACCO.—On chewing tobacco, 38 cents per pound and a proportionate tax at the like rate on all fractional parts of a pound.

(I) PIPE TOBACCO.—On pipe tobacco, $2.1375 per pound and a proportionate tax at the like rate on all fractional parts of a pound.

(2) LIABILITY FOR TAX AND METHOD OF PAYMENT.—

(A) LIABILITY FOR TAX.—A person holding cigars, cigarettes, cigarette paper, cigarette tubes, snuff, chewing tobacco, and pipe tobacco on January 1, 1994, to which any tax imposed by paragraph (1) applies shall be liable for such tax.

(B) METHOD OF PAYMENT.—The tax imposed by paragraph (1) shall be treated as a tax imposed under section 5701 of the Internal Revenue Code of 1986 and shall be due and payable on February 15, 1994, in the same manner as the tax imposed under such section is payable with respect to cigars, cigarettes, cigarette paper, cigarette tubes, snuff, chewing tobacco, and pipe tobacco removed on January 1, 1994.

(3) CIGARS, CIGARETTES, CIGARETTE PAPER, CIGARETTE TUBES, SNUFF, CHEWING TOBACCO, AND PIPE TOBACCO.—For purposes of this subsection, the terms "cigar", "cigarette", "cigarette paper", "cigarette tubes", "snuff", "chewing tobacco", and "pipe tobacco" shall have the meaning given to such terms by subsections (a), (b), (e), and (g), paragraphs (2) and (3) of subsection (n), and subsection (o) of section 5702 of the Internal Revenue Code of 1986, respectively.

(4) EXCEPTION FOR RETAIL STOCKS.—The taxes imposed by paragraph (1) shall not apply to cigars, cigarettes, cigarette paper, cigarette tubes, snuff, chewing tobacco, and pipe tobacco in retail stocks held on January 1, 1994, at the place where intended to be sold at retail.

(5) FOREIGN TRADE ZONES.—Notwithstanding the Act of June 18, 1934 (19 U.S.C. 81a et seq.) or any other provision of law—

(A) cigars, cigarettes, cigarette paper, cigarette tubes, snuff, chewing tobacco, and pipe tobacco—

(i) on which taxes imposed by Federal law are determined, or customs duties are liquidated, by a customs officer pursuant to a request made under the first proviso of section 3(a) of the Act of June 18, 1934 (19 U.S.C. 81c(a)) before January 1, 1994, and

(ii) which are entered into the customs territory of the United States on or after January 1, 1994, from a foreign trade zone, and

(B) cigars, cigarettes, cigarette paper, cigarette tubes, snuff, chewing tobacco, and pipe tobacco which—

(i) are placed under the supervision of a customs officer pursuant to the provisions of the second proviso of section 3(a) of the Act of June 18, 1934 (19 U.S.C. 81c(a)) before January 1, 1994, and

(ii) are entered into the customs territory of the United States on or after January 1, 1994, from a foreign trade zone,

shall be subject to the tax imposed by paragraph (1) and such cigars, cigarettes, cigarette paper, cigarette tubes, snuff, chewing tobacco, and pipe tobacco shall, for purposes of paragraph (1), be treated as being held on January 1, 1994, for sale.

(c) ESTABLISHMENT OF TRUST FUND.—

(1) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code of 1986 (relating to trust fund code) is amended by adding at the end thereof the following new section:

"SEC. 9512. HEALTH REFORM TRUST FUND.

"(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Health Reform Trust Fund' (hereafter referred to in this section as the 'Trust Fund'), consisting of such amounts as may be appropriated or credited to the Trust Fund as provided in this section or section 9602(b).

"(b) TRANSFERS TO TRUST FUND.—The Secretary shall transfer to the Trust Fund an amount equivalent to the net increase in revenues received in the Treasury attributable to the amendments made to section 5701 by section 2(a) and the provisions contained in section 2(b) of the Tobacco Consumption Reduction and Health Reform Act of 1993, as estimated by the Secretary.

"(c) DISTRIBUTION OF AMOUNTS IN TRUST FUND.—

"(1) UNINSURED PERSONS.—Eighty percent of the amounts in the Trust Fund shall be available in each fiscal year, as provided by appropriation Acts, to the Secretary for the provision of medical care and medical insurance to persons without medical insurance.

"(2) OTHER.—Twenty percent of the amounts in the Health Reform Trust Fund shall be available in each fiscal year, as provided by appropriation Acts, to the Secretary to—

"(A) develop and implement health education programs;

"(B) develop and implement smoking cessation programs; and

"(C) distribute to each State that was required by State law to decrease State taxes on the sale of tobacco products (as defined in section 5702(c)) as a result of the increase in the Federal excise tax on such products provided for in section 2(a) of the Tobacco Consumption Reduction and Health Reform Act of 1993."

(2) CLERICAL AMENDMENT.—The table of sections for such subchapter A is amended by adding at the end thereof the following new item:

"Sec. 9512. Health Reform Trust Fund."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to cigars, cigarettes, cigarette paper, cigarette tubes, snuff, chewing tobacco, and pipe tobacco removed after December 31, 1993.

BILL SUMMARY—TOBACCO CONSUMPTION REDUCTION AND HEALTH IMPROVEMENT ACT OF 1993

This bill provides for an increase of the Federal excise tax on tobacco products. It raises the excise tax four-fold on cigarettes, from 24 cents to $1.00 per pack. The real level of taxation for cigarettes has eroded over the time since the excise tax was first introduced in 1951. The excise tax for all other tobacco products will also be increased four-fold. The reasons for this increase are clear. First, it allows us to use the most potent weapon we have at our disposal to discourage smoking—raising the price of tobacco. This will allow us to specifically direct our attention to a vulnerable and price sensitive group—children and teenagers. It is also smart tax policy—it taxes what we want to discourage so we can cut taxes on the things we want to encourage. Second, the Office of Technology Assessment has estimated the cost to society of cigarette smoking at over $65 billion annually. It is more than fair to ask smokers to shoulder some of these costs.•

By Mr. INOUYE:

S.J. Res. 57. A joint resolution to designate June 4 of each year as "National Midway Recognition Day"; to the Committee on the Judiciary.

NATIONAL MIDWAY RECOGNITION DAY

• Mr. INOUYE. Mr. President, over 50 years have gone by since our U.S. Naval forces, against overwhelming odds, achieved the most decisive battle in naval history at the Battle of Midway. The Battle of Midway was clearly

the turning point against the then-dominant Japanese forces in the Pacific. My bill recognizes the heroic achievements of our gallant naval forces by designating June 4 of each year as National Midway Recognition Day.●

ADDITIONAL COSPONSORS

S. 3

At the request of Mr. BOREN, the name of the Senator from Wisconsin [Mr. FEINGOLD] was added as a cosponsor of S. 3, a bill entitled the "Congressional Spending Limit and Election Reform Act of 1993."

S. 6

At the request of Mr. BURNS, his name was added as a cosponsor of S. 6, a bill to prevent and punish sexual violence and domestic violence, to assist and protect the victims of such crimes, to assist state and local effects, and for other purposes.

S. 30

At the request of Mr. MCCAIN, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 30, a bill to amend title II of the Social Security Act to eliminate the earnings test for individuals who have attained retirement age.

S. 87

At the request of Mr. KERRY, the name of the Senator from Wisconsin [Mr. FEINGOLD] was added as a cosponsor of S. 87, a bill to amend the Federal Election Campaign Act of 1971 to provide for a voluntary system of spending limits and partial public financing of Senate primary and general election campaigns, to limit contributions by multicandidate political committees, and for other purposes.

S. 91

At the request of Mr. THURMOND, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 91, a bill to authorize the conveyance to the Columbia Hospital for Women of certain parcels of land in the District of Columbia, and for other purposes.

S. 176

At the request of Mr. COATS, his name was added as a cosponsor of S. 176, a bill to amend title XVIII of the Social Security Act with respect to essential access community hospitals, the rural transition grant program, regional referral centers, Medicare-dependent small rural hospitals, interpretation of electrocardiograms, payment for new physicians and practitioners, prohibitions on carrier forum shopping, treatment of nebulizers and aspirators, and rural hospital demonstrations.

S. 177

At the request of Mr. DOLE, the names of the Senator from Montana [Mr. BURNS], the Senator from Colorado [Mr. BROWN], and the Senator from Utah [Mr. HATCH] were added as cosponsors of S. 177, a bill to ensure that agencies establish the appropriate procedures for assessing whether or not regulation may result in the taking of private property, so as to avoid such where possible.

S. 257

At the request of Mr. BUMPERS, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 257, a bill to modify the requirements applicable to locatable minerals on public domain lands, consistent with the principles of self-initiation of mining claims, and for other purposes.

S. 382

At the request of Mr. MOYNIHAN, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 382, a bill to extend the emergency unemployment compensation program, and for other purposes.

S. 384

At the request of Mr. D'AMATO, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 384, a bill to increase the availability of credit to small businesses by eliminating impediments to securitization and facilitating the development of a secondary market in small business loans, and for other purposes.

At the request of Mr. COCHRAN, his name was withdrawn as a cosponsor of S. 384, supra.

S. 403

At the request of Mr. BREAUX, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 403, a bill to amend the Internal Revenue Code of 1986 to allow a tax credit for fuels produced from offshore deep-water projects.

S. 470

At the request of Mrs. BOXER, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 470, a bill to amend chapter 41 of title 18, United States Code, to punish stalking.

SENATE JOINT RESOLUTION 30

At the request of Mr. D'AMATO, the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of Senate Joint Resolution 30, a joint resolution to designate the weeks of April 25 through May 2, 1993, and April 10 through 17, 1994, as "Jewish Heritage Week."

SENATE JOINT RESOLUTION 39

At the request of Mr. D'AMATO, the names of the Senator from Maryland [Mr. SARBANES], the Senator from Massachusetts [Mr. KERRY], the Senator from Illinois [Ms. MOSELEY-BRAUN], and the Senator from Kansas [Mrs. KASSEBAUM] were added as cosponsors of Senate Joint Resolution 39, a joint resolution designating the weeks beginning May 23, 1993, and May 15, 1994, as Emergency Medical Services Week.

SENATE JOINT RESOLUTION 52

At the request of Mr. PACKWOOD, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of Senate Joint Resolution 52, a joint resolution to designate the month of November 1993 and 1994 as "National Hospice Month."

SENATE RESOLUTION 70

At the request of Mr. BRADLEY, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of Senate Resolution 70, a resolution expressing the sense of the Senate regarding the need for the President to seek the advice and consent of the Senate to the ratification of the United Nations Convention on the Rights of the Child.

SENATE RESOLUTION 76—URGING THE MEMBER NATIONS OF THE UNITED NATIONS COMMISSION ON HUMAN RIGHTS TO SUPPORT A RESOLUTION ON HUMAN RIGHTS IN CUBA

Mr. BURNS (for Mr. MACK for himself, Mrs. FEINSTEIN, Mr. HELMS, Mr. GRAHAM, Mr. MCCAIN, Mr. DOLE, Mr. LIEBERMAN and Mr. BURNS) submitted the following resolution; which was considered and agreed to:

S. RES. 76

Whereas the United States has an obligation to promote and protect human rights and fundamental freedoms stated in the Charter of the United Nations and elaborated in the Universal Declaration of Human Rights;

Whereas the United States committed in the Cuban Democrary Act of 1992, to "continue vigorously to oppose human rights violations in the Castro regime";

Whereas Resolution 61 (1992) of the United Nations Commission on Human Rights provided for the appointment of a Special Rapporteur "to review and report on the situation of human rights in Cuba and to maintain direct contact with the government and citizens of Cuba";

Whereas the Cuban government refused to permit the Special Rapporteur to visit Cuba and formally expressed its decision not to "implement so much as a single comma" of Resolution 61;

Whereas, despite the obstructionist actions of the Cuban government, the Special Rapporteur submitted a report describing the systematic abuse of human rights and concluding that the Cuban government "tends to resort to the use of repressive means to silence any expression of discontent or independent opinion, no matter how small";

Whereas the Cuban government increased repression against leaders of several human rights groups in Cuba on United Nations Human Rights Day, December 10, 1992;

Whereas on December 18, 1992, the United Nations General Assembly passed Resolution 47/139 which "regrets profoundly the numerous uncontested reports of violations of basic human rights and fundamental freedoms" and expressed "deep concern at arbitrary arrests, beatings, imprisonment harassment, and governmentally organized mob attacks on human rights defenders and others who are engaged in the peaceful exercise of their rights"; and

Whereas the United States is cosponsoring a resolution on Cuba in the 1993 session of the United Nations Commission on Human Rights which commends and endorses the report of the Special Rapporteur, extends his mandate for one year, and calls upon the Cuban government to carry out the recommendations of the Special Rapporteur to "bring the observance of human rights and fundamental freedoms in Cuba up to universally recognized standards . . . and to end all violations of human rights, including in particular the detention and imprisonment of human rights defenders and others who are engaged in the peaceful exercise of their rights": Now, therefore, be it

Resolved, That it is the sense of the Senate that the member nations of the United Nations Commission on Human Rights should cosponsor and vote for the resolution reappointing the Special Rapporteur on Cuba and calling on the Cuban government to abide by internationally recognized standards on human rights.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President with the request that he further transmit such copy to the member nations of the United Nations Commission on Human Rights.

SENATE RESOLUTION 77—TO AUTHORIZE TESTIMONY AND TO AUTHORIZE REPRESENTATION BY THE SENATE LEGAL COUNSEL

Ms. MOSELEY-BRAUN (for Mr. MITCHELL for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 77

Whereas, the defendants in Kofoed v. Swanson-Nunn Electric Company, et al., No. 9209-06644, pending in the Circuit Court of the State of Oregon for Multnomah County, seek the deposition testimony of Suzanne Beede, a Senate employee on the staff of Senator Hatfield;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(a) and 288c(a)(2), the Senate may direct its counsel to represent employees of the Senate with respect to requests for testimony made to them in their official capacities: Now, therefore, be it

Resolved, That Suzanne Beede is authorized to testify in Kofoed v. Swanson-Nunn Electric Company, et al., No. 9209-06644 (Or. Cir. Ct.), except concerning matters for which a privilege should be asserted.

SEC. 2. The Senate Legal Counsel is authorized to represent Suzanne Beede in connection with the testimony authorized by section 1 of this resolution.

NOTICES OF HEARINGS

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. NUNN. Mr. President, I would like to announce for the information of the Senate and the public that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, will hold a hearing on "Corruption In Professional Boxing (part II)".

This hearing will take place on Wednesday, March 10, 1993, at 9:30 a.m., and Wednesday, March 17, 1993, at 10 a.m., in room 342 of the Dirksen Senate Office Building. For further information, please contact Daniel F. Rinzel of the subcommittee's minority staff at 224-9157.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BUMPERS. Mr. President, I would like to announce that an oversight hearing has been scheduled before the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources.

The hearing will take place on Tuesday, March 23, 1993, beginning at 2:30 p.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on radio and television broadcast use fees on public lands. In particular, the hearing will focus on the recently released report of the Radio and Television Broadcast Use Fee Advisory Committee. The committee was established by the Secretaries of Agriculture and the Interior pursuant to the conference report for the fiscal year 1993 Interior and Related Agencies Appropriations Act, and charged with advising the Secretaries on setting fair market rental fees for broadcast uses on Federal lands.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, anyone wishing to submit a written statement is welcome to do so by sending two copies to the Subcommittee on Public Lands, National Parks and Forests, Committee on Energy and Natural Resources, 304 Dirksen Senate Office Building, Washington, DC 20510.

For further information regarding the hearing, please contact Erica Rosenberg of the subcommittee staff at (202) 224-7933.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for my colleagues and the public that 3 days of hearings have been scheduled before the Committee on Energy and Natural Resources.

The purpose of these hearings is to receive testimony on S. 473, the Department of Energy National Competitiveness Technology Partnership Act of 1993.

The hearings will take place on March 18, 23, and 24, 1993 at 9:30 a.m. each day in room SD-366 of the Dirksen Senate Office Building, First and C Streets NE., Washington, DC.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the printed hearing record should send their comments to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510, Attention: Paul Barnett.

For further information, please contact Paul Barnett of the committee staff at 202/224-7569.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON SMALL BUSINESS

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the Small Business Committee be authorized to meet during the session of the Senate on Thursday, March 4, 1993, at 9:30 a.m. The Committee will hold a full committee hearing to examine the issue of credit availability for small businesses.

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

SUBCOMMITTEE ON SECURITIES

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the Subcommittee on Securities of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate, Thursday, March 4, 1993, at 10 a.m. to conduct a hearing on legislative proposals to facilitate small business access to capital.

The PRESIDING OFFICER. Without objection is so ordered.

SUBCOMMITTEE ON CONSUMER

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the Consumer Subcommittee on the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on March 4, 1993, at 9:30 a.m. on auto repair fraud.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, March 4, 1993 at 2:30 p.m. to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection it is so ordered.

ADDITIONAL STATEMENTS

THE CASE AGAINST DISCRIMINATION

• Mr. DORGAN. Mr. President, I recently received a letter from Wayne

McKirdy, a constituent of mine from Valley City, ND. The first three paragraphs of his letter I think express some important thoughts about a debate we have been having this past month and I wanted to share his thoughts with my colleagues.

The letter from Wayne stated more simply and eloquently and more persuasively the case against discrimination than all of the professional writings by the top speech writers that I have seen. Here is what Wayne had to say:

DEAR SENATOR DORGAN: I am not a Black, but I know some terrific Americans who are. I'm glad we've come as far as we have in giving them the rights of American citizenship. When I was in the Army I really enjoyed watching the 522nd, a segregated Bn, in their marching, etc. I'm not sure they "gained" a year later, when the Army decided Blacks and Whites could soldier together, but I know we whites who were in the Army did.

I'm not a woman. But I know some terrific Americans who are. I'm glad we've come as far as we have in giving them the rights of American citizenship. The military has found out they're OK, contrary to what many thought some years ago, would happen.

I'm not Homosexual. Nor can I say I appreciate that lifestyle. But I know some terrific Americans who are. And I suspect I've probably worked with many more than I know. And the military has worked unknowingly with many good Americans who are, without knowing it. The only difference in these three discriminations, is that you can know at a glance who is a Black or a Woman. And you may never know who is Homosexual because most of them do not flaunt it or misuse it in public.●

MANAGED COMPETITION IN ACTION

● Mr. DURENBERGER. Mr. President, we will not succeed in containing health care costs until all the players in the system—employers and consumers as well as providers and the Government—take their responsibilities seriously.

A group of Minnesota employers is leading the way. The Business Health Care Action Group is a coalition of 14 major businesses who have banded together to increase their market power.

Together, they purchase about 6 percent of the health care in their local insurance market. That is a sizable chunk of business—and it enables these employers to drive a good bargain on cost and quality.

Mr. President, this is managed competition at work. I urge my colleagues to read the important article from the Wall Street Journal on the efforts of these employers. I ask that it be included in the RECORD at the conclusion of my remarks.

The article follows:

[From the Wall Street Journal, Feb. 26, 1993]

STRONG MEDICINE: EMPLOYERS' ATTACK ON HEALTH COSTS SPURS CHANGE IN MINNESOTA

(By Ron Winslow)

MINNEAPOLIS.—Managed competition is radically transforming health care in Minnesota. And the tumultuous changes in this state may foreshadow what lies ahead for the nation if the Clinton administration fulfills its hopes of overhauling medical services nationwide.

In the face of aggressive new demands from a coalition of major employers, the health-care community here, in a blitz of mergers and alliances, is hustling to recast its jumble of independent doctors and hospitals into streamlined networks that compete much as Ford battles Toyota: on price, service and quality.

Two large health-maintenance organizations merged early last year and then joined forces with the renowned Mayo Clinic to sell high-quality, low cost care to area employers and their workers. Soon afterward, two big hospitals in Minneapolis and St. Paul countered with a merger of their own, and two children's hospitals began exploring an alliance.

Meantime, hospitals are gobbling up primary-care clinics and building new partnerships with doctors. Small family and specialty practices are scrambling to produce data showing they are cost-effective. And big health plans, such as Minnesota's Blue Cross and Blue Shield, are sifting burgeoning computer databases to track the performance of practitioners from pediatricians to neurosurgeons.

In short, practically every hospital and thousands of doctors in the Twin Cities are participating in ventures to vie for patients on the basis of not only cost but quality. "Providers are realizing that in order to compete, they must be accountable," says Allan Chernov, vice president for medical affairs at Medica, one of the big HMOs here. "That means joining initiatives that measure how they perform and stack up."

The drive to overhaul health care at both the national and local levels is provoked by costs that are busting federal and state budgets, hobbling companies and still leaving 35 million Americans uninsured. But introducing competition that might truly hold down costs has been exasperatingly difficult in the health-care field. What has broken the logjam and spurred competition here in the Twin Cities is the Business Health Care Action Group, a determined coalition of 14 major employers, including Dayton Hudson Corp., Honeywell Inc. and Ceridian Corp. Combined, they annually purchase some $200 million of health care—about 6% of the local market.

The coalition's strategy differs in details and lacks the regulatory apparatus anticipated under federal proposals, but its goal is the same: to use purchasing power not to win discounts but to change the way medicine is practiced. Under managed competition, large purchasing groups similar to business coalitions would buy care from competing health plans that, in theory at least, would thrive only by delivering a high-quality, low-cost product.

To get such a product, the Twin Cities firms put their employee health care up for bid and selected a single organization that, among other things, is committed to documenting and improving its doctors' performance while encouraging preventive medicine.

BASIC CHANGES NEEDED

"We can negotiate all the contracts and discounts we want," says Fred Hamacher, vice president for compensation and benefits at Dayton Hudson, "but we aren't going to make any headway containing costs until we change the system in which care is delivered."

But change is painful. Some doctors complain wryly that Minnesota is on the "bleeding edge" of medical reform.

Curtis Keller works in a 35-doctor family practice that has contracts with three health plans in Minneapolis, and although he supports quality initiatives, he is also troubled by challenges to longstanding conventions. "My training 25 years ago was to be comprehensive and thorough and not miss anything," Dr. Keller says. "Now people are saying, 'Do what's cost-effective.' The new approach is going to miss some things."

In any event, many highly trained specialists are likely to miss some income: A major aim of the coalition is to cut back on the care delivered by expensive cardiologists, orthopedists and other specialists and rely heavily on primary-care doctors.

Employees face change, too, even though more than two-thirds of Twin Cities workers are already enrolled in prepaid HMOs and are accustomed to cost-saving strategies such as limits on the choice of doctors. Many will have to change their doctors.

They also will be expected to attend seminars on how to be better patients. Doctors complain that some patients undermine cost-effective medical practice by demanding, for instance, costly and unnecessary imaging tests for routine complaints, while assuming insurance picks up most of the tab. "It's a two-way street," Mr. Hamacher says. "We have to make sure our people have reasonable expectations from the health-care system."

To persuade employees to sign up for the new health plan, companies are using videos attesting to the quality of care in the new organization as well as the promise of much-lower out-of-pocket costs. Coalition officials say 35,000 employees and dependents have already joined the plan, which was launched in some of the companies in the past two months. The total signed up by next Jan. 1 is expected to reach 90,000, some 70% of the 125,000 who are eligible.

The Twin Cities revolution emerged two years ago in the wake of a legislative battle. State lawmakers had proposed a new payroll tax to finance health coverage for Minnesota's 400,000 uninsured residents. Many business leaders were incensed. "It was a plan to finance access to a broken system," says John M. Burns, Honeywell's vice president for health management. Unless the uninsured got care in a system that minimized unnecessary procedures, their health bills would drain the state treasury, the executives complained. Dr. Burns helped lead a business-backed effort to draft an alternative bill, but legislators derided it as "poor medicine for poor people," something employers wouldn't foist on their workers.

COMPARING NOTES

During coffee breaks in legislative strategy sessions, a handful of corporate-benefits officials swapped tales of frustration over their soaring health costs. Although costs here were nearly 20% below the national average, they were rising at 12% to 15% a year—four times the inflation rate. And these companies had used "every cost-containment trick in the book," says Mr. Hamacher, including negotiated discounts on bills and strict reviews of physicians' decisions. They concluded that more tinkering with the system would be futile and that the approach they were urging on legislators was exactly what they wanted for their employees.

Benefits officials formed the coalition in the fall of 1991 and immediately charted their new course. Instead of seeking discounts, they would demand that providers demonstrate a commitment to quality; cost savings, they assumed, would follow. They

resolved not to impose rules on doctors but to purchase care only from an organization that developed and followed its own practice standards and worked to improve overall performance.

"There are a lot of insurers out there putting guidelines in three-ring binders and mailing them out to providers with a contract," says Steve Wetzell, executive director of the Business Health Care Action Group. "We don't think that's going to change the practice of medicine. Doctors aren't going to follow a three-ring binder that someone else produced."

And in an unusual step, the 14 employers agreed to adopt one standard benefits plan to reduce paperwork headaches for doctors. "When purchasers and providers work together to define the product and develop quality standards, that's when you can really start reforming the system," Mr. Wetzell says.

FINDING A SUPPLIER

Early last year, the coalition invited more than 150 doctors and hospital and health-plan administrators to meetings to explain the new ideas. In response, about 20 health-care organizations bid for the contract, but only two came close to meeting the coalition's requirements.

One was Minnesota Blue Cross and Blue Shield, which argued that it is successfully using six years of accumulated data on physician and hospital performance to encourage cost-effective care. But coalition members viewed the big insurer as a third party setting the rules, and they rejected the bid.

Instead, it chose GroupCare Inc., a consortium formed from the marriage of two local HMOs—Group Health Inc. and MedCenters Inc.—which then teamed up with the Mayo Clinic in nearby Rochester, Minn. Park Nicollet Medical Center, a 300-doctor group in Minneapolis, is the main physician group in the consortium.

The employer coalition liked GroupCare because most of its doctors are salaried and thus not paid according to the number of procedures they do. In addition, Group Health, Park Nicollet and Mayo had already developed practice guidelines for more than 50 medical conditions. On this score, Mr. Wetzell says, "there wasn't anybody else who could touch them."

Park Nicollet's new approach to detecting breast cancer is a case in point. A woman typically waits up to two anxious weeks after a suspicious mammogram to learn whether she has a malignancy. But at Park Nicollet, a team of surgeons, radiologists and primary-care doctors devised a way to reduce the time to as little as a few hours—with the help of a new computer-guided machine that enables a radiologist instead of a surgeon to perform the biopsy. That eliminates the time it takes to schedule a surgery appointment, as well as the surgeon's fee.

After conducting a 100-patient study that showed the machine was as reliable as a traditional surgical biopsy, the team incorporated the device as part of the clinic's standard of care. Park Nicollet says the new approach trims costs by about one-third and improves quality as well. "Women have a lot fewer sleepless nights," says James L. Reinertsen, former president of Park Nicollet.

With the doctors on salary, eliminating the surgical biopsy doesn't upset the surgeons. In most other settings, surgeons are paid a fee for each service and would probably resist a new approach that reduced their income, Dr. Reinertsen says.

To develop similar guidelines for dozens of medical conditions, the GroupCare consortium created a $7 million research institute. Committees representing doctors and employers will soon consider, for instance, another Park Nicollet policy that eliminates nearly all costly X-rays and physical therapy for back-pain patients in the first six weeks of treatment. In reviewing the medical literature, doctors found that 90% of back-pain cases resolve themselves within six weeks, with exercise, heat and ice treatments and aspirin.

Also on the institute's agenda is a new way of identifying blocked coronary arteries. The group's Mayo Clinic partner is conducting studies to determine whether a $500 high-speed X-ray scanner detects blockages as well as a $5,000 procedure called the coronary angiogram.

The institute is developing new quality measures that track not only doctors' death rates for heart-bypass surgery but also whether GroupCare meets preventive-medicine targets such as childhood immunizations and mammography screenings. Dr. Reinertsen, chairman of the new institute, says the best measure of a health organization's quality is not, for instance, the number of its bypass patients who survive but its success at preventing the need for surgery at all.

"The coalition is creating new standards and a new reward system," says George Halvorson, GroupCare's chief executive. "It's changing the way health care is delivered in this community."

The inability of most health-care providers working outside an organized structure to meet those standards is the major force behind the flurry of mergers and quality programs. "Our challenge is to give up some individual autonomy to provide the kind of disciplined product that GroupCare provides," says Gordon Sprenger, chief executive of HealthSpan, a new organization born of the merger of two big Twin Cities hospitals.

At Abbott Northwestern Hospital, HealthSpan's flagship institution, doctors and administrators are setting up a physician-hospital organization that will offer health services for a bundled fee, instead of the customary itemized hospital bills and separate doctor fees—and will eat any cost exceeding that price. To select participants, a committee evaluated the economic performance of about 165 doctors who admit patients to the hospital, and it excluded a dozen who regularly ran up costs significantly above hospital and national averages. "They aren't bad doctors, just expensive doctors," says Richard Sturgeon, who heads the new group.

Quality officials at Medica, the HMO, also are hard at work. They determined that it could save more than $500,000 a year by performing all tonsillectomies in outpatient clinics rather than hospitals without affecting patient outcomes. Doctors agreed that outpatient tonsillectomies would become standard practice.

Even Robert Burmaster, who works in a five-doctor family practice, is being affected by the changes. He now heads a recently formed 500-doctor association that is trying, among other goals, to get all its doctors to use standard computer software to help gather data on patient satisfaction, costs of procedures and other performance measures. "My own private practice alone can't provide this information in terms that payers want," Dr. Burmaster says.

Whether the changes in the Twin Cities will improve quality and contain costs isn't known. The coalition's three-year contract with GroupCare, for instance, aims for now to reduce cost growth to the overall inflation rate—a goal that even some supporters say is too modest to truly change medical practice. Some critics worry that the mergers will inhibit rather than enhance competition.

But two other employer coalitions here are launching similar purchasing efforts, and a broad state law passed last year aims to provide coverage for the uninsured by requiring that they get care from organized networks of doctors and hospitals.

Proponents of managed competition believe that as similar demands are made in communities around the U.S., the realignment of medical practice under way in Minnesota will spread. "If managed competition is the model the federal government adopts," says Richard Tompkins, chief of regional planning at the Mayo Clinic, "pressure for developing total-care systems to compete with each other is going to build and build."●

GOLDEN JUBILEE OF THE WESTCHESTER JEWISH COMMUNITY SERVICES

● Mr. MOYNIHAN. Mr. President, the golden jubilee of the Westchester Jewish Community Services will be celebrated at a gala dinner dance on Saturday evening, April 3, 1993. For 50 productive years this nonsectarian social service agency has been providing invaluable assistance to thousands of residents of New York State's Westchester County. The service's 24 centers in 14 communities provide high-quality mental health, developmental disability, health care, and counseling services with fees on a sliding scale. No one is ever refused service because of an inability to pay.

This remarkable agency is funded by a broad base of individuals, corporations, and State and local governmental agencies, as well as by the UJA-Federation and United Way. This support helps provide an ever changing array of social services including enriched housing programs for the frail elderly; group homes for developmentally disabled adults; home health services; training for home care workers; caregiver support groups; nine family mental health clinics; Geriatric Outreach Services; AIDS mental health counseling; bereaved children's and parent's support groups; child sexual abuse treatment programs; cognition therapy for children with learning disabilities; immigrant resettlement programs; counseling services; suicide bereavement groups, and numerous other innovative and valued programs.

I am sure the Members of the Senate join me in saluting this outstanding agency and congratulating the lay leadership and professional staff of the Westchester Jewish Community Services on this most significant milestone.●

COMMUNIST CHINA AND THE GATT

● Mr. HELMS. Mr. President, according to yesterday's Wall Street Journal,

Assistant U.S. Trade Representative Douglas Newkirk is returning empty-handed from his talks with the Communist Chinese regarding their desire to join the General Agreement on Tariffs and Trade, known as the GATT. Mr. Newkirk should be commended for this and I have today done so in a letter to him.

For more than a decade I have received a steady stream of complaints from American firms about improper business practices by the Communist Chinese—slave labor, theft of intellectual property, mislabeling of textiles, discrimination in government contracting, and so forth. These complaints are undiminished even after the Communist Chinese sign specific agreements pleading to stop such practices. We are now at the point that our Government has identified a Communist Chinese Government official in the textile cases.

Mr. President, the easiest thing for Mr. Newkirk to have done would have been to sign an agreement on GATT accedence by the Communist Chinese. Had he done so, Mr. Newkirk would have been hailed as an accomplished negotiator in some quarters. He declined to cave into the Chinese because he preferred to remain faithful to his primary role at USTR, one in which he is to safeguard the integrity of the GATT. He knows that Communist China, unlike the Republic of China on Taiwan, is a long way away from having a GATT-compatible trading system. The only way Communist China could fit into the GATT system is by means of a political decision to ignore economic realities.

So, Mr. Newkirk did the honorable thing. He said, "No," he said it loudly, and he walked away from the table. That decision is entirely to his credit and I applaud him.

Mr. President, I ask that two articles from today's Wall Street Journal and the Financial Times of London be printed in the RECORD at the conclusion of my remarks.

The articles follow:

[From the Wall Street Journal, Mar. 3, 1993]

CHINA'S ENTRY INTO GATT IS STALLED BY THORNY "SOCIALIST MARKET ECONOMY"

(By James McGregor)

BEIJING.—U.S. officials said talks aimed at bringing China into the General Agreement on Tariffs and Trade are stalled because Beijing refuses to address a basic question: Just what is a "socialist market economy"?

Chief U.S. negotiator W. Douglas Newkirk said that for this reason his two days of talks with Chinese officials went so badly that the process could take years—despite China's pronouncements about joint GATT within months.

"I am going to be retired in seven years, and I am not sure I am going to be able to wrap it up at the current pace," said Mr. Newkirk, an assistant U.S. trade representative.

The talks were the first formal discussions about China's GATT bid since negotiators left that country in June 1989, two days before soldiers slaughtered demonstrators in Beijing. The process was sidelined until February 1992, when Chinese officials and a working group in Geneva exchanged written questions and answers.

This working group, led by the U.S., is assigned to help China draft a "protocol of accession" that would allow it to become a GATT signatory. The GATT agreements, signed by 105 countries and territories, promote free trade by reducing tariffs and ending nontariff barriers.

Mr. Newkirk said that during the Beijing negotiations, which ended yesterday, China actually retreated from pledges it made in 1989. He said the framework for China's protocol included five main points: a unified national trade policy, transparent trading rules, elimination of nontariff barriers, commitment to a market economy, and a system to safeguard GATT signatories from a surge of Chinese exports to their countries.

A LABEL WITHOUT A DEFINITION

Mr. Newkirk and chief Chinese negotiator Tong Zhiguang, a vice minister of the Ministry of Foreign Economic Relations and Trade, now refuses to accept the last two categories. He said China insists that because it has reduced tariffs, reformed many state-set prices and expanded its private sector since 1989, its economy is already close enough to GATT standards to do without such clauses.

Before the talks began, Mr. Tong was quoted in official newspapers as saying: "China is capable of shouldering the obligations set by GATT as China has moved significantly to embrace a market-oriented economy in the past years.

Last year, China changed the label it applies to its hybrid economy system to a "socialist market economy" from a "socialist commodity economy." But its Communist leaders have yet to define what that means, probably because it raises ideological questions about whether China's orientation will be capitalist or socialist. The GATT protocol would force Beijing to promise specific actions aimed at making itself a market economy.

"We are trying to write a protocol that works around the problem of not having a market price system," said Mr. Newkirk. "That is fundamentally the problem." Under a market price system, the open market sets prices, not the state.

It isn't clear if China's stance reflects a change of policy, a negotiating ploy or political indecision. Since signing a wide-ranging trade agreement with the U.S. in October, the country has made impassioned arguments about why it is important to quickly join GATT.

In two weeks, China's rubber-stamp National People's Congress begins a two-week session at which "socialist market economy" is supposed to be written into the constitution. Analysts say China's GATT negotiators may not have the political backing for any major commitments until that session ends.

The prospect of joining GATT is already disrupting China's economy. Government foreign-exchange markets now offer at least a 50% premium on exchanges of U.S. currency over the official rate of 5.8 yuan to the dollar. Although China denies them, rumors abound that a devaluation is imminent, allegedly because GATT will force China to make the yuan convertible.

TIGHTLY HOLDING ONTO DOLLARS

As a result, foreign businesses who are owed dollars by Chinese companies are coming up empty-handed. "Everybody wants to hold onto dollars, and many customers are refusing to pay us unless we will accept renminbi," says the manager of a foreign equipment-leasing company.

At the same time, some Chinese companies and consumers are putting off big purchases in the hope that GATT will reduce import tariffs and quickly slash prices for both local and imported goods. Beijing Jeep Co., a Chrysler Corp. joint venture, has always had a waiting list for the Cherokee vehicles it assembles in China from imported and local parts, until now. Last month, we sold less than five days of our factory's output," a company official said.

GATT signatories want China to agree to a "safeguard system" that will allow them to enact emergency quotas and tariffs should they face a sudden onslaught of Chinese goods. They want this provision, which would be unique in GATT, because they fear that China's lingering socialism and economic clout will combine to subsidize exports unfairly.

[From the Financial Times of London, Mar. 3, 1993]

UNITED STATES "IN NO HURRY" OVER CHINA TALKS

(By Tony Walker in Beijing)

China and the US made some progress this week in talks on terms for China's entry to the General Agreement on Tariffs and Trade, but accord remains a "long way off," according to the chief US negotiator.

Mr. Douglas Newkirk, assistant US trade representative for Gatt, said after two days of talks that China had stepped back from previous understandings on entry terms for the world's fair trade regime.

Among these sticking points is China's apparent unwillingness to accept a safeguards system to prevent such developments as sudden surges in exports that might swamp the domestic markets of Gatt signatories. China is also lukewarm about committing itself to a full market economy as an eventual goal.

Mr. Newkirk said that before formal negotiations were suspended in 1989—talks were frozen in protest at the army crackdown on pro-democracy activists—China had agreed to both the safeguards and market economy provisions. Discussions this week also focused on US demands that China commit itself to a single national trade regime, full transparency in the publication of its trading regulations and the gradual elimination of non-tariff barriers.

Western officials say that China has made significant progress in liberalising trade policies, but much more needs to be done to improve market access for foreign business. They see the Gatt negotiations as a useful device to push the Chinese to go further.

Mr. Newkirk said the US was "not in any hurry" to conclude an agreement. "We're prepared to go as fast or as slow as they're prepared to go," he declared. The US made it clear that that unconditional Most Favoured Nation status for China was non-negotiable. The US government is obliged by Congress to review China's human rights record each year before granting MFN.

The US official's predictions of slow progress towards Gatt accession for China are likely to disappoint and frustrate Chinese officials who had been predicting an early agreement.•

TRIBUTE TO JOANNE VANZANDT

• Mr. D'AMATO. Mr. President, I rise today to honor Joanne VanZandt.

VanZandt, a former legislator from Monroe County, NY, has been named Citizen of the Year in Pittsford, NY. VanZandt has worked tirelessly to help the citizens of Monroe County for 20 years and is most deserving of this award.

She has always fought for the community. Her efforts to install bike trails along the Erie Canal in Pittsford led to improved recreational facilities for all citizens. As a result, Mrs. VanZandt was the first woman named to the town's newly formed Parks and Recreation Advisory Committee in 1973. Her career has spanned over 20 years, and in 1985 she was the first woman to be elected to a leadership post in the legislature.

Mrs. VanZandt has also given much of her time as a volunteer for the Landmark Society of Western New York. She fought to restore the county legislative chambers. She also persuaded the county to purchase the Lehigh Valley Railroad right-of-way for recreational use and possible public transportation routes.

Joanne VanZandt is married to Dr. Theodore VanZandt; they have four children and two grandchildren. She has given much of her life to improve that of others. Joanne VanZandt has been an inspiration for many, including myself. I salute her.•

PAPERWORK REDUCTION

• Mr. GLENN. Mr. President, I rise today to speak on the subject of paperwork reduction. The Federal Government is not doing enough to reduce the regulatory and paperwork burdens it piles on the American people. Individuals, businesses, educational institutions, nonprofit organizations, State and local governments, and more—all are paying a price in time and money responding to reams of Government redtape.

The Paperwork Reduction Act of 1980 was an attempt to ease this burden on Americans, but the law has not been terribly successful. The Paperwork Reduction Act now needs to be reauthorized, but also, it needs to be strengthened—both to improve its basic paperwork clearance process, and to more generally improve the Government's management of its information. We all know that you cannot cut paperwork if Government agencies do not know what they are collecting, why they are collecting it, and what they are going to do with the information once it is collected.

To reinvigorate this important law, I will soon introduce legislation to reauthorize the Act. In the coming weeks, I look forward to working with the new administration and with my good friends Senator NUNN and Senator BUMPERS, who themselves have just introduced legislation also to reauthorize the act. I am hopeful that we can soon have the act reauthorized and its office, OMB's Office of Information and Regulatory Affairs, operating on a more stable and effective basis.

The matter I bring to my colleagues' attention today concerns a paperwork reduction issue that must be resolved before we can satisfactorily reauthorize the Paperwork Reduction Act. This matter focuses on the extent to which the act covers information disclosure as well as information collection requirements. As some of my colleagues know, this seemingly narrow and very technical issue is critical to the scope of the act and public confidence in its efficient, fair, and effective implementation.

The issue became important in the aftermath of a 1990 Supreme Court ruling, Dole versus United Steelworkers. I asked the General Accounting Office, in the wake of that decision, to evaluate agency paperwork reduction efforts. Today, I am releasing that report, which I believe reinforces the need to address the information disclosure and collection issues and to reauthorize the act.

Dole examined OMB's use of the paperwork clearance process established by the Paperwork Reduction Act to review the OSHA Hazard Communication Standard, which requires employers to inform employees of dangerous chemicals in the workplace. In this case, OMB actually used paperwork clearance to reject portions of the regulation it had already cleared through regulatory review. The Supreme Court ruled that the standard's disclosure requirements do not involve the collection of information for use by the agency and as such are not an information collection request to be reviewed by OMB under the act.

While I understand the distinction made by the Court in saying that the Paperwork Reduction Act deals with paperwork collected for the Federal Government's own use—which is certainly consistent with the act's purpose of improving Federal agency Information Resources Management [IRM]—I also believe that as far as the American public is concerned, paperwork is still paperwork regardless of whose file cabinet the forms end up in.

For this reason, I believe it is very important to look closely at the impact of Dole. We must determine how that decision is actually affecting the effort to reduce Government paperwork burdens on the American public. This is the reason I requested the GAO study and it is the reason the Committee on Governmental Affairs will look at the matter closely in its current effort to reauthorize the Paperwork Reduction Act.

As my colleagues know, attention to this matter was deflected in the last Congress by the controversy surrounding OMB's role in regulatory review, which is so closely related to paperwork clearance. While I have always supported OMB's role, the ideological transformation of regulatory review by the last two administrations—culminating in the activities of the Council on Competitiveness—proved that power wielded secretly and selectively, and for benefit of the few over the many, does not support the public interest or the nature of our democratic spirit.

With the advent of a new administration, I am hopeful that a new, more open approach, can be found for handling regulatory review. This should help clear the air for returning to the task of reauthorizing the Paperwork Reduction Act.

GAO's findings, therefore, come at an opportune time. The report reemphasizes the precise nature of the issue we must resolve if we are to move forward with reauthorization. In the absence of OMB guidance on compliance with Dole, agencies have responded in an uncoordinated fashion. For the Department of Health and Human Services and the Environmental Protection Agency this has meant virtually no change—HHS and EPA continue to send virtually all the paperwork proposals they sent to OMB before Dole. The Department of Labor and the Federal Trade Commission, on the other hand, are sending many fewer proposals to OMB for clearance. There seem to be two reasons for the Labor and FTC practices. While the FTC's pure disclosure requirements are, perhaps more than with any other agency, squarely within the ruling of Dole, Labor appears to be using an expansive reading of the decision to support not sending proposals to OMB.

While GAO's findings suggest that Dole's impact is nearly half of what OMB staff initially projected, a decline of 89 million burden hours, instead of 175 million, and while we can wish that OMB had issued guidance that might have brought uniformity to agency practices, the inconsistency among the agencies that GAO points out is troubling and unnecessary.

It is my intention for the Committee on Governmental Affairs, which I chair, to examine this issue as we work to reauthorize the paperwork reduction, and if need be, through further legislation to provide uniform treatment of information disclosure and collection requirements. I encourage the support of my colleagues in this important effort as we seek to reduce the intrusion of Government into the lives and businesses of our citizens.•

HUMANITARIAN AIRDROPS IN BOSNIA

• Mr. DURENBERGER. Mr. President, I rise to express some thoughts and concerns about the administration's new policy of airdropping humanitarian relief supplies over eastern

Bosnia. Let me state at the outset that I believe we should provide, in a manner that does not unnecessarily endanger our aircrews and planes, whatever relief supplies we reasonably can. The human tragedy in Bosnia cries out for action, but as I have stated many times in the past, we must not permit emotions to cloud our good judgment.

It is my understanding from a variety of military sources that the airdrop missions, as currently being undertaken, do not entail high risks for our people. That's encouraging, but we should also take heed to the warning from our distinguished colleagues Senators NUNN and WARNER, that no military mission is without real risks.

While minimizing risks to our service personnel, conducting the airdrops from such high altitudes also minimizes their effectiveness. As we've all learned from the first several days of the operation, very few supplies appear to be reaching their intended targets. That's unfortunate, but not at all surprising.

The almost unavoidable reality of inaccurate airdrops from high altitude raises several concerns, not the least of which is whether the airdrops will have any meaningful impact on relieving the humanitarian needs of the eastern Bosnian people. That is, after all, the ostensible reason for undertaking the effort in the first place.

If the drops are not going to meet the intended need, why are we risking aircrews and planes? If there is another purpose—political symbolism, perhaps—is it appropriate that we risk our personnel just to make a political point, and one of questionable value at that? And should the American people not be fully informed of our objectives if they are different than otherwise stated?

Even if the airdrops succeed in delivering a sizable quantity of supplies, they will never make more than a modest dent in the overwhelming needs in that region. Yes, it is important to provide whatever assistance we can at an acceptable risk level, but we must not believe that these airdrops will achieve much more than getting us through the next week. At best, they are a temporary Band-Aid. They are not intended to and don't address the more fundamental problems in the conflict.

Mr. President, my greatest concern regarding the administration's policy is that it doesn't appear that there has been much thought given to our next steps, to what we would do, for example, in the event that the missions don't go as planned.

What will the President do if one of our planes gets shot at or shot down? Does he send in the jets to fire back? Does he cease the operation? Does he take the planes to an even higher altitude, from which they are even more ineffective? Will his response differ if we determine that it was the Moslems, hoping to draw us more deeply into their war, who shot at our planes, and not the Serbs?

How will the President respond if a stray pallet ends up killing a sleeping family when it inadvertently lands on their home? Will he suspend the operation? Or perhaps order the planes to fly at lower altitudes so they can drop more accurately, even though they would be more vulnerable?

What will the President's response be once it becomes obvious that the airdrops are not having a perceptible impact on relieving the humanitarian crisis? Will he increase the number of sorties? Fly them at lower, more accurate, yet more dangerous, altitudes?

Mr. President, my greatest concern is that we appear to be on a path of creeping incrementalism. If this approach doesn't succeed, we'll up the ante. After all, it's American prestige on the line now. Some might say, we can't just walk away if we don't succeed. We'll lose face, prestige. Can't let that happen. So we'll try a little something more, and if that doesn't work, some more again.

Before you know it, this country has slid into a much greater intervention in a conflict that we can't resolve and from which we can't extract ourselves at an acceptable cost.

This sounds like a familiar scenario to this Senator. The administration and the American people must think long and hard about embarking on a path from which there's no turning back. I don't have all the answers to these questions, Mr. President, but I believe it is essential that we ask and answer them presently, before we go much further with this particular policy.●

AN INTELLECTUAL TOUR DE FORCE

● Mr. MOYNIHAN. Mr. President, at the end of 1992 our distinguished former colleague from the House and former mayor of New York Ed Koch delivered an outstanding lecture on foreign affairs at New York University. Bringing to bear his considerable wisdom and trenchant wit, Mayor Koch has offered a panoramic overview of the challenges of the post-cold war world. I know that my colleagues will find it of great interest and I ask that the text of the lecture be printed in full in the RECORD at this point.

The text follows:

REMARKS BY EDWARD I. KOCH, NEW YORK UNIVERSITY, DECEMBER 18, 1992

NEW GLOBAL ECONOMIC AND POLITICAL CHALLENGES—ISOLATION OR WORLD LEADERSHIP

This is my third and final lecture for the semester and it is on the subject of foreign policy. Some may raise their eyebrows in askance at the suggestion that I would have views on foreign affairs. First, let me say that every mayor of New York City has his own foreign policy independent of the foreign policy of the United States. It comes with the territory. The mayors of other large cities have the same syndrome, particularly those with large immigrant populations.

So here in New York City Jews are very much concerned about the security of the State of Israel and Middle East Peace talks whenever they are occurring. The Irish are incensed at the British repression and occupation of the six northern provinces called Ulster. Blacks have an understandable passion for wanting to bring the racist apartheid Government of the Republic of South Africa to its knees. And, closer to home, Puerto Ricans are interested in the economy of Puerto Rico and its ultimate form of government: commonwealth, independence, statehood.

I have left out, because of time contraints, 150 other groups, e.g. Armenians re: resurrecting Armenia so as to include those parts now found in the former Soviet Union, Turkey and the other adjacent countries. Let me assure you there are sufficient Kurds in New York City to make the mayor aware of every nuance of what is occurring on the borders of Turkey, Iraq and Iran, as there are Hungarians who resent the treatment by Romania of its ethnic Hungarians in Transylvania, formerly part of Hungary, now part of Romania.

In addition to having been mayor to such a diverse population, I served in the Congress for nine years and a good part of that time was spent on the Foreign Operations Subcommittee of Appropriations. My committee was responsible for allocating billions of dollars to foreign countries in different forms. And I took my share of congressional inspection trips around the world.

Now back to substance. Let me start with the Middle East and in particular Israel and the confrontation of Arab states surrounding it. President Bush and Secretary of State Baker, notwithstanding my disagreements with them on the Middle East as well as in other areas or policy—domestic and foreign—should be given enormous credit for having brought Syria and Saudi Arabia to the peace table. Once they had agreed it became impossible for Lebanon and Jordan to stay away and, of course, Egypt already has a peace with Israel, cold as it may be.

The progress to date, limited as it is, would not have happened had Prime Minister Shamir remained in office. He was impossibly inflexible. I remember being with him in his office in Israel in 1990. I urged him to use language which would show greater flexibility and at least utter the phrases, "land for peace" and "territorial compromise." His response, "You'll say it your way, and I'll say it my way," and his way meant that over his dead body would there be territorial compromise.

Prime Minister Rabin will not sacrifice the security of the State of Israel. But he is willing to negotiate. And, if the Arabs understand that this is an opportunity to make a deal with a flexible yet security conscious prime minister, we may well see, using a shopworn phrase with some negative connotation: Peace in our time in the Middle East.

Because peace in our time with that connotation is not acceptable, it is clear the Israelis will not withdraw, nor should they withdraw, from the Golan Heights in their entirety or from every part of the West Bank. They will insist on testing peace for an extended period of time before they relinquish the entire Golan Heights. I think that can be done—without compromising Israel's security—through a sovereignty and lease

swap with the lease to run for 99 years. The Israelis will never remove all settlements from the West Bank, but I believe they would be willing to divide the West Bank so as to protect their flank from the Mediterranean Sea to the Jordan River.

The latest expulsion of 400 Palestinians has caused a furor and will continue to do. But what else could Israel do? As Prime Minister Rabin himself said on Israel television, "What was the alternative? The death sentence? House demolitions? Or putting these inciters at a distance? We didn't hurt anyone. We didn't kill anyone. We didn't damage anyone's property. I saw this as a means to physically limit them."

If Israel didn't expel them and put down the increasing terror which now includes guns and which in the last weeks has resulted in the killing of four Israeli soldiers and one Israeli police officer, then the alternative would be to shoot more of the Arab terrorists on sight when they take to rock throwing and otherwise menace Israeli military and civilians.

When Israel used plastic bullets, it was condemned. When the Los Angeles police used plastic bullets this week to put down a small, but burgeoning riot of black citizens—family and friends of the three black men accused of beating white truck driver, Reginald Denny, who were seeking apparently to create a new riot—no one was critical nor should they be.

The Israeli Supreme Court, which has an impeccable reputation for fairness worldwide, has ruled that these and prior expulsions are legal and do not violate Geneva Convention protocols. And those expelled may return in two years. While I opposed indiscriminate expulsions in the past, in this case I see no alternative. If Prime Minister Rabin took no action in the face of escalating terrorism, he would have lost the support of many Israelis. Vigilantism would have increased with assaults on innocent Arabs by angry Jews who would think their government is not capable of defending them. That is intolerable.

Moving further east past Jordan, we come upon the old battleground of Mesopotamia. If you really are interested in those battles all you have to do is go to the Metropolitan Museum to see the exhibit entitled "The Royal City of Susa." It takes you through the ancient wars leading up to the more recent wars between Iraq and Iran and ultimately Iraq and the United Nations.

Our president had his finest hour and his worst hour coming out of that final battle, dubbed the mother of all wars by Saddam Hussein. We defeated the mother but allowed him effectively to grasp victory from the jaws of defeat. That was done when President Bush kowtowed to the needs of another ally, Saudi Arabia. Saudi Arabia subsequently decided it made an error in urging that Saddam Hussein be allowed to stay in power and has since been pressing the U.S. to finish him off. Regrettably, easier said than done because Saddam is now more like a wounded tiger in a wooded area just waiting for the hunter to enter.

A brief comment on American foreign policy in that area. You may recall that most Democrats in the Senate refused to support a military strike against Saddam Hussein to their discredit. Only one Democrat north of the Mason Dixon Line, Senator Joe Lieberman of Connecticut, voted to support President Bush's resolution authorizing the military strike known as Desert Storm. What will unfold under the new Clinton administration will be the facts leading up to the war with Saddam Hussein. More will come out about his having been strengthened by U.S. loans and technology which allowed him to assemble the fourth largest army in the world with chemical and biological capability and nuclear capability anticipated in perhaps less than a year at the time. If President Bush had been re-elected, we might very well have seen impeachment proceedings of high level administration officials in his second term. Now we will see him only embarrassed.

We are now confronted with Iran, expansionist and fundamentalist in outlook, and therefore a threat to other states in the area. Iran, with over 55 million people, has a far greater war machine potential than Iraq which has a population of 18 million. We have to be in a position to make sure that Iran does not do successfully what Iraq sought to do unsuccessfully: Seize control of 70% of the world's oil resources.

Shifting now to the Soviet Union. We have made a terrible mistake but it is not too late to undo the error. We have decided to only minimally assist Russia and the other major states of the former Soviet Union. It is amazing to me that with the enormous economic pressures on Russia, Ukraine and other states resulting from the end of Communism, there has not yet been any major effort of hard-liners—since the aborted one against Gorbachev—to seize control particularly of Russia, Ukraine and Belorussia. There is enormous unemployment, inflation, lack of markets to sell goods and lack of money to buy goods from abroad, and yet so far there have been no major riots. Why? I don't know and they may yet come. There is obviously enormous tension between Yeltsin and the huge majority of hard-line Communists who are still members of the parliament.

What will come will be a greater and militarized Germany, now the single largest economy and most effective military operation in Europe, reaching out, as it has for centuries, towards the east, towards Russia. In the old days it was the dream of lebensraum, and today it will be trade and availability of raw materials.

Why we would allow that to happen instead of seeking our own economic and trade union with Russia and the other former Soviet States is beyond me. We will have the largest economic union in the world now that President Bush has signed the trade agreements between the U.S., Mexico and Canada—subject, of course, to Senate ratification. Why shouldn't we consider including in that union Russia and the other former Soviet States? We even have a common border with Russia in Alaska. In the meanwhile, the danger exists that Russian technology, in exchange for desperately sought dollars, will be exported to countries that may use that technology for war against their neighbors, e.g. Iran, North Korea.

Now in this short trip around the world in less than 80 days, let's turn to Japan. Japan remains, or for historical reasons is perceived as, a threat to the nations of the Pacific rim. That threat has been enhanced by virtue of the fact that Japanese Armed Forces are now being exported. Yes, under U.N. flag in Cambodia, but nevertheless exported. And undoubtedly nations heretofore occupied by Japan during WWII are worried and will seek to build their own defense capabilities, in particular, China, the largest country in the world with over a billion people and a government of octogenarians. When I was in Peking ten years ago they literally believed that they would have to live underground because of an expected, future Russian nuclear attack. They built an entire city under Peking which they allowed Members of Congress to see. And they expected, because of sheer numbers, to survive a nuclear world war III.

What should our position be towards the Chinese Government which is now the largest Communist government in the world, but which is still seeking to move albeit slowly in the direction of some kind of market economy yet engages in Communist repression of its citizenry? Can we hope to persuade them rationally that they are worse off having put down the Tiananmen Square rebellion with force than is Russia which resisted the efforts of hard-liners to destroy the democratic movement and is now in economic chaos? So, while it is important that we apply as much pressure diplomatically as we can, encouraging the Chinese to move in the direction of greater freedom for its citizens, on reflection I think President Bush was right to resist those, myself included, who demanded everything up to and including a diplomatic break unless the restrictions of freedom were removed. That is not to say the Chinese Government should have a free hand and pay no price for continuing its repression, but it is to say we should not end our ties and influence on them by a total diplomatic or economic break. We are not in a position to physically threaten them nor should we.

Moving right along, we are now in Vietnam. I read a statement in the New York Times which infuriated me because it gave information that, had it been known 20 years ago, would have saved countless American POW families heartbreak. If they had known of the information then they could have come to accept that their loved ones were dead and not continued to believe the rumors that the U.S. had intentionally left American soldiers behind when leaving Saigon on helicopters while Vietnamese were still climbing the embassy walls in an effort to escape.

On December 4th, the New York Times reported that Ross Perot's Vice Presidential candidate, Admiral James Stockdale, "Said today that he is convinced that no American prisoners of war were left behind in North Vietnam when the United States pulled out its ground force in 1973." Mr. Stockdale, a former naval aviator who was the highest-ranking American held by the Vietnamese at the Hoa Lo prison in Hanoi, told a Senate committee that American prisoners had set up an elaborate system to account for inmates in all prisons throughout North Vietnam. When North Vietnam released 591 prisoners as part of the Paris peace accords, he said, "all those who had been identified by the other prisoners were let go. 'I have no evidence of anybody that was left intentionally or is alive,' he said." Of course this statement does not cover Laos or Cambodia.

Nevertheless my question is: How can Admiral Stockdale explain and how can Ross Perot explain the failure to provide that vital information early on? The main obstacle to our opening diplomatic relations with Vietnam has been their alleged refusal to provide necessary information to account for POWs and MIAs. Based on the statement of Admiral Stockdale we apparently did receive a proper accounting for MIAs and POWs in Vietnam itself. And of course Senator John Kerry and his committee who were recently in Vietnam have extolled the cooperation being given by the Vietnamese Government in our search for survivors and in identifying the dead. If our Government, beginning with

Nixon up to and including Bush, had the Stockdale information available and didn't disclose it, they should be held up to contempt by the public for the unnecessary pain they caused and there doesn't seem to be a responsible reason for them to have done it.

Now moving across the Pacific to Africa. On the African continent, all but one of the countries are administered totally by blacks or Arabs and most are in terrible shape economically. Indeed, some in chaos. The Organization of African States does not seem capable of dealing with the problems that you see everywhere, whether it be civil war and religious murders in the Sudan, and to a lesser extent in Egypt, or the civil war in Liberia, with which we have a special relationship; and that only refers to the revolutions and riots and military coups without even addressing the economic woes.

If Europe could build an economic union and we are building a North American economic union, is it unreasonable that measures should now be started to build an economic union between all the African States? They are rich in resources and people, but regrettably the tradition of democratic government has not taken hold in many of the former colonies although it has in some. We should embark upon a plan to assist them in moving in that direction. I will discuss Somalia at the end of this lecture along with the former Yugoslavia.

So now we are headed home. It is remarkable that almost 90 percent of South American and Central American countries, once largely despotic, governed under military juntas or dictatorships, have now turned to democratic governments to their great credit.

There still remains one Communist state in the Western Hemisphere—Cuba. I believe it is in our interest to have diplomatic relationships with every country in the world currently and that includes Cuba. Castro may live another year or another 25 years but he is in his last act. His country is devastated. In preparation for his demise and the government that will follow, we should have a presence in Cuba which can only be done by establishing diplomatic relations and trade. I hope we do it under the new Clinton administration.

So now let's close the ring and deal with the two most important foreign interventions that currently face us. One, we are already in the soup and that, of course, is Somalia. I believe we took much too long to intervene there and the estimates are that every day of delay meant a thousand deaths from malnutrition and the estimates of those deaths range from 200,000 to 300,000. Worse, perhaps a million more men, women and children died from starvation because those who could send a military force to open the lines of communication and make the roads passable for the delivery of food did not act, including the U.S., until recently.

The U.N. declined and the U.S. waited far too long to take appropriate measures, along with the Organization of African States as well as the Arab States across the Red Sea who should have taken action to help their fellow Muslims. They all failed to do the right thing. Only now has the U.S., under great pressure from the American public, acted. President Bush, having nothing else to occupy him between now and January 20 as a lame duck and with no election to be faced and therefore no fear of the fatal consequences which every use of military force entails, has finally moved to do that which should have been done before. He has moved, not expeditiously, but nevertheless he has taken action for which he should be applauded. To President-Elect Clinton's credit he favored American intervention much earlier on.

No one knows whether this will be another near bloodless Operation Desert Storm for us. But whether it is or it isn't there are things that have to be done even though risks are involved. I say risks because we cannot intervene in every country in the world where starvation is occurring or civil war or other mayhem. Certainly we are not able to nor should we intervene in the civil wars occurring in those republics formerly part of the Soviet Union. Nor should we intervene in the civil wars occurring in India and Sri Lanka or Cypress (the last, Cypress, has had no bloodshed for many, many years). We should leave Somalia as soon as possible, perhaps as early as January 1993, as soon as the Marines have assured delivery of food. We should not take on the job of disarming Somalia or removing minefields. Leave that to a U.N. force to follow.

So as not to forget one of the most outrageous civil wars let me mention the Sudan where, according to the New York Times, upwards of 500,000 black Sudanese, mostly Christian with some Animists, were driven into the desert by their fellow black Sudanese Muslims. Many were offered the option of converting or being expelled into the desert where they will suffer and die. Somewhat similar to the option offered the Jews of Spain in 1492, Except there the option was to leave the country which most did. They were well received by the Muslims and others in the Eastern Mediterranean as well as North Africa with Turkey being a major hospitable sanctuary.

It is simply not possible for the U.S. to intervene everywhere there is a conflict and therefore two questions have to be asked and examined. One, what is the gravity of that which is happening and secondly, can we take an action that is responsible with respect to potential casualties and cost to us that will effectively deal with the problem: In other words, is it doable? In Somalia the answer by most opinions is a definite yes. The second and more thorny pending decision relates to the former Republic of Yugoslavia where there is an age old religious war going on involving Serbia which is Eastern Orthodox, Croatia which is Roman Catholic and Bosnia which is largely Muslim.

The evidence gathered by the media and the U.N. to date establishes to the satisfaction of most people and those voting at the U.N. that war crimes and bestial atrocities have been committed in that area overwhelmingly by the Serbians against the Bosnia Muslims. Yet we have drawn a cordon sanitaire around Serbia and Bosnia depriving Bosnia of access to arms while allowing Serbia to draw on the armaments held in large supply and fully available from the former Yugoslav National Army.

It is unbelievable that former Secretary of State Cyrus Vance would testify at the U.N. against a resolution to at the very least allow Bosnia to buy arms to defend itself. The world now knows that a new phrase has taken hold in the unholy spirit of the old Nazi phrase of "Judenrein." The new and more encompassing expression with the same implication is the Serbian reference to "ethnic cleansing." For the U.S. and any other civilized country to stand by and allow the Serbians on a massive scale to engage in murder, rape, torture and expulsion in pursuit of ethnic cleansing is incomprehensible.

We are seeing exactly what we saw when the Nazis started their ethnic cleansing beginning in the 30's with expulsions and ending in the 40's with the final solution involving concentration camps and crematoria. Would we again stand by were that to happen again? Is it so far-fetched that it might indeed happen again in Germany, when we see the attacks on Jews, Gypsies and foreigners occurring with physical assaults and murders albeit still small in number by comparison with the Nazi era?

There are those I am sure at the U.N. who will say that any internal matter no matter how bestial is not within the jurisdiction of the U.N., but others would say "never again": That war crimes and savagery reaching certain levels will not be free from U.N. intervention.

We have already seen that intervention in Iraq to protect the Kurds and the Shiites. And little legal objection has been raised with respect to protecting the Bosnian Muslims. The major objection has been that it is not doable. Yet, former Secretary of State George Schultz, the Iron Lady, now known as Lady Thatcher, and former President of the United States Ronald Reagan, along with others, but regrettably not the leaders of the European countries and the Bush administration, have said we must intervene and surely we must.

Since we have provided the personnel protecting the NATO countries as well as our Army protecting the world's access to its oil supply in Saudi Arabia and Kuwait, and particularly since we expended billions and disrupted the personal lives of millions of our American soldiers to protect Europe after WWII and safeguarded it for nearly 50 years from Soviet domination, it is not too much to ask that NATO troops be used to save a country that for all practical purposes is in the heart of Europe. Yes, we should provide our Air Force to bomb the Serbian positions if they will not lift their siege of Sarajevo and other Bosnian cities, but the NATO countries should provide the forces on the ground.

President-elect Bill Clinton, who has had no experience as a Governor in dealing with foreign affairs, will be sorely tested in his first few days in office because in all probability the issue of the slaughter of the Muslims in Bosnia will not go away nor regrettably be addressed in the final weeks of the Bush administration. I hope that our new President meets the test. Going into Bosnia to support its population and prevent these horrific atrocities from continuing is not only a moral obligation, but it is doable and the United States and the NATO countries should do it. Thank you.•

THE BUFFALO SOLDIERS

• Mr. D'AMATO. Mr. President, I rise today to honor a fine group of citizens, the Buffalo Soldiers. The 10th Black Cavalry Regiment is so nicknamed because its soldiers earned their formidable and fearsome fighting reputation near the railroad construction camps of the Kansas frontier in 1867. The uncommon valor of the troopers of the 10th, combined with the cultural perceptions of the Plains Indians, produced a legend. These black-faced white men fought like cornered buffalo and suffered wound after wound, without dying like the buffalo, and had a thick and shaggy mane of hair like the buffalo.

Through their 23 years of service in the Indian Wars from 1867 to 1890, the

Buffalo Soldiers, just as the Indians believed and feared, were never beaten. The 10th Cavalry served on the Mexican border in World War I, in North Africa during World War II, and in Vietnam.

February is Black History Month, so it is only fitting that we remember the black veterans who contributed so much to this history. A shining example of this is our present Chairman of the Joint Chiefs of Staff, Gen. Colin Powell. Black soldiers have played a major role, from the Revolutionary War to Somalia.

The first Americans realized a century ago what took our Congress until 1948 to verify—that the black man was easily the equal of the white man in war, as well as peace. On February 26, 1993, at the Rockland County Courthouse, in New York, the first Buffalo Soldiers Awards will be presented. Honorees for this first annual award will be Hezekiah Easter, World War II veteran and former county legislator; William Bullock, Korean war veteran and former prisoner of war; and William Nelson, Vietnam veteran and county judge. After serving their country, these men went on to serve their communities. These are men who personify duty, commitment, dedication, and patriotism.

I salute them.●

AMERICA'S SUBMARINE INDUSTRIAL BASE

● Mr. CHAFEE. Mr. President, my distinguished colleague from New York, Senator D'AMATO, recently has been addressing the issue of the nuclear submarine industrial base and the uncertain future which faces nuclear submarine construction. I am very pleased to note that my colleague is concerned about this issue and has devoted considerable time and energy to devise a proposed solution which addresses the future of this capability. I am also pleased that he has concluded that the only way to maintain a nuclear submarine construction capability is to continue the construction of nuclear submarines.

It is true, as Senator D'AMATO points out in his most recent statement on this issue, that in March 1992, Adm. Bruce DeMars, the Navy Director of Nuclear Propulsion, submitted a report to then-Assistant Secretary of the Navy Gerald Cann entitled "Preservation of the U.S. Nuclear Submarine Capability." It is also true, as Senator D'AMATO states, that in his report Admiral DeMars advocated the reopening of the Improved SSN688 construction line.

It is also true, however, that in November of last year, Admiral DeMars submitted to Mr. Cann a supplement to his report of March 1992. In this November supplement Admiral DeMars states:

> With the restoration of the SSN22 by Congress in the spring, the gap in submarine orders will now be seven years * * * from FY91 to a planned FY98 authorization for *Centurion*. As explained in the attached, it makes most sense to bridge this gap by continuing to build *Seawolf* submarines—starting with SSN23 in FY94. This would provide much needed work to the submarine integration and testing portion of the submarine industrial base.

Mr. President, it is obvious that Admiral DeMars reevaluated his recommendation last year in light of the congressional mandate to continue construction of the *Seawolf*-class submarine and now is in total agreement with the congressional direction. The supplement report is brief and states very concisely the current position of Admiral DeMars.

Senator D'AMATO also challenges industry and the Navy to develop capable and more affordable platforms for the future. The current alternatives being considered as part of the *Centurion* cost and operational effect analysis [COEA] will address these issues.

The *Centurion*, which will be flexible from a design perspective, can serve as a baseline for upgrades. This is consistent with Secretary of Defense Les Aspin's prototyping and rollover-plus philosophy during periods of limited production.

The present limited production environment encourages the cost-effective development and validation of new technologies without the associated pressures of large-scale production. Development of totally new concepts such as *Centurion*, coupled with low rates of production, ensures that design and construction capabilities are maintained, and also limits the impact on production of any problems encountered.

I am confident that the U.S. Navy and industry can meet the challenge this opportunity provides, and I join my colleague, Senator D'AMATO, in welcoming input from the Navy on these ideas. I look forward to working with him this year as we address the issues facing the vital nuclear submarine industrial base.●

CONTAINING ETHNIC CONFLICT

● Mr. SIMON. Mr. President, recently, Charles William Maynes, editor of Foreign Policy, had a significant article titled, "Containing Ethnic Conflict."

We have not solved the ethnic problem in our country, and there is, at least, some evidence that it is not diminishing. We have not reached out with understanding to one another as much as we should have. The bill I introduced and became law, which calls for FBI monitoring of hate crimes in this country, has resulted in the first report from the FBI. We will know from future reports whether racial, ethnic, and other forms of hate crimes are rising or diminishing. Anecdotally, the suggestion is that they are rising. The Anti-Defamation League of the B'nai B'rith indicates that anti-Semitism has risen from where it was a few years ago, but in the last year declined slightly.

But there is no question that ethnic conflict and our failure to reach out and understand one another is a major problem in a suddenly destabilized world.

All the news is not bad. For example, in his article, Bill Maynes refers to Mozambique being "on the verge of collapse because of civil war." Actually, since his article was written, the news from Mozambique has been basically positive, and I am hopeful.

The news from Bosnia and many other points in the world is not good. He quotes John Stuart Mill as saying democracy is "next to impossible" in a country with a multiethnic population. Obviously, the United States is an example of a democracy that has worked—albeit with flaws—and has a multiethnic population, and the same can be said of other countries, including our neighbor to the north, Canada.

He quotes political scientist, Eric Nordlinger, as suggesting that minorities be given some proportional division of key offices and makes one other important point: "The history of ethnic conflicts suggests that they may be reduced if the stronger group is willing to make the major concessions." He cites Switzerland as an example where the Protestant majority defeated the Catholics in the civil war of 1847, and then made generous offers to the Catholics, and within a year, you had a healing process that took place. Nigeria's civil war of a few years back did not result in as deep a division permanently to that country, as many feared, because of some generosity shown there, though the more recent religious conflicts in the north of Nigeria have been discouraging.

In addition to the suggestions made by Bill Maynes in his article, I would add the suggestions that the United Nations should call an international conference on ethnic division that encourages people of various ethnic, racial, and religious backgrounds to reach out to one another, to understand one another better. We can use the pulpit of the United Nations to soften the harshness of divisions.

Let me add, Bill Maynes is not the only one to write about this problem. Our colleague, Senator PAT MOYNIHAN, has written a book titled, "Pandaemonium." I have not read the book yet, and I understand what pandemonium is, but I am not sure what pandaemonium is. I assume it is some kind of a plural of pandemonium.

I shall read his book and find out what he says. I am sure it is enlightening, as other Moynihan books have always been.

I ask to insert the Maynes article into the RECORD at this point.

The article follows:

CONTAINING ETHNIC CONFLICT

(By Charles William Maynes)

Although the world may worry about a post-Cold War America turning inward, the rhetoric of the last presidential campaign followed by the December 1992 U.S. decision to intervene in Somalia suggests that America is poised for a new burst of foreign policy activism. The victor, Bill Clinton, in his April 1, 1992, speech before the Foreign Policy Association, had called for America "to lead a global alliance for democracy as united and steadfast as the global alliance that defeated communism." The loser, George Bush, had called in his campaign for a new world order, "in which nations settle disputes through cooperation, not confrontation; where the strong protect the weak; where people are governed by the rule of law and not the tyranny of despots; where people are free to choose their own leaders and form of government; and where they can travel and enjoy the fruits of their own labor free from oppression."

Both candidates saw the Persian Gulf war as a harbinger of the post-Cold War world and both supported the intervention in Somalia as a another example of post-Cold War internationalism. For Bush, the Gulf war was the "first example of the emerging new world order." In the April 1 speech, Clinton contended that "the role of the United Nations during the Gulf war was a vivid illustration of what is possible in a new era." By mid January 1993, as the change in power drew near, the United States was edging toward intervention in the bloody struggle among Croats, Muslims, and Serbs in the former Yugoslavia. Meanwhile, many pundits and commentators were going further. They were calling for a new approach to international relations, one that would urge humanitarian intervention through collective military action in dealing with ethnic disputes, that would bestow a much larger role on the United Nations, and that would sanction the use of force, if necessary, to defend or impose international norms of legality or political order.

A critical test for the new administration, then, will be how it deals with the pressure for a new approach to crises that resemble those in Bosnia-Herzegovina or Somalia. There are several key questions that need to be answered: To what degree can collective security work in dealing with ethnic disputes? Are there other tools available? Is the American approach to ethnic disputes valid for other countries?

The Clinton administration is not likely to find the answers to those questions very satisfactory. Collective security probably will not work in most cases. The other tools are politically difficult to use. And the American approach to ethnic conflict is, on the whole, wrongheaded and needs to be changed.

Undoubtedly, the growing interest in humanitarian intervention and collective security can be explained in different ways. Endorsement of either or both provides the country's foreign policy elite with a new rationale for its continued relevance in high policy circles now that the Cold War has ended. It also protects political figures from the damaging label of "isolationist." Finally, so long as U.N. members continue to follow the U.S. lead, there is, at least temporarily, no conflict between those who support traditional American unilateralism and those who press for new forms of American multilateralism: The United States calls the tune while the rest of the world dances.

The difficulty for the Clinton administration will be that the number of places that are in need of some form of collective security or forcible intervention is growing. Since the Gulf war, all the trends have been in the wrong direction. Rather than the strong protecting the weak, the news has been of cowards firing mortar shells into hospitals and breadlines in Sarajevo. Instead of people freely enjoying the fruits of their own labor and the rule of law, intolerance and ethnic hatred seem to be spreading across the face of Europe. Not only are the recently liberated peoples of Central and Eastern Europe using their new freedom to act on old hatreds, but ugly racial prejudices are disrupting the most politically stable states of Europe. Right-wing thugs have firebombed innocent foreigners in Germany and a former French prime minister has publicly sympathized with compatriots who object to the presence and smell of France's Arab migrant population.

Indeed, animosity among ethnic groups is beginning to rival the spread of nuclear weapons as the most serious threat to peace that the world faces. No doubt the stakes are high. The conflict between Armenia and Azerbaijan may have had little immediate impact on relations among the great powers, but much larger consequences could flow from the tensions rising between the Russian Republic and the Baltic states. If Russia were to move militarily to protect its co-nationals in Estonia or Latvia, where they are now being mistreated, a cold peace would develop between Moscow and its Western partners. Many of the hopes for a new, more cooperative world would dim.

Larger issues are also involved in the ethnic tension developing in the Serbian province of Kosovo and in newly independent Macedonia, both of which have large Albanian populations. Albania has already announced that it will act in the event of a conflict between the Albanian majority in Kosovo (of more than 90 per cent) and Serbia. Greece and Turkey might then be drawn in. NATO would be shaken. The conflict could spread further.

In Africa the geopolitical stakes may be lower, but the level of human misery is greater. A vicious cycle of tribal rivalries and governmental collapse has made all talk of a new world order or a crusade for democracy seem a cruel hoax to most Africans.

Somalia is not the only country in trouble; its neighbors are not in much better shape. In Sudan the central authorities from the north, who are Muslim, have attempted to impose sharia, or Muslim law, on the south, whose Christian and Animist populations insist on autonomy. The civil war is being fought with such cruelty that tens of thousands of children have lost their parents and now roam the Sudanese countryside searching for food and shelter. Most will perish.

Mozambique is on the verge of collapse because of civil war. Ethiopia teeters. On the other side of Africa, from Angola to Liberia, the news is of ethnic conflict, mass misery, and dissolving authority. And the list grows.

Afghanistan is a cauldron of ethnic and religious hatred. There is little foreign interest in the future of Afghans whose fate was a Western preoccupation as long as the Cold War raged. And in Haiti, a corrupt military protects a mostly mulatto elite by terrorizing a helpless majority of poor blacks.

In short, the balance sheet for the new world order does not look very reassuring. The world appears to be at the beginning, not of a new order, but of a new nightmare.

USING THE U.N.

Since ethnic conflicts are already so well developed and only likely to get worse, many believe the source of the problem is the world's failure to substitute a new world order based on collective security for the outdated Cold War order that rested on East-West hostility fueled by Soviet and American arms. The old antagonism is gone now that Russia threatens primarily itself and Moscow and Washington no longer see one another as enemies. Why not implement the United Nations Charter as its drafters intended and construct a system of global collective security to deal with the new threats?

In response to that call, Secretary-General Boutros Boutros-Ghali in his June 1992 Agenda for Peace proposed an ambitious series of steps, including the creation of a small standing U.N. force. France and Russia have endorsed the creation of such a force, probably in the belief that they will have a larger voice in peacekeeping if it is directed through the U.N. than if it is organized on an ad hoc basis by Washington. The U.S. government under Bush reserved judgment on the secretary-general's proposal, but in his campaign speeches Clinton suggested the value of a U.N. rapid deployment force, which "could be used for purposes beyond traditional peacekeeping, such as standing guard at the borders of countries threatened by aggression; preventing more violence against civilian populations; providing humanitarian relief; and combating terrorism." (Despite the multiple tasks, he argued that it would "not be a large standing army but rather a small force that could be called up from units of national armed forces and earmarked and trained in advance.")

The demand for a reinvigorated U.N. peacekeeping effort is understandable given the many crises that are erupting around the world. But unless care is taken, U.N. or other peacekeeping forces could be involved in extremely dangerous situations, in which they might be unable to accomplish the goals that reformers have in mind. Most recent commentary fails to recognize, for example, that the U.N. system, though drawn up in the universal language of collective security where the common enemy appears to be aggression from any source, did in effect identify the likely opponents. They were the enemy states, Germany and Japan, covered in Articles 53 and 107 of the Charter. Discussions at the time the Charter was drafted make clear the general concern of member states over a resurgent Germany or Japan. In other words, a system providing a veto to the five victorious powers could work as long as they had a common enemy, and in 1945 they believed they did.

Is it possible to develop a similar consensus that instability per se is the enemy? It seems unlikely. Washington and Moscow have probably gone as far as possible in their cooperation in the former Yugoslavia, for example. A formal decision to target Serbia militarily would probably break the consensus. The Russian government is under attack from right-wing nationalists for abandoning its traditional ally, Serbia. Certainly, unless the veto could be set aside, the world body would be incapable of doing anything more than offer good offices in the event of a conflict between Russia and one of its neighbors. But even in more distant parts of the world, it is unrealistic to expect that the five countries with a veto on the Security Council, particularly China and Russia, will always be able to agree. From the beginning, therefore, in order to avoid unreasonable expectations, those in favor of U.N. reform must be realistic in their claims. It is highly unlikely that the Persian Gulf war will really turn out to be a model for the future.

Another common mistake in discussions of U.N. reform involves a confusion of peacekeeping with peace observing. In the past, U.N. troops were called peacekeepers when they were really peace observers. They were deployed only upon the agreement of the parties in conflict. They were lightly armed and were able to defend themselves only against isolated attacks, not against a major assault by a professional army. When one of the parties benefiting from a peacekeeping agreement decided to abrogate its terms, the U.N. forces were helpless. In 1967, Egypt demanded that the U.N. troops separating Israel from Egypt be withdrawn. Eventually, the U.N. had no alternative but to withdraw them. (The secretary-general should have procrastinated in the hope that the Egyptians would come to their senses, or that outside states would bring pressure to bear on Cairo to change its position, but that is another story.)

When the Israelis told the U.N. troops separating Israel and the Palestine Liberation Organization in southern Lebanon to get out of the way in 1982, again the U.N. had no alternative but to bend to Israeli wishes and look on as the Israelis invaded Lebanon. Neither in 1967 nor in 1982 was the U.N. in a military position to resist an army as large as Egypt's or Israel's. The peacekeepers could only stay as long as both wished them to stay.

Sometimes additional confusion develops because there is talk of using a U.N. peacekeeping force as a tripwire. But except in unusual circumstances U.N. peacekeeping troops cannot be equated with, say, the U.S. forces in West Berlin during the Cold War, which did serve a tripwire function. In the case of the American troops in Berlin, Moscow knew that if they were attacked, there was a significant probability that military hostilities with the United States would ensue. In the case of U.N. troops in the Sinai or southern Lebanon, Cairo and Jerusalem knew that if U.N. troops attempted to bar the way and therefore were attacked, there was a very low probability of a U.N. military response. The patron of each side could be expected to use the veto.

The United States, in the hubris of the Reagan administration, forgot the fundamental nature of peacekeeping. It deployed U.S. Marines in Lebanon without understanding that it was essential for their safety that the United States not take sides in the Lebanese civil war. The Reagan administration decided to back the Christians and soon found its troops under attack by the Muslims and finally driven from Lebanon after the disastrous bombing of the marine barracks in Beirut.

Much of the confusion about peacekeeping has developed because of the unusual circumstances in which U.N. peacekeepers have found themselves in both Lebanon and Bosnia-Herzegovina. In both operations the U.N. deployments have enjoyed the formal approval of the concerned governments. But for the first time since the Congo operation in the early 1960s—a crisis that nearly destroyed the U.N.—the world body has found its troops regularly attacked by forces that are not under the control of central governments. Iran, Israel, or Syria may influence the various militias in Lebanon, but no outside force can control them completely. And certainly the government of Lebanon cannot. In such circumstances, whether U.N. troops can continue to perform their traditional functions depends on the extent of the challenge. If isolated attacks grow to where a large segment of the local population opposes the U.N. presence, its options are complete withdrawal or the invasion of the country with a force sufficient to compel compliance with U.N. mandates. The latter course of action is unacceptable to the international community because of the bloodshed and expense involved.

In Bosnia the situation is even more complicated. If Serbia is in adequate control of those forces violating the various U.N.-negotiated ceasefires, then the appropriate response is to persuade Serbia to end the defiance of U.N. mandates either by reaching an understanding with Belgrade or, if necessary, by compelling Belgrade through military force. But if the militias are assisted rather than controlled by Serbia, then the U.N.'s options depend on the extent of the local challenge to the U.N. forces. If that challenge moves beyond isolated attacks to the point of civil war, then the U.N. must either withdraw from Bosnia-Herzegovina or prepare for the occupation of the country by a force large enough to suppress presumably fierce Serbian resistance. Because that task could involve hundreds of thousands of troops, the great powers have been understandably reluctant to act. Suggestions that air power alone could settle the issue seem specious. Serbs greatly outnumber the Muslims in the former Yugoslavia and the Serbs are better armed. Air attacks on the Serbs are likely to lead to even greater Serbian pressure on the Muslims, who now receive outside supplies only at the sufferance of the Serbs. The West would then be faced with the need to come to the rescue of the Muslims with military operations on the ground.

The best course for the international community therefore is a final effort to reach an agreement by negotiation. If that fails, then the United Nations should respect the demand of the authorities in Sarajevo that they be given the tools to defend themselves. With outside help and even air support, they still would be unlikely to win the war but they might limit the size of a new greater Serbia enough to carve out a place for the Muslim minority to retain their own state. No one should doubt, however, that such a solution would bring even more killing and ethnic cleansing.

It is important to understand the root of the problem in Bosnia-Herzegovina or Somalia. It is not ineptitude on the part of the U.N. or the European Community or the United States, though all three have made serious mistakes in those crises. The fundamental issue was underscored in a 1992 Brookings Institution study of cooperative security, which stated that, "as the bloodshed in Yugoslavia and Somalia reveals, the international community does not have the security mechanism that would be required to control serious civil violence. The available apparatus of diplomatic mediation backed by the imposition of economic sanctions or even by threatened military intervention requires a corresponding political structure to have any constructive effect."

But to create such a structure would require what might be called the World War II solution: the total defeat of the sanctioned country, the imposition of a new political order there, and a lengthy occupation until the international community was sure that new and more acceptable institutions had taken root. A World War II solution is what the world seems to be edging toward in Somalia because the cost to the international community seems manageable. But even there the great powers hesitate to make the commitment required: The United States has been reluctant to take action to disarm the country and wants to leave it early, several of the other governments participating in the occupation have indicated that they will withdraw their troops when the U.S. troops leave, and the U.N. is hesitant to confront the need to establish some form of medium-term trusteeship over Somalia until normal life can be restored.

But suppose that the international community were to take all those steps in Somalia. The problems of all the other U.N. members that are suffering from civil unrest would remain. Already African governments are suggesting U.N. or U.S. intervention in other ethnic conflicts on their continent. Clearly the U.N. cannot intervene in every ethnic conflict around the globe. The world must find other ways to address the problems of tribalism and group conflict before the hatred and mistrust are such that only outside military intervention is likely to succeed, yet is unavailable.

DIVIDED SOCIETIES

In searching for those other tools, the world must recognize that, in regions like the former Yugoslavia or parts of the former Soviet Union, it is facing the kind of crisis for which it has never had a satisfactory answer. In this century, when two or more populations have been reluctant to live with one another in a single state, the options open to the international community have turned out to be either unconscionable or unpalatable; ethnic cleansing, repression, partition, or power sharing. Of the four, ethnic cleansing ironically appears the most politically effective, albeit the most morally reprehensible. Despite the human costs, Poland and the Czech Republic are more stable today because they were permitted to eject their German minorities. So are Greece and Turkey after they carried out massive exchanges of populations in the 1920s. But at the personal and community level such exchanges are exceedingly cruel and they were only tolerated because the wars they followed had set new standards of cruelty. The world today will rightly be much less tolerant of a state demanding the right to ethnic purity.

Repression had been another answer to ethnic conflict. It was the communist answer throughout Eastern Europe and in the Soviet Union itself. It is the Syrian answer in Lebanon today. It is an answer that provides a temporary solution today but prepares the way for a political explosion tomorrow. Those repressed only await the day when they can rise up. The world tolerates Syrian repression in Lebanon today only because it seems somewhat more benign than the ethnic and religious anarchy that roiled Lebanese politics from the mid 1970s on. It is a miserable solution to an intractable problem.

Partition along with some form of ethnic cleansing was the world's solution in Palestine and South Asia. The difficulty with partition is that the line cannot be drawn with any exactitude. Significant minorities will be left behind. New ones will be exposed or develop. Partition has been impossible in Bosnia-Herzegovina because the Croatian, Muslim, and Serbian populations have been so mixed.

Power sharing is the most humane approach to the problem of ethnic conflict, but that is not to deny its unusual political difficulty. As John Stuart Mill pronounced in Representative Government, democracy is "next to impossible" in a country with a multi-ethnic population. The authorities in ethnically divided Bosnia-Herzegovina at first sought a unified state. The Serbs feared

they would be permanently outvoted. Now, under the pressure of a civil war, all sides are discussing power sharing with U.N. mediator Cyrus Vance and European Community representative David Owen. Power sharing in Zimbabwe took place only after years of civil war. It fell apart in Lebanon because demographic changes called into question the legitimacy of the power-sharing formula.

For power sharing to work in some of the ethnic conflicts that now trouble world peace, however, much more needs to be known about how different societies have attempted to resolve their ethnic conflicts. A 1972 study of conflict resolution in divided states by political scientist Eric Nordlinger did identify several key principles: agreed outcomes, proportionality, mutual vetoes, and "purposive depoliticization." Thus, conflicts are often reduced when party leaders make pre- or post-election deals (agreed outcomes) that accord the defeated parties a place at the table. Societies as different as Austria and Malaysia have reduced bitter ethnic or religious conflicts through a political process of negotiated outcomes. Regardless of election results, the numerically weaker party knew it would still have a voice in national politics.

Many ethnically or politically divided states have tamped down conflict by a proportional division of key offices. Examples of such states include Belgium or pre-1975 Lebanon. Each ethnic group was assured a certain number of key positions.

Frightened minorities may also be reassured by a system of mutual vetoes. Both Austria and Belgium have sought civil peace through such a system. No decision can be made without all key parties agreeing. "Purposive depoliticization" involves an agreement among all parties that certain subjects are outside politics—for example, religion. States that have followed that path include Belgium, Lebanon, and the Netherlands.

The final principle Nordlinger identifies is perhaps the most difficult of all and is rarely practiced. The history of ethnic conflicts suggests that they may be reduced if the stronger group is willing to make the major concessions, in Switzerland, for example, even though the Protestant majority won the civil war in 1847, it made major concessions to the defeated Catholics, who were offered equal representation even though some of their districts were smaller. The gesture was so successful that within a year the defeated cantons had declared that they "would offer their services to the Bund and fight in its army at the slightest sign of a threat to Switzerland from the outside."

Perhaps one reason the United States held together as a democracy after the Civil War is that Abraham Lincoln asked for "malice toward none" and "charity for all." The South, though crushed, regained from the victorious North equal representation in Congress. Indeed, through the seniority system in Congress, the South acquired disproportionate power in the federal government. More recently, white Americans, though a majority, under the pressure of the civil rights movement, accepted limitations on majority rights in the form of affirmative action and other racially directed policies. While those limitations have been extremely controversial, they have not been rejected because the national goal is civic peace. Now, through oddly shaped, gerrymandered districts, the American political system, in the interests of racial harmony, is going so far as to effectively guarantee more seats in Congress for African and Hispanic Americans.

Ironically, studies of ethnic conflict suggest that some of the remedies that Americans assume can address the problem are, in fact, not effective.[1] For example, Americans tend to focus on individual rights rather than on group rights. That is a feature of what might be called Anglo-American democracy. But many European democracies practice what is known as "consociational democracy," which offers greater accommodation to group rights and more protection to those who feel vulnerable in a "winner take all" system of democracy. European practice seems much more appropriate for the ethnically or religiously driven conflicts that are now troubling the world.

Americans are big believers in federalism. But specialists in ethnic conflict are wary of federal solutions because they tend to promote secession or partition and even greater intolerance toward the minority groups that are left behind.

Finally, a recent feature of American diplomacy in several administrations has been a strong belief in the need to negotiate from strength. That position, more appropriate for a Cold War struggle, is then applied to other conflicts where it is asserted that no one should win at the negotiation table what has not already been won on the battlefield or through the ballot box. But deeply rooted ethnic, religious, or ideological struggles are not resolved that way. Not understanding that concept, Americans are puzzled when an election in Angola does not end the conflict or when the victorious party in Nicaragua deems it necessary to reach out to the defeated Sandinistas.

The international community needs to know more about what works and what does not in the handling of ethnic or religious conflict. The U.N. Security Council should commission a study of successful attempts to resolve such conflicts and hold a meeting at the foreign minister level to discuss the results. Leaders in the international community need to understand past successes better so that they may deal more effectively with the crises of today.

PROVISIONS FOR PEACE

Armed with better knowledge, what additional steps might the world community take? First, the international community needs to dramatically improve the U.N.'s ability to practice preventive diplomacy so ethnic or religious tensions can be addressed before they erupt into violence. Member states have long denied the secretary-general the eyes and ears that would enhance this organization's ability to intervene early and effectively in crises that threaten international peace and security. He has no ambassadors or embassies. He has been discouraged from deploying fact finders to investigate crises. He has not been permitted to take advantage of new breakthroughs in satellite intelligence, although at one point INTELSAT did offer to reserve three channels on its satellites for the U.N.

To provide the U.N. the eyes and ears needed, the intelligence agencies of the great powers, searching for a new mission with the end of the Cold War, could provide weekly briefings of the secretary-general or senior U.N. officials. (There is much criticism of the U.N. for not alerting the world in time to the disaster in Somalia. But where were the intelligence agencies of the major powers?) The secretary-general could be authorized to buy time regularly on the French satellite surveillance service, SPOT, that is now available commercially. Moreover, since 1986 the French have proposed a U.N. satellite for gathering information and monitoring developments around the globe. That would be a more useful but a more expensive option.

There are, of course, provisions in the Charter that, if used, would enhance the world's ability to practice preventive diplomacy. Article 99 permits the secretary-general to bring to the council's attention any situation he deems a threat to peace. But he must know enough about the situation to be sure of his ground. He could draw on Article 99 to dispatch fact-finding missions on his own authority, as Dag Hammarskjöld did—to America's dismay—when he visited China in January 1955; but even if it should be used more often, Article 99 must be used sparingly. Its regular use without the support of the Security Council could deprive the secretary-general of his authority. Rather, the great powers should exploit Article 34 of the Charter, which states that the Security Council "may investigate any dispute or any situation which might lead to international friction or give rise to a dispute." That provision should be used to create anticipatory fact-finding and mediation efforts in crisis spots from the Baltic states to the Horn of Africa.

Second, the international community must begin to redefine the obligations of nation-states so that minority rights receive greater protection. Moral approval must go to the civil state, which seeks to provide a decent life for all of its citizens, rather than to the ethnic state, which provides a home for a dominant nationality. Prince Bernhard von Bulow, the former German chancellor, wrote in 1914 that "in the struggle between nationalities one nation is the hammer, the other the anvil, one is the victor and one is the vanquished." That was the logic employed by Adolf Hitler in asserting the rights of German nationalism over all others.

Today's German state is light-years away from the kind of Germany envisaged by either of those leaders, but it still continues a troubling tradition that makes it extremely difficult for non-Germans who have lived for decades in Germany to receive German citizenship. The law effectively brands all foreigners in Germany as not belonging there and so encourages ethnic violence. Japan is another state that has similarly tough citizenship laws. Moral approval for such an approach to citizenship must be withdrawn.

In promoting the civil state, the U.N. could look to the League of Nations in the treatment of minorities. The peace treaties of 1919 required states such as Czechoslovakia, Greece, Poland, and Romania to assure full protection to all inhabitants without distinctions of birth and nationality, language, race, or religion. Meanwhile, the league worked out a procedure for the settlement of minority disputes. True, those treaties were flawed. They were too vague. The most powerful states, such as Germany, did not accept comparable obligations toward their minorities. There were no sanctions for those who ignored their provisions. But the treaties represented the first attempt in history to provide international legal protection to minority populations.

Unfortunately, instead of building on those treaties after World War II, U.N. members gave far less attention to the issue of minority rights. The Soviet Union, with its many minorities, did not want a strong U.N. interest in their fate. And the United States had

[1] See Arend Lijphart, Democracy in Plural Societies (New Haven: Yale University Press, 1977) and Eric A. Nordlinger, Conflict Regulation in Divided Societies (Cambridge: Harvard Center for International Affairs, 1972).

its own concerns because of its large African-American minority, many of whom were then denied the right to vote. The U.N. human rights machinery remained more concerned with individual rights than with minority rights.

That attitude is changing. At the 1992 General Assembly, U.N. members adopted a resolution on minority rights that stated that persons belonging to such minorities have the right to enjoy their own culture, to profess and practice their own religion, and to use their own language. However, much more needs to be done. U.N. members should take advantage of the proposed June 1993 meeting in Vienna of the World Conference on Human Rights to begin to develop the concept of the civil state over the ethnic state. An effort should be made to codify strong obligations that all member states would accept with respect to minorities.

Today, the Third World fears that the developed countries will use human rights to resurrect neo-colonialism. The fears are so great that the Vienna meeting is in danger. To combat those fears, the major states, including the United States, should make it clear that all states, including the great states, will accept the same responsibilities with respect to minorities. At the Vienna meeting, the United States should press for the creation of working groups that could publicly monitor the record of all states in that sensitive area. The U.N. Security Council should also develop sanctions to be applied against states that violate their international obligations—denial of access to international capital markets and international financial institutions or suspension of their membership in international institutions.

Realistically, world opinion alone cannot prevent a large state from mistreating its minorities if it is determined to do so. But criticism, ostracism, and sanctions can affect decision making. And most states are not in a position to defy the international community totally. As horrible as the events in the former Yugoslavia have been, it is instructive that in the face of vigorous international criticism, which was late to develop, the Serbs opened several concentration camps to inspections by the U.N. and the Red Cross and began releasing many of the prisoners. Part of the tragedy of the former Yugoslavia rests in the fact that, because the U.N. has no independent intelligence capability and the great powers do not share their intelligence with it, the appalling conditions in the camps were not news until so many had perished.

Third, in order to reduce Third World fears of great power intervention in their internal affairs, part of any international effort to ensure minority rights must be a strengthening of regional organizations. Many developing countries are reluctant to see the Security Council, dominated by five permanent members, of which four are former colonial powers, as the chief enforcement instrument of intervention to maintain international peace and security and to protect minority rights. Indeed, although they deserve membership, making Germany and Japan permanent members of the Security Council will only compound the problem.

There is, in fact, a growing body of evidence to suggest that regional organizations can play a constructive role in sorting out seemingly intractable disputes. The Contradora Group of Latin American states was able to influence the outcome of the civil wars in Central America in a constructive direction, and West African states were able to intervene in Liberia during a cruel civil war, even if difficulties remain. The Association of Southeast Asian Nations (ASEAN) played a substantial role in facilitating the U.N. peace process that led to the signing of the settlement plan for Cambodia.

It will be objected that the world cannot depend on regional organizations to show the necessary courage. Last July, for example, the ASEAN countries remained silent on human rights abuses in Burma while the United States was urging the region to take a stronger position. The Organization for African Unity remained silent about Ugandan dictator Idi Amin until he had finally lost power. The Arab League has examined Israel's human rights record with a microscope while turning a blind eye toward much worse abuses in the Arab world.

The way to change that reality is to again exploit the U.N. Charter. It provides that regional organizations cannot undertake enforcement action without the authorization of the Security Council. That provision of the Charter could be used to develop over time a greater degree of accountability on the part of regional organizations. To date, the Security Council has not made relationships with regional groups a priority.

The Security Council's credibility would be enhanced if its composition were changed. But a Charter amendment to grant permanent seats to countries like Germany and Japan is likely to take time. Meanwhile, the council has the right to create suborgans. For the purpose of peacekeeping missions, the council should create a subcommission for the direction and financing of peacekeeping operations on which Germany and Japan would be regular members. In addition, before the U.N. authorized a factfinding or mediation or peacekeeping operation in a particular region of the world, key states from the region should become members of the subcommittees.

Finally, the world community should never rule out the use of force in principle. Often, when debating the use of force, the U.N. seems paralyzed by the prospect of a double standard: How can it intervene in one country when it refuses to do so in another? But the impossibility of intervening everywhere should not bar the U.N. from acting anywhere. The international community must accept the inevitability of what might be called opportunistic idealism. Thus, one would not have wanted to prevent the dispatch of troops to Somalia simply because the international community was unwilling or unable to take similar actions in other parts of the world. But it is important to understand that the world community will rarely use force to control ethnic and religious conflicts. The international community has neither the will nor the capacity to intervene militarily in such situations. It needs other tools.

The development of such tools need not stand in the way of moving toward the bolder visions outlined by Bush and Clinton in the campaign. The U.N. could, for example, create a standing force composed of volunteers who would be willing to undertake dangerous operations under the U.N. flag. To prepare for the occasional emergency in which a much larger force might be needed, U.N. members, including the United States, could earmark national forces for peacekeeping tasks. Those forces could be trained to respond quickly, within a few days, to a U.N. request with which the host government was in agreement. Earmarked forces might train together, and governments providing troops could be invited to join a Security Council subcommittee that would oversee the training and preparation of the forces. But all should understand that the permanent U.N. force will be far too small to intervene in the many ethnic conflicts from which the world now suffers, and member states may be reluctant to offer earmarked troops for an enforcement action.

Some, especially those sensitive to current U.S. financial difficulties, might ask why the world should organize a U.N. force that would be used infrequently and would be so clearly unequal to the larger task. The answer lies in a belief that a U.N. effort to enhance minority rights legally and U.N. tools diplomatically and militarily would represent a global commitment to act that is now missing even on those occasions where multinational military involvement is both possible and likely to be effective. Help in Somalia, for example, might have been provided much earlier if U.N. members had already accepted the legal and financial commitments involved in the creation of new legal instruments, new institutional structures, and new military forces. Instead of procrastinating and then insisting that the U.N. effort be voluntary in order to save money—the initial U.S. position—major powers might have been more inclined to use instruments already in place and paid for.

In the end, of course, the primary need is not for more conflict, even under a U.N. flag. The need is for more diplomacy—early, persistent, and effective. If the world gains that kind of diplomacy, no one can guarantee that violence will never erupt again as it has in Bosnia or Somalia. But the number of such conflicts can be reduced, the lives of millions improved, and U.N. members brought closer to their Charter obligations. It would not be a new world order, but it would also not be an ignoble goal for a new and activist administration.

DEPARTMENT OF ENERGY NATIONAL COMPETITIVENESS TECHNOLOGY PARTNERSHIP ACT OF 1993—S. 473

• Mr. WALLOP. Mr. President, the Department of Energy National Competitiveness Technology Partnership Act of 1993 that I am cosponsoring is grounded in the notion that there are incomparable scientific and technological capabilities within the national treasures we know as the Department of Energy's laboratories. More importantly, the bill recognizes that the laboratories can and should play a significant role in enhancing the growth of the Nation's industries and spawning new technologies and products that will add to our energy security and increase our competitive position in the international community.

These laboratories have a wealth of scientific expertise that was built on our need to develop a strong national defense complex. Now that recent changes in the world have reduced our need to develop weapons, it is time to focus on the future missions for these facilities that house our most sophisticated research and development programs. Who can argue against channeling the resources of the laboratories into partnerships that will operate to the mutual benefit of the Government

and the private sector? Since the early forties, we have invested a significant amount of taxpayer dollars in our defense programs. We can reap a huge bonus from that investment by using the expertise developed over the years for military purposes to increase our economic competitiveness.

The laboratories have developed research and development capabilities in virtually every scientific and technological area. Through these partnerships, they will be capable of making significant contributions to commercializing technologies in such diverse areas as manufacturing, ceramics and other materials, supercomputing, and human health. We are encouraging such activities at the labs by guiding the Secretary and the laboratory directors toward these alliances with the private sector. These partnerships are the best mechanism for exploring opportunities to utilize for civilian purposes the infrastructure heretofore developed and used primarily for military requirements.

While I strongly endorse this concept there are many questions left to be answered about the implementation of this technology transfer mission. Maintaining proper oversight of the program without discouraging participation by industry is a key concern for me. Similarly in light of our budget problems, I am concerned that we redirect existing programs to achieve the goals of this legislation as opposed to creating new programs that will require additional funding.

A related issue is the expansion of the bureaucracy within the Department by the addition of an undersecretary and assistant secretaries. The legislation I cosponsored last year also contained this provision; however, the Energy Committee was repeatedly assured by the Bush administration that the new positions would result in a more effective organization of the Department given the new focus for the laboratories created by the bill. Presumably this, as well as the other issues about which I have expressed reservation, will be thoroughly explored and satisfactorily resolved in our committee hearings on this legislation.

I want to commend my colleagues, Senators JOHNSTON, DOMENICI, and BINGAMAN for their tireless efforts in crafting legislation that will not only maintain our premier scientific and technological facilities for future defense needs but will promote their use for the advancement of our economic competitiveness. Senator DOMENICI has been pursuing this goal for over a decade. I am pleased to be able to cosponsor with him the product of that endeavor.●

DANFORTH: COURAGE, CHARACTER, CONVICTION

● Mr. SIMON. Mr. President, one of the finest Members of this body is our colleague from Missouri, Senator JACK DANFORTH.

He and I have not always agreed on things, but there has never been any question about his motivation. Nor has there been any question about his ability.

He has stood, time and again, for things important to the future of this Nation and has done it when it did not help him politically in the State of Missouri.

Leadership is not doing what is popular but what the Nation needs, and JACK DANFORTH has provided that kind of leadership.

I was pleased to pick up the St. Louis Post-Dispatch the other day and read a tribute to him by his former colleague and our former colleague, Tom Eagleton.

Tom Eagleton summarizes the Danforth record as well as anyone can.

I ask to insert the Tom Eagleton column into the RECORD at this point.

The article follows:

[From the St. Louis Post-Dispatch, Feb. 7, 1993]

DANFORTH: COURAGE, CHARACTER, CONVICTION

(By Thomas Eagleton)

The Founding Fathers never envisioned governmental service as a permanent career. The system would function best, as they saw it, if citizens would devote some years of their lives to public service and then return to whence they came and use their government experience for the greater local good. The Founding Fathers would be very pleased with Sen. Jack Danforth—in how he performed in public life and in his approach to the governmental decision-making process.

Danforth, the politician, was a three "Cs" man: courage, character and conviction.

Courage: This trait was apparent from the outset in issues such as the Panama Canal Treaty and the sale of F-15s to Saudi Arabia. Danforth entered the Senate as Jimmy Carter became president. In political terms, he owed nothing to Jimmy Carter. Yet, on two of the most politically incendiary Senate votes of the Carter years, Danforth supported Carter—because he thought Carter was right.

On the Panama Canal Treaty, the political right and the veterans groups were on the war path. "We stole it fair and square," said one Republican senator. "It's ours. We built it. We paid for it. We'll keep it," was the battle cry. Never mind that the Joint Chiefs of Staff said it could not be defended against sabotage. Despite the political risks, the freshman Sen. Danforth voted for the treaty because he believed it was prudent public policy.

The F-15 sale to Saudi Arabia was another profile-in-courage vote. The position of the pro-Israel lobby was that Saudi Arabia faced no threat from any of its Arab neighbors, neither Iran nor Iraq. Arabs do not attack Arabs, it was argued. Thus, selling F-15s to Saudi Arabia served no purpose other than to pose a threat to the Jewish state.

Saudi Arabia, we now know, faced serious challenges from its Arab neighbors—and still does. Danforth knew it in the '70s and cast a gutsy vote.

Character: In the summer of 1990, the Senate was considering President George Bush's proposal to amend the Bill of Rights so as to prohibit flag burning. In the 200 years since it was enacted, the Bill of Rights had never been amended. Danforth pointed out that flag burning was, to him, a repugnant act, but that it clearly was a form of political expression. He said, "We want our Constitution, not just a piece of it. We want all of it. And we want our Bill of Rights. We want our First Amendment." The now-senior senator from Missouri concluded his speech with a warning to Bush, "No election, no pocket of votes here or there, no percentage points in the polls justifies even the slightest nick in the Bill of Rights."

Conviction: Danforth took seriously that the Republicans were the party of Abraham Lincoln. He worried that his party had, over the years, drifted away from the historic concern about civil rights. Danforth worked to form a group of Republican senators who could cooperate with a like-minded group of Democrats to get rid of the poisonous, racially charged quota controversy. Danforth was determined that his party not play the quota card in the 1992 election. Bush kept his pledge to Danforth and signed Danforth's civil rights bill in November 1991.

Quite a career. Yes, indeed, the Founding Fathers would be very pleased with Jack Danforth.●

EXTENDED UNEMPLOYMENT INSURANCE BENEFITS

● Mr. MATHEWS. Mr. President, I rise to acknowledge my support for S. 382, a bill to extend benefits under the Emergency Unemployment Compensation [EUC] Program. If the passage of this legislation had been prohibited, the EUC Program that has been in place since November 1991 would have expired this coming Saturday, March 6, leaving between 250,000 to 300,000 Americans per month with no unemployment insurance as their regular benefits were exhausted. I am therefore pleased that the Congress has been able to act so quickly and decisively to address this situation. The bill will be on the President's desk for his signature by today or tomorrow, so that there will be no disruption in benefits to those who have been out of work the longest during this recession.

While the Clinton administration and Congress pursue action to stimulate and strengthen the economy, this legislation will provide the assistance necessary to get the long-term unemployed and their families through a few more months of joblessness while they seek employment. Until the unemployment rate falls, these benefits will help pay the mortgage and the doctor bills; they will help put food on the table and gasoline in the car. In Tennessee alone, 66,000 people are collecting unemployment insurance benefits each week, with 20,000 receiving EUC payments. And while our unemployment rate—6.6 percent as of January—is lower than the national average, it is still far too high. With the passage of S. 382, each week 1,500 Tennessee residents who would have exhausted their unemployment insurance benefits will now continue to have a source of income. These are people who have been looking but

unable to find work for at least the past 26 weeks. We must ensure that these out-of-work Americans—the biggest victims of a decade of voodoo economics—have the helping hand they need until the economy stabilizes.

Some may argue that there is no reason to extend unemployment insurance because the economy is finally beginning to recover. Of course all of us are extremely pleased that the economic engine seems to be chugging along more forcefully in recent months, but it must be pointed out that the economic recovery has not yet had a marked effect on the employment rate. While many of the leading economic indicators are improving, the unemployment rate of 7.1 percent today is actually higher than during the depths of the recession, when unemployment stood at 6.7 percent. In past recessions, an increase in employment usually led the economic recovery. We now have a situation of unprecedented unemployment in the aftermath of a recession. Because our unemployment rate remains so high, we had no choice but to pass this legislation. Without S. 382, 45,000 Tennessee residents would have been cut off from receiving benefits between now and October, when the EUC Program will expire. To ensure the continuance of our economic recovery, and to keep these families stable, we had to ensure that these 45,000 Tennesseans—and the millions like them around the country—maintained some measure of purchasing power.

Make no mistake in thinking that the Emergency Unemployment Compensation Program is a solution to our economic woes. It is not: EUC is only a short-term measure to help relieve a very serious problem. Let us now move as quickly as we can with an economic recovery plan that will provide long-term solutions. We must invest wisely in our future, in a way that provides job growth, improves our infrastructure, and utilizes our human capital. At the same time, it is imperative that we tackle our mammoth deficit, which threatens any long-term recovery.•

TRIBUTE TO THE COMMUNITY BANKERS ASSOCIATION OF THE STATE OF NEW YORK

• Mr. D'AMATO. Mr. President, I rise today to pay tribute to an organization that has dedicated itself to helping the people of New York State in recognition of its centennial anniversary. The Community Bankers Association of New York State represents 135 community and savings banks with assets of $145 billion, employing 35,000 people at 1,400 locations statewide.

Mr. President, the savings and community banks of New York have played an invaluable role in meeting the local housing, consumer business, and educational needs of New York's communities for almost two centuries. These community oriented institutions have provided $82 billion in housing for almost 5 million people; $3.7 billion in consumer loans to more than 800,000 people; and 140,000 student loans to enable young people, our most valuable resource, to receive an education. New York's community banks also provide our citizens with $20 billion in low-cost, consumer-oriented life insurance.

Mr. President, I commend the Community Bankers Association of New York State for their service to their State and the contributions of their members to the well-being of our citizens.•

URGING THE UNITED NATIONS TO SUPPORT A RESOLUTION ON HUMAN RIGHTS IN CUBA

Mr. BURNS. Mr. President, I send a resolution to the desk on behalf of Mr. MACK, for himself, Mrs. FEINSTEIN, Mr. HELMS, Mr. GRAHAM, Mr. MCCAIN, Mr. DOLE, Mr. LIEBERMAN and Mr. BURNS, and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 76) urging the member nations of the United Nations Commission on Human Rights to support a resolution on human rights in Cuba.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MACK. Mr. President, on March 9 the U.N. Commission on Human Rights in Geneva will consider a resolution drafted and cosponsored by the United States on Cuba. The main purpose of the U.N. resolution is to extend the mandate of Special Rapporteur on Cuba appointed by the Commission last year.

Mr. President, today I rise to introduce a Senate resolution that would urge the member nations of the U.N. Commission on Human Rights to support this United States-drafted resolution on human rights in Cuba.

Last year, the U.S.-drafted resolution establishing a Special Rapporteur passed by a margin of 23 to 8 with 21 abstentions. The Castro government responded by refusing to comply with "one single comma" of the resolution, and by cracking down on human rights monitors on December 10, 1992, U.N. Human Rights Day.

This year the United States delegation hopes to increase support in the Commission for investigating human rights in Cuba, thereby increasing the pressure on Cuba to allow the Special Rapporteur to fulfill his mandate. It is critical for the cause of human rights in Cuba and for the effectiveness of the U.N. Human Rights Commission that the pressure on Cuba be increased in this session of the Commission.

The Senate resolution I am introducing cites the dismal record of Cuban noncompliance with U.N. resolutions concerning Cuba. The Castro regime has ignored the U.N. Special Representative, has ignored the U.N. Special Rapporteur, has ignored the U.N. General Assembly, and has ignored repeated calls to abide by the most fundamental human rights.

Mr. President, there is no one I know who is more courageous and selfless than the human rights activists who risk their lives and freedoms almost daily to challenge Castro's tyrannical regime. The report of the U.N. Special Rapporteur states flatly that the Cuban Government, "tends to resort to the use of repressive means to silence any expression of discontent or independent opinion, no matter how small."

That says it in a nutshell, Mr. President—"no matter how small." Castro's tyranny is total. Yet we can and must stand in solidarity with the brave Cuban people yearning to breathe free. A strong vote in the U.N. Human Rights Commission for human rights in Cuba will give heart to these brave people and say to them: we have not forgotten you, we stand with you.

The U.S. Senate should pass this resolution to send the message to Fidel Castro that the world will not ignore his repression of human rights and his flouting of the U.N. Human Rights Commission. I urge passage of the resolution.

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

The resolution (S. Res. 76) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 76

Whereas the United States has an obligation to promote and protect human rights and fundamental freedoms stated in the Charter of the United Nations and elaborated in the Universal Declaration of Human Rights;

Whereas the United States committed in the Cuban Democracy Act of 1992, to "continue vigorously to oppose human rights violations in the Castro regime";

Whereas Resolution 61 (1992) of the United Nations Commission on Human Rights provided for the appointment of a Special Rapporteur "to review and report on the situation of human rights in Cuba and to maintain direct contact with the government and citizens of Cuba";

Whereas the Cuban government refused to permit the Special Rapporteur to visit Cuba and formally expressed its decision not to "implement so much as a single comma" of Resolution 61;

Whereas, despite the obstructionist actions of the Cuban government, the Special Rapporteur submitted a report describing the systematic abuse of human rights and concluding that the Cuban government "tends to resort to the use of repressive means to silence any expression of discontent or independent opinion, no matter how small";

Whereas the Cuban government increased repression against leaders of several human rights groups in Cuba on United Nations Human Rights Day, December 10, 1992;

Whereas on December 18, 1992, the United Nations General Assembly passed Resolution 47/139 which "regrets profoundly the numerous uncontested reports of violations of basic human rights and fundamental freedoms" and expressed "deep concern at arbitrary arrests, beatings, imprisonment harassment, and governmentally organized mob attacks on human rights defenders and others who are engaged in the peaceful exercise of their rights"; and

Whereas the United States is cosponsoring a resolution on Cuba in the 1993 session of the United Nations Commission on Human Rights which commends and endorses the report of the Special Rapporteur, extends his mandate for one year, and calls upon the Cuban government to carry out the recommendations of the Special Rapporteur to "bring the observance of human rights and fundamental freedoms in Cuba up to universally recognized standards . . . and to end all violations of human rights, including in particular the detention and imprisonment of human rights defenders and others who are engaged in the peaceful exercise of their rights": Now, therefore, be it

Resolved, That it is the sense of the Senate that the member nations of the United Nations Commission on Human Rights should cosponsor and vote for the resolution reappointing the Special Rapporteur on Cuba and calling on the Cuban government to abide by internationally recognized standards on human rights.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President with the request that he further transmit such copy to the member nations of the United Nations Commission on Human Rights.

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

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

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Public Law 94-304, as amended by Public Law 99-7, appoints the following Senators to the Commission on Security and Cooperation in Europe:

The Senator from New York [Mr. D'AMATO];

The Senator from Iowa [Mr. GRASSLEY];

The Senator from Pennsylvania [Mr. SPECTER]; and

The Senator from Florida [Mr. MACK].

The Chair, on behalf of the Vice President, pursuant to 10 U.S.C. 6968(a), appoints the following Senators to the Board of Visitors of the U.S. Naval Academy: the Senator from Arizona [Mr. MCCAIN], from the Committee on Armed Services, and the Senator from Oregon [Mr. HATFIELD], from the Committee on Appropriations.

The Chair, on behalf of the Vice President, pursuant to 10 U.S.C. 4355(a), appoints the following Senators to the Board of Visitors of the U.S. Military Academy: the Senator from New York [Mr. D'AMATO], from the Committee on Appropriations, and the Senator from South Dakota [Mr. PRESSLER], at Large.

The Chair, on behalf of the Vice President, pursuant to 10 U.S.C. 9355(a), appoints the following Senators to the Board of Visitors of the U.S. Air Force Academy: the Senator from Montana [Mr. BURNS], from the Committee on Appropriations, and the Senator from Mississippi [Mr. LOTT], at Large.

Mr. WELLSTONE. Mr. President, I was going to suggest the absence of a quorum, but I see the Senator from Oklahoma is here.

The PRESIDING OFFICER. The Senator from Oklahoma.

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

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

THE PRESIDENT'S ECONOMIC PACKAGE

Mr. NICKLES. Mr. President, last night the Congressional Budget Office issued an analysis of the President's economic package and what its economic impact would be on the deficit. I have compiled a fact sheet to show my colleagues so they will see what its impact is each year starting in 1993, all the way through 1998.

Mr. President, I am going to insert this in the RECORD, but first I would like to tell my colleagues what the impact is.

One, President Clinton's deficit reduction goal falls $107 billion short of his stated goal.

I will just mention a couple of these items. CBO says new taxes equal $337 billion between 1993 and 1998. These are cumulative figures. New taxes are $337 billion, and tax cuts are $70 billion, so net new taxes are $267 billion. They have not supplied us a list to show what all the new taxes are. Some of us want to make sure they are including the Social Security tax increase on senior citizens. I do not know if CBO counted that or not. President Clinton said in his State of the Union Address that he wanted to rely on the Congressional Budget Office. He said we are going to have truth in budgeting. So the figures I am giving are not just from the Republican Policy Committee or DON NICKLES, they are from CBO. Hopefully, we will get the details of the CBO statement so we can show everybody exactly where these figures come from.

But the analysis says that between 1993 and 1998, net new taxes equal $267 billion.

The report also says discretionary spending cuts equal $159 billion; and $112 billion of that $159 billion is in defense. So that means there are $47 billion in nondefense spending cuts.

CBO also says that there are discretionary spending increases of $155 billion. So in nondefense, you have $47 billion in spending cuts and $155 billion in spending increases. Including defense, net discretionary spending cuts are $5 billion. Entitlement cuts, according to CBO, equal $85 billion and new entitlement spending $34 billion for net entitlement spending cuts over this 5-year period of $51 billion.

So if you add all the spending cuts together—defense, nondefense, and entitlements—the total amount of all spending cuts, according to CBO, over the 5 years is $55 billion. I might mention, these are compared to CBO baselines, and that is confusing for a lot of people, but that is what the Congressional Budget Office has projected spending would be over the next 5 years.

I think it is important now to notice the difference in the ratio. The Congressional Budget Office says over the next 5 years net new taxes will equal $267 billion and it says the net amount of spending cuts over the next 5 years is $55 billion. For those who have not figured it out, that means there is $4.85 for very dollar in spending cuts, almost five times as much in tax increases as in spending cuts.

I think that is a vitally important point for people to realize. I hope that figure sinks in. We are talking about almost $5 of tax increases for every dollar of spending cuts, and this comes from the Congressional Budget Office.

I cannot help but think that many of my colleagues are under the impression, that we are cutting spending just about as much as we are raising taxes. As a matter of fact, some newspapers are still reporting this is a balanced deal. That is not the case. That is not the truth. Those are not the facts.

The facts, according to the Congressional Budget Office, are that we are going to raise taxes $267 billion in the next 5 years and we are going to cut spending $55 billion, a 4.85-to-1 ratio. That is not balanced. That is more than just being heavy on the tax side. That is lopsided on the tax side. I might mention, I notice the Presiding Officer and I compliment him because he is one of the few Members in this body who comes from the private sector as I have.

That massive new tax increase is going to put a lot of people out of

work. I will just touch on one, the energy tax.

Some of my colleagues say, I know the Senator from Oklahoma is concerned about energy. He is from an energy-producing State. But I am concerned about this tax's ramifications throughout the economy. The energy tax alone, it is said, is going to raise $71 billion but President Clinton's budget says we are going to offset that with $42 billion of spending increases through low-income energy assistance, through earned income tax credits, through increased food stamps. He is going to spend an additional $42 billion to cushion the impact of a $71 billion increase in energy taxes.

But I wonder how that offset will affect a company like American Airlines. American Airlines is the largest private employer in the State of Oklahoma. American Airlines, unfortunately, last year lost $985 million. The net impact of the tax increases on energy alone is estimated by them to range from $200 some million to $300 some million. They cannot afford that. They cannot pass it on. If they could pass it on, they would have passed it on this year and they would not have lost all the money.

So my concern is that we are going to be putting a lot of people out of work. Some people have estimated the energy tax provision alone will cost 700,000 jobs. I do not know how many jobs it is going to cost.

Mr. BURNS. Will the Senator from Oklahoma yield on that point?

Mr. NICKLES. I will be happy to yield.

Mr. BURNS. If we lost as many jobs as have been lost in the energy area to explore and to lift oil and gas in the last, let us say, 8 years, there would be a national outcry because this whole infrastructure to produce oil and gas in our own country has completely moved offshore and now they take another hit. I just wonder if the American people are aware of how devastated this industry has been since 1984 and 1985.

Mr. NICKLES. I appreciate my friend's comments and question because there is no doubt that most people are not aware of the fact that there are over 400,000 people who have lost their jobs in the energy sector just in the last 8 to 10 years. And this energy tax, I might tell my friend and colleague from Montana, is going to put a lot more people out of work. But I will also say that the majority of the 700,000 that many people are projecting will be out of work is not from the energy industry. Many will be from the energy industry, but many more will be in airlines, many more will be in steel, many more will be in automobiles, many more will be in agriculture, many more will be in any industry that is significantly dependent on energy.

I might mention, too, to my colleague that it is going to have an inflationary impact of significance. I had a manufacturing plant, and if our energy costs went up we tried to pass them on. And if we were profitable, we would pass them on.

But I might also mention in our industry today, we are not profitable. We cannot pass them on. We would if we could, but we cannot. And the net result is that this could further push many ailing industries over the cliff.

I see this package being very lopsided in the form of tax increases versus spending cuts, almost a 5-to-1 ratio of tax increases versus spending cuts. It is going to put a lot of people out of work. I do not think we want to do that. I think we need to look at the facts. This is not a balanced program that President Clinton has proposed. This is not a program with deficit reduction of $500 billion over the next 5 years of half tax increases and half spending cuts. The Congressional Budget Office says it is not $500 billion in deficit reduction. It is $322 billion. And of the $322 billion, $267 billion of it is tax increases and $55 billion of it is spending cuts.

Now, they go on to add that they would expect we would have debt service savings of $33 billion. And so for the total deficit reduction, it would be $355 billion over the 5 years compared to $462 billion as claimed by President Clinton and so there is a net overstatement in deficit reduction of $107 billion.

Mr. President, I have that report which I will include in the RECORD. I also want to include in the RECORD a year-by-year assessment of President Clinton's plan and how it is scored by CBO. I might mention that this will show on a year-by-year basis by the end of the 5 years, yes, they overstate the deficit reduction by $107 billion. It also shows the new taxes that are proposed as scored by CBO. They show zero in 1993, and I find that interesting because I have heard Treasury Secretary Bentsen and others saying that some of the tax increases will be retroactive back to January 1 of this year. I guess the money will not be collected until 1994 and that is probably the reason why it is scored zero in 1993. But actually it is a tax increase for 1993. I think most of my colleagues are aware of that.

But CBO does estimate that in 1994 we will have net new taxes, new taxes minus the tax cuts of $28 billion. They estimate net new taxes in 1995 of $39 billion; 1996, $56 billion; 1997, $72 billion; and 1998, $72 billion. That is a total of $267 billion.

On the spending cuts, if you look at the so-called net discretionary spending cuts, after all those 5 years, it says, well, we are going to have total discretionary spending cuts of $159, but it says we are going to have spending increases of $155, so we will only have $5 billion of net discretionary spending cuts. And that includes the defense cuts.

But I might show you where they fall. The first year we do not have a net spending cut. In 1993, we have a $3 billion spending increase. In 1994, we do not have a spending cut. We have a $10 billion spending increase. In 1995, we do not have a spending cut. We have a net increase in spending of $15 billion. In 1996, we do not have a spending cut. We have a spending increase of $3 billion.

Mr. President, we do not have a spending cut until 1997, and then we have a spending cut of $17 billion, and in 1998 a spending cut of $19 billion.

I might mention to my colleagues that in the 1990 budget package, all the spending cuts were stacked towards the last 2 years, and is it not interesting to note that all the spending cuts in the President's package are stacked toward the last 2 years?

It also just so happens that the Clinton administration, when they made their proposal, wanted to eliminate the spending caps of the 1990 budget package for 1994 and 1995. In other words, the only real cuts that were called for in the 1990 package he wants to lift, he wants to take off the caps; he wants to increase spending—$44 billion of his loss of revenue, or his loss in deficit reduction compared to CBO is his changing or lifting of the caps.

It is interesting to note that in the first 4 years of this package he actually increases domestic spending and then in the last 2 years he actually cuts spending.

On the entitlement side, President Clinton proposed increasing spending in 1993 by $3 billion, the year we are in. I might mention that this does not include the unemployment compensation package that we passed yesterday that increased entitlement spending $3.2 billion in 1993 and $2.3 billion in 1994. CBO did not score that. We are spending money faster than CBO can calculate even though they are supposed to be on top of it.

In 1994, they show no net entitlement cuts; in 1995, $2 billion in net entitlement savings; in 1996, $11 billion in net entitlement savings; in 1997, $18 billion in net entitlement savings; and in 1998, $24 billion in net entitlement savings.

Again you might notice, Mr. President, that all the spending cuts on entitlements are really saved for the last 3 years of the package. In other words, no pain for 1993, 1994, and 1995. As a matter of fact, we are going to spend more money in those years. But we will start making cuts 3 years hence.

So net spending cuts, if you add all this together, equal $55 billion.

Now, I might remind my colleagues, too, of that $55 billion in spending cuts, we cut spending in defense by $112 billion. I will project right now that this Congress will not allow that to happen. I doubt that we will even cut this much in our budget resolution, but we surely

will not do that 2 or 3 years from now because I think that is grossly irresponsible and we will not be able to maintain a quality military force.

But if we were cutting defense $112 billion, it is kind of interesting to see over the next 5 years the total net spending cuts are $55 billion. If you take defense out, you will find out we are really spending more money in entitlements and other nondefense programs by a significant amount.

Mr. President, I am going to ask unanimous consent to have inserted into the RECORD both of these charts. I hope that all my colleagues will look at these charts. These charts clearly show two things: One, the Congressional Budget Office does not agree with President Clinton. The Congressional Budget Office says that his budget package falls short $107 billion of his stated deficit reduction objectives.

The Congressional Budget Office also shows that under his plan, according to the Congressional Budget Office, the way they score it, $4.85 in taxes are raised for every dollar in spending reduction.

I find that to be grossly irresponsible. I find that to be totally unacceptable, and we need to change the plan. I hope my colleagues will look at this. I hope my colleagues will consider it, and I sure hope and pray we will change it and change it dramatically before we see a budget pass this Congress.

Mr. President, I ask unanimous consent to have printed in the RECORD the CBO report on the Clinton deficit reduction plan dated March 3, 1993.

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

CBO on the Clinton Plan: $4.85 in taxes for every $1.00 in spending cuts[1]

	1993 to 1998
New taxes	337
Tax cuts	(70)
Net new taxes	267
Discretionary spending cuts[2]	159
Discretionary spending increases	(155)
Net discretionary spending cuts[2]	5
Entitlement spending cuts	85
Entitlement spending increases	(34)
Net entitlement spending cuts	51
Net all spending cuts[2]	55
Total, new taxes & spending cuts	322
Debt service savings	33
Total deficit reduction	355
Claimed by Clinton plan	462
Amount of Clinton plan overstatement	107

[1] $267 billion in new taxes/$55 billion in spending cuts=$4.85.

[2] Includes $112 billion in cuts to discretionary defense spending. Dollars in billions, compared to the CBO current law baseline. Items which increase the deficit are listed in (parentheses).

Source: CBO Report released on March 3, 1993.

CBO ON THE CLINTON PLAN: $4.85 IN TAXES FOR EVERY $1 IN SPENDING CUTS[1]

	1993	1994	1995	1996	1997	1998	Total
New taxes	0	46	52	68	85	86	337
Tax cuts	0	(18)	(13)	(12)	(13)	(14)	(70)
Net new taxes	0	28	39	56	72	72	267
Discretionary spending cuts[2]	0	3	8	28	56	63	159
Discretionary spending increases	(3)	(13)	(23)	(32)	(39)	(45)	(155)
Net discretionary spending cuts[2]	(3)	(10)	(15)	(3)	17	19	5
Entitlement spending cuts	0	4	8	18	25	31	85
Entitlement spending increases	(3)	(4)	(6)	(7)	(7)	(7)	(34)
Net entitlement spending cuts	(3)	0	2	11	18	24	51
Net all spending cuts[2]	(7)	(9)	(13)	7	35	42	55
Total, new taxes and spending cuts	(7)	18	26	64	107	114	322
Debt services savings	(0)	0	2	4	10	17	33
Total deficit reduction	(7)	19	27	68	117	131	355
Claimed by Clinton plan	(12)	40	55	89	141	149	462
Amount of Clinton plan overstatement	(5)	22	28	21	24	18	107

[1] $267 billion in Net New Taxes/$55 billion in net all spending cuts=$4.85.

[2] Includes $112 billion in cuts to discretionary defense spending. Dollars in billions, compared to the CBO current law baseline. Items which increase the deficit are listed in (parenthesis).

Source: CBO Report released on March 3, 1993.

Mr. NICKLES. Mr. President, I yield the floor.

Mr. BURNS addressed the Chair.

The PRESIDING OFFICER (Mr. MATHEWS). The Senator from Montana.

THE SEXUAL ASSAULT PREVENTION ACT OF 1993

Mr. BURNS. Mr. President, I rise today to add my name as a cosponsor to S. 6, the Sexual Assault Prevention Act of 1993. This bill takes a strong stance on the prevention and punishment of sexual violence. It seeks to assist and protect the victims of these horrible crimes and gives power to States and localities to help as well.

Mr. President, this is not a subject on which I usually speak, and I will not profess to be an expert in this area. God willing, my family will never have to face the types of terrors this bill addresses. But for many, this bill may be a lifesaver. And I mean that literally.

We need to be tough on the criminals and protective of the victims. In the best of all worlds, we should be able to prevent the crime from taking place to begin with. Barring that possibility, we should, at the very least, put the victims' rights first and make certain the perpetrator does not have the chance to repeat the crime.

This bill, Mr. President, goes a long way in seeking protection for those victims of these horrible crimes, and gives powers to the States and localities to help them, as well.

Violence is a serious issue, and unfortunately, in the case of sexual violence and domestic violence, women are usually the targets. We all have a mother, some of us have a wife, and some of us have sisters and daughters. I would hope, that in a year that has been labeled "Year of the Woman," we would do everything possible to see that our loved ones are protected from the nightmare of sexual violence.

We need to get tough on crime, and I believe strongly that this is something we can do now, without having to wait for a comprehensive crime package.

I am honored to add my name as cosponsor to S. 6.

I yield the floor.

AUTHORIZING TESTIMONY AND REPRESENTATION BY THE SENATE LEGAL COUNSEL

Ms. MOSELEY-BRAUN. Mr. President, on behalf of the majority leader and the Republican leader, I send to the desk a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 77) to authorize testimony and to authorize representation by the Senate legal counsel.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MITCHELL. Mr. President, in *Kofoed* v. *Swanson-Nunn Electric Company, et al.*, No. 9209-06644, an employment discrimination case pending in the Oregon Circuit Court for Multnomah County, the defendants seek the deposition testimony of a member of Senator HATFIELD's staff, concerning casework performed for the plaintiff. This resolution would authorize the employee's testimony in this case, except concerning matters for which a privilege should be asserted, and would authorize the Senate Legal Counsel to represent the employee in connection with that testimony.

The PRESIDING OFFICER. If there is no objection, the resolution and the preamble are agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 77

Whereas, the defendants in Kofoed v. Swanson-Nunn Electric Company, et al., No. 9209-06644, pending in the Circuit Court of the State of Oregon for Multnomah County, seek the deposition testimony of Suzanne Beede, a Senate employee on the staff of Senator Hatfield;

Whereas, by the privileges of the Senate of the United States and rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(a) and 288c(a)(2), the Senate may direct its counsel to represent employees of the Senate with respect to requests for testimony made to them in their official capacities: Now, therefore, be it

Resolved, That Suzanne Beede is authorized to testify in Kofoed v. Swanson-Nunn Electric Company, et al., No. 9209—06644 (Or. Cir. Ct.), except concerning matters for which a privilege should be asserted.

SEC. 2. The Senate Legal Counsel is authorized to represent Suzanne Beede in connection with the testimony authorized by section 1 of this resolution.

Ms. MOSELEY-BRAUN. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

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

The motion to lay on the table was agreed to.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. If there is no further morning business, morning business is closed.

NATIONAL VOTER REGISTRATION ACT OF 1993

MOTION TO PROCEED

The Senate continued to consider the motion to proceed.

The PRESIDING OFFICER. The pending business is the motion to proceed to S. 460.

CLOTURE MOTION

Ms. MOSELEY-BRAUN. Mr. President, on behalf of the majority leader, I send to the desk a cloture motion on the motion to proceed to S. 460, the motor-voter bill.

The PRESIDING OFFICER. The cloture motion, having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The 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. 460, the motor-voter bill:

Wendell Ford, Tom Daschle, Bob Kerrey, Harlan Mathews, Harris Wofford, Patrick J. Leahy, Daniel K. Akaka, Jeff Bingaman, Dale Bumpers, Russell D. Feingold, Carol Moseley-Braun, Bob Krueger, Howard M. Metzenbaum, John Glenn, Joseph Lieberman, Don Riegle, Paul Wellstone, George Mitchell.

LIVE QUORUM WAIVED ON CLOTURE MOTION

Ms. MOSELEY-BRAUN. Mr. President, I ask unanimous consent that the mandatory live quorum as required under rule XXII be waived with respect to this cloture motion.

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

Ms. MOSELEY-BRAUN. Mr. President, I ask unanimous consent that the Senator from Tennessee be recognized to address the Senate, and that at the conclusion of his remarks, the Senate stand in recess as ordered.

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

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

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

NATIONAL VOTER REGISTRATION ACT OF 1993

MOTION TO PROCEED

The Senate continued to consider the motion to proceed.

Mr. MATHEWS. Madam President, I rise today in support of S. 460, the National Voter Registration Act of 1993, dubbed as the motor-voter bill.

I also come to the floor to express my concern that early in the 103d Congress we are seeing the gridlock which was so much a topic in the recent Presidential election.

We are all aware that this legislation passed the House and Senate in the 102d Congress, but was vetoed by then-President Bush.

Although the Senate was not able to override Mr. Bush's veto, the plurality of that vote, 62 to 38, shows the bipartisan support which this bill has.

I would like to note that Senator FORD is joined by Senator HATFIELD as a primary sponsor of this legislation, legislation which lists Democrats and Republicans alike as cosponsors.

Yet, last night an objection was raised to consideration of the bill which has forced my colleague from Kentucky to file a cloture motion, further delaying consideration of the bill.

I certainly respect the rights of Senators to object to consideration of a bill, but this legislation has been debated for quite some time now, and our colleagues in the House passed identical legislation 1 month ago.

Madam President, concerns have been raised over the costs of this bill as well as the potential for increased voter fraud.

When I first reviewed the legislation I had similar concerns. I immediately contacted the State election commission in Tennessee to get their opinion of the bill and its potential impacts on my State. Madam President, no one is pretending that this bill does not carry some additional burdens for the States.

However, I believe the long-run benefits may outweigh those initial burdens.

Officials in the secretary of state's office in Tennessee were concerned initially about added costs. But after reviewing the registration processes they agreed that the greater part of increased expenses were needed regardless of this legislation and would certainly make the proposed registration procedures more efficient.

In the long run, Madam President, this efficiency will help in reducing costs.

Other arguments related to voter fraud are valid concerns.

However, I feel that State officials—working in conjunction with the Federal Election Commission in implementing this legislation—will establish appropriate safeguards to prevent voter fraud, safeguards similar to those which are already proving themselves to be effective in many States.

Madam President, these concerns aside—and they are valid concerns, ones I know we can address—my apprehension today relates to the posture taken by many in this body that this bill should not go forward; that States do not want this bill; that this is a bad bill on its face.

I would say to these individuals that those arguments echo the debates of those who opposed the 15th amendment to the Constitution preventing discrimination based on race, color or previous servitude; the debates of those who opposed the 19th amendment preventing discrimination based on sex; the debates of those who opposed the 24th amendment preventing discrimination based on ability to pay taxes; and the debates of those who opposed the 26th amendment granting the right to vote to all eligible citizens upon reaching the age of 18.

Like those amendments, this legislation is about expanding our democracy and increasing participation of U.S. citizens in the voting process.

Instead of discrimination based on age, class, sex, or race, we are seeking to eliminate the final barriers which make it difficult for many Americans to access voter registration processes.

The legislation is about allowing the voice of all Americans to be heard: not of rich or poor, black or white, southern or northern, and I would emphasize not of Republican or Democrat, but of all American citizens.

Madam President, I voted with the majority of my colleagues on the Senate Rules Committee to report this bill to the floor.

As we often hear, this is not a perfect bill, that is one reason the Federal Election Commission is charged with working with the States to establish registration procedures.

I may still support amendments which will improve the legislation, but currently the Senate cannot move to amendments because some in this body would hold up the action of the Senate by seeking to kill this bill.

We know that President Clinton supports this bill and will sign it when it comes to his desk.

I urge that this delaying process be ended once cloture is invoked, and I feel certain that it will be.

Those who have concerns about the bill should offer amendments and let the Senate act on those amendments individually.

When I came to this body just 2 months ago, I was impressed immediately by the relationship which exists between Senators—even though those Senators might differ greatly on issues.

I hope that we can move forward to debate those differences, not limit action on the floor.

I commend the floor manager, Senator FORD, for moving this bill to the floor quickly.

I now encourage my fellow Senators to invoke cloture so that we can consider this legislation, which will be a benefit to all Americans.

Madam President, I yield the floor.

ORDERS FOR TOMORROW

Ms. MOSELEY-BRAUN. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 8:45 a.m., Friday, March 5; that following the prayer, the Journal of the proceedings be deemed approved to date and the time for the two leaders reserved for their use later in the day; that there be a period for morning business, not to extend beyond 9:20 a.m., with Senators permitted to speak therein for up to 5 minutes each; that immediately following the Chair's announcement, Senator NUNN be recognized to speak for up to 30 minutes; that at 9:20 a.m., the Senate resume debate on the motion to proceed to S. 460, with the time between 9:20 and 9:40 a.m. equally divided and controlled between Senators FORD and MCCONNELL; that at 9:40 a.m., as agreed to in a preceding agreement, the Senate vote, without any intervening action or debate, on the motion to invoke cloture on the motion to proceed to the consideration of S. 460.

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

RECESS UNTIL TOMORROW AT 8:45 A.M.

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 8:45 a.m., Friday, March 5.

Thereupon, the Senate, at 5:12 p.m., recessed until Friday, March 5, 1993, at 8:45 a.m.

NOMINATIONS

Executive nominations received by the Senate March 4, 1993:

THE JUDICIARY

RUSSELL F. CANAN, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSOCIATE JUDGE OF THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA FOR THE TERM OF FIFTEEN YEARS, VICE RONALD P. WERTHEIM, RETIRED.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 4, 1993:

DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

PETER B. BOWMAN, OF MAINE, TO BE A MEMBER OF THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION FOR A TERM EXPIRING AT THE END OF THE FIRST SESSION OF THE 103RD CONGRESS.

BEVERLY BUTCHER BYRON, OF MARYLAND, TO BE A MEMBER OF THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION FOR A TERM EXPIRING AT THE END OF THE FIRST SESSION OF THE 103RD CONGRESS.

JAMES A. COURTER, OF NEW JERSEY, TO BE A MEMBER OF THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION FOR A TERM EXPIRING AT THE END OF THE FIRST SESSION OF THE 103RD CONGRESS.

REBECCA GERNHARDT COX, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION FOR A TERM EXPIRING AT THE END OF THE FIRST SESSION OF THE 103RD CONGRESS.

HANSFORD T. JOHNSON, OF TEXAS, TO BE A MEMBER OF THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION FOR A TERM EXPIRING AT THE END OF THE FIRST SESSION OF THE 103RD CONGRESS.

ARTHUR LEVITT, JR., OF NEW YORK, TO BE A MEMBER OF THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION FOR A TERM EXPIRING AT THE END OF THE FIRST SESSION OF THE 103RD CONGRESS.

HARRY C. MCPHERSON, JR., OF MARYLAND, TO BE A MEMBER OF THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION FOR A TERM EXPIRING AT THE END OF THE FIRST SESSION OF THE 103RD CONGRESS.

ROBERT D. STUART, JR., OF ILLINOIS, TO BE A MEMBER OF THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION FOR A TERM EXPIRING AT THE END OF THE FIRST SESSION OF THE 103RD CONGRESS.

JAMES A. COURTER, OF NEW JERSEY, TO BE CHAIRMAN OF THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

EXTENSIONS OF REMARKS

INTRODUCTION OF TAX LEGISLATION

HON. SANDER M. LEVIN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. LEVIN. Mr. Speaker, today I am introducing with Representative JOHN LEWIS and Representative DAVE CAMP a bill to amend section 842(b) of the Internal Revenue Code which affects the taxation of foreign companies carrying on insurance businesses within the United States. This legislation is intended to correct certain technical problems and inequities in the current section 842(b).

Section 842(b) was added to the Internal Revenue Code as part of the Omnibus Budget Reconciliation Act of 1987 to address a concern that foreign insurance companies were able to minimize the amount of net investment income subject to U.S. taxation. Section 842(b) sets out rules for calculations of "required U.S. assets" and "minimum effectively connected net investment income." Under section 842(b), the net investment income of a foreign insurance company that is effectively connected with the conduct of an insurance business in the United States may not be less than the required U.S. assets of the company multiplied by the domestic investment yield applicable to the company for the taxable year. "Required U.S. assets" is the product of the foreign insurance company's U.S. insurance liabilities and the domestic asset-liability percentage. Once this minimum amount of effectively connected net investment income is calculated, the insurance company pays tax under the regime set out in subchapter L of the Internal Revenue Code, but using the greater of this minimum amount or the company's actual amount of effectively connected net investment income as the amount of its net investment income.

The amending legislation does not change the fundamental concept set out in the 1987 amendments but simply corrects certain technical problems and inequities. Current section 872(b) is inconsistent with our international obligations. The amending legislation modifies current section 842(b) in three mechanical ways.

The first two problems with current section 842(b) are due to the fact that Treasury has been using 2-year-old financial statement data from the annual statements of the domestic insurance companies—the so-called NAIC annual statements—as the representative domestic company data to determine the domestic assets-liability percentage and domestic investment yield. The domestic asset-liability percentage and the domestic investment yield are then used by the foreign insurance companies to calculate their minimum effectively connected net investment income. The amending legislation requires that Treasury use domestic company tax return data, to the extent possible, from the same taxable year as the year for which the section 842(b) calculations are being done. Since foreign insurance companies are taxed on the basis of the domestic asset-liability percentage and the domestic investment yield calculated under section 842(b), it seems only fair and reasonable that the domestic ratios be calculated using the statement data. Furthermore, the use of domestic insurance company tax return data changes the calculation of the minimum amount of effectively connected net investment income so that it is based upon amounts of net investment income on which domestic companies have been taxed.

The third problem with current section 842(b) is that it does not take into consideration year-to-year investment yield fluctuations which are due to normal trading practice differences. The amending legislation provides for a carryover account to account for ordinary year-to-year differences in portfolio trading practices from company to company.

The use of 2-year-old data from domestic insurance companies to calculate the domestic asset-liability percentage and the domestic investment yield creates a serious distortion in calculating the appropriate tax liability for foreign insurance companies. The 2-year lag has created a particularly serious problem given the effective date of section 842(b). The first taxable year for which section 842(b) is applicable is 1988. Thus, 1986 investment yields will be used under existing section 842(b) to calculate the minimum which will be compared with the foreign insurance company's 1988 actual effectively connected net investment income. Investment yields for 1986 were much higher than the investment yields earned by both domestic and foreign companies in 1988. The 1986 domestic investment yield, as calculated by Treasury, was 10 percent. The comparable domestic investment yield for 1988 is 8.8 percent, a difference of 120 basis points. This problem can reoccur from year to year as yields fluctuate.

A second problem with current section 842(b) involves the source of the data being used by Treasury to calculate the domestic asset-liability percentage and the domestic investment yield. In both Notice 89–96 and Notice 90–13, Treasury stated that it utilized NAIC annual statement data to determine both the domestic asset-liability percentage and the domestic investment yield. Tax return net investment income can vary significantly from NAIC annual statement net investment income. Congress recognized this point in section 56(f)(1) which provides that, for taxable year 1987, 1988, and 1989, a corporation must increase its alternative minimum taxable income by 50 percent of the difference between financial statement income, as adjusted, and alternative minimum taxable income by 50 percent of the difference between financial statement income, as adjusted, and alternative minimum taxable income computed without regard to section 56(f)(1). Using NAIC annual statement data for section 842(b) purposes has the effect of taxing foreign life insurance companies based upon the financial statement net investment income of domestic life insurance companies even though there is no assurance that the domestic life insurance companies have been or will be actually subject to tax on that amount of net investment income.

Perhaps the most significant difference between NAIC annual statement data and tax return data is in the calculation of net capital gains and losses. For NAIC annual statement purposes, gains and losses are calculated using NAIC asset values, not actual tax costs. NAIC asset values are subject to write-downs and write-ups, with conservative guidelines mandated for use in the preparation of the NAIC annual statement dictating more write-downs than write-ups. This results in a book value which is generally less than tax cost and therefore NAIC annual statement capital gains greater than capital gains on a tax basis. Such overstatements inflate the domestic investment yield. This inflation of domestic investment yield is inappropriate since the U.S. insurance companies are not being taxed on the gains calculated in this manner.

A third problem with section 842(b) which is addressed by this legislation involves the whipsaw effect of section 842(b)'s year-by-year comparison of the required minimum amount of effectively connected investment income and the company's actual net investment income.

Under current law section 842(b), in any taxable year, a foreign insurance company is subject to tax on the greater of first, its actual effectively connected net investment income and second, its minimum effectively connected net investment income, with the minimum being calculated using domestic company financial statement data from 2 years previous to the current year. This greater-of approach will result in the foreign insurance company being subject to tax on net investment income greater than either it or a representative domestic insurance company earns over any measured period of time.

For example, if foreign company investment yields over time are identical to domestic company investment yields during the same period but differ on a year-by-year basis, under current section 842(b), because of the greater-of approach of section 842(b), exacerbated by the 2-year lag and data collection problems, the foreign company will be subject to tax on a greater cumulative yield over the period than either it or the representative domestic companies earned during that period. A small difference in investment yield can create large distortions in the calculated minimum under section 842(b). This distortive impact can create a U.S. tax liability for a foreign insurance company that exceeds its U.S. net income.

A carryover account is needed even though the amending legislation eliminates the use of

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

2-year-old data. The carryover account is needed to account for year-by-year differences in trading practices, year-to-year investment performance, portfolio mix, and the timing of realization of capital gains and losses between a foreign insurance company and the representative domestic insurance company which can result in significant year-by-year differences between the domestic and foreign yields, even where the yields are identical on a cumulative basis over time.

The use of a carryover account is necessary to ensure that trading differences and timing issues do not result in a foreign insurance company being subject to income tax on a cumulative amount of net investment income that exceeds both what the foreign insurance company and the representative domestic insurance company actually earned over the period of time. The carryover account would keep track, on a yearly basis, of the cumulative difference between actual effectively connected net investment income and minimum effectively connected net investment income. The intent of the carryover account is to ensure that a foreign insurance company will be subject to tax on the greater of its cumulative actual effectively connected net investment income and the cumulative minimum effectively connected net investment income. The greater-of concept is measured on a cumulative basis, not an annual basis.

While current section 842(d)(2) provides that Treasury shall issue regulations that provide for adjustments in future years where actual effectively connected net investment income in a year exceeds minimum effectively connected net investment income for that year, no regulations have been issued on this point. The amending legislation clarifies that adjustments would be made so that the foreign company will be subject to tax over the cumulative period on the greater of what it actually earns over the same period. If, due to poor investment performance, the foreign company earns less then the company would be subject to tax on the cumulative minimum. If the foreign company earns more than the cumulative required minimum over the period, the foreign company would be subject to tax on its cumulative actual.

Finally, in addition to the problems laid out above, current section 842(b) violates the nondiscrimination articles found in many of our income tax treaties in that section 842(b) taxes a foreign insurance company less favorably than domestic insurance companies are taxed because, under the current section 842(b), foreign insurance companies are not taxed based upon their own investment results but instead are taxed based upon the investment results of their competitors with such results being calculated using 2-year-old financial statement data. The modifications described above are intended to make section 842(b) work in a manner that is fairer than the current section 842(b).

I have requested a revenue estimate from the Joint Committee on Taxation for this legislation and am awaiting a response. In these times of fiscal austerity, the revenue consequences of any proposal, even one firmly grounded in good tax policy as I believe this one is, may constrain the Congress in addressing a problem in the Tax Code. However, I strongly feel that revenue costs alone should not prevent us from seeking to implement our Tax Code fairly. Finally, it should be noted that during markup of the 1990 reconciliation bill, a proposal similar to this one, was included in a list of 28 tax proposals the Joint Committee on Taxation determined were good tax policy and were relatively noncontroversial. For all these reasons, I urge the House to give serious consideration to these important reforms.

SUPPORT THE CREATION OF A NATIONAL RESOURCE CENTER FOR GRANDPARENTS

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. HUGHES. Mr. Speaker, as the acting chairman of the House Select Committee on Aging, I rise today to introduce a bill which will create a National Resource Center for Grandparents. This bill, to amend the Older Americans Act of 1965 would create a central clearinghouse of information for millions of grandparents around our Nation, who are taking on the enormous challenges and responsibilities of caring for their grandchildren, or who are working to maintain lasting relationships with their grandchildren. My interest in this issue comes from a constituent of mine, Max Chasens from Margate, NJ. It was his testimony before the Subcommittee on Human Services of the Select Committee on Aging in 1982 that provided the initial leadership in what has become a nationwide initiative. This bill, introduced late in the 102d Congress by former Representative Thomas J. Downey, chairman of the Subcommittee on Human Services, has received great support from not only grandparents but also many organizations who work to advance intergenerational relationships and programs around the country, in particular Generations United, a coalition of over 100 national organizations on intergenerational issues and programs.

In addition, the bill has been endorsed by the National Coalition for Grandparents, a coalition formed by hundreds of grandparents support groups around the United States.

One might ask why we need a resource center for grandparents. After all, society has existed forever without one. What could be more natural than being a grandparent? I remember as a boy that my earliest recollections were of my grandfather. He was like another father to me. He was a member of our household until I left to get married. I could not have imagined life without his presence and his love. He was always there for me, but I was one of the fortunate. I had my parents and my grandfather at my side.

Unfortunately, times have changed and we are seeing a dramatic increase in the number of grandparents who are raising their grandchildren because the parents of those children cannot or will not. For whatever the reason, be it a dependency on drugs or alcohol, death, divorce, incarceration, grandparents are readily stepping in to fill the void that exist for their grandchildren.

Grandparents often require outside help to deal with the challenges of the nineties. The National Resource Center for Grandparents would provide that extra assistance. Often grandparents who are raising their grandchildren are unaware that there are others who are experiencing similar joys, challenges and frustrations.

Sometimes grandparents need a hand in handling a specific problem or situation in their own community that affects their grandchild.

The National Resource Center, which would be established by grant or contract, would provide a toll free number to increase access to the information and assistance available from the center. This assistance would be provided by professionals and volunteers, some of whom would be grandparents themselves, and would consist of referral, financial or legal information regarding the raising of and their relationship with their grandchildren. In addition, the center would be required to collect and make available information regarding the many programs, projects and activities developed by public and private organizations relating to matters involving grandparent/grandchild relationships, including information on State laws on visitation and custody and what public assistance might be available to grandparents.

More than 3 million children in our country currently live with their grandparents or other older relatives, and in at least a third of these homes, the grandparent is the sole or primary caregiver. This is not a new phenomenon, but the changing structure of the family in our society has brought it to the forefront. The extra support provided to these grandparents by the Resource Center is the very least we can do to preserve our Nation's families.

The Select Committee on Aging's Subcommittee on Human Services has had a long history of involvement with the rights of grandparents. Although Congress has no general authority of family law matters, it has been responsible for bringing national attention to the problems grandparents experience in seeking visitation. Over the last 13 years, several hearings have been held that have dramatically illustrated the needs of grandparents and grandchildren. I remember a comment Mr. Chasens made when he testified about the enormous expenses he and his wife had incurred and the number of years they had spent in court trying to gain the right to see their granddaughter. He said "it is slow torture not being able to see a grandchild."

We have come a long way since that early hearing, and while all States do now have statutes addressing visitation, many are not uniform. The Select Committee on Aging still receives many calls and letters from grandparents daily who have spent years trying to see their grandchildren, so we know that this problem still exists.

It is very important to note that in all situations involving grandchildren, or children in general, the best interest of the child is the foremost priority in any given situation.

The creation of the Grandparent Resource Center does not in any way seek to drive a wedge between existing family units, but rather to strengthen those that are in danger of becoming unhinged. Its sole purpose is to provide basic useful information to grandparents who request it.

I urge my colleagues to join me in cosponsoring this legislation which will provide grand-

parents with basic survival tools as they strive to guide and provide for their grandchildrens' best interest.

TRIBUTE TO KATIA ZAHARIN BARRETT

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Ms. ESHOO. Mr. Speaker, I rise today to honor Katia Zaharin Barrett, an outstanding individual who is being honored as an inductee into the San Mateo County Women's Hall of Fame.

Ms. Barrett began a career as a firefighter at the age of 31, after years of operating a successful consulting business. She is the first member of her family to attend college and is listed in Who's Who Among American Women. She is a graduate of San Mateo City Leadership Program, a softball player, and a musician who plays in a community band and in her church.

Mr. Speaker, Katia Zaharin Barrett is truly an outstanding citizen. I am privileged that she is part of my community and proud to enter these words of congratulations into the RECORD.

HOUSE CONCURRENT RESOLUTION FOR INCLUSION OF NONDISCRIMINATORY LANGUAGE IN HEALTH CARE REFORM LEGISLATION

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Ms. NORTON. Mr. Speaker, no one doubts the importance of enacting health care reform in this session of Congress. Our goal, however, is not only to enact the most comprehensive reform in our history but to introduce fairness and access where it is now absent. Mental health and substance abuse extract needless tragedy and costs that cannot be left out of reform that meets these standards.

Therefore, today I offer a House concurrent resolution which draws attention to the serious plight of those who suffer from mental illness and substance abuse. A year ago, I hosted the first annual congressional mental health forum. This resolution is a direct result of the findings of that forum. The goals of the forum, which were fully met, were to: identify inequities in our current mental health care system; examine the impact of those inequities on victims of mental illness and substance abuse and on the health care system, and make recommendations to end public and private sector discrimination against the mentally ill.

This resolution is offered to help ensure that the 19 percent of adult Americans suffering from some form of mental illness will not be forgotten in health care reform; that the 12 percent of Americans under the age of 18, suffering from mental illness, will not be forgotten in health care reform, and that the homeless who suffer from mental illness will not be forgotten in health care reform. This resolution also seeks to help reduce health care costs by encouraging treatment of mental illness and substance abuse before they extract the greatest costs, those incurred in hospitalization and those measured both in dollars and in human talent.

THE PUBLIC DOES NOT SUPPORT THE CLINTON PLAN

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. SOLOMON. Mr. Speaker, in the near future we will all be asked to vote on President Clinton's economic program. And contrary to recent reports in the unbiased Washington Post, support for Clinton's plan is three miles wide and only an inch deep.

A poll by Public Opinion Strategies conducted last week shows that only 15 percent of the public strongly supports the Clinton plan and 25 percent of the public needed to know more about the plan. We can safely assume they will not like what they learn. Fourteen percent generally oppose the plan and 12 percent strongly oppose the Clinton plan.

Additionally, when specifics are mentioned, the public is even less supportive. For example, a CNN poll shows that the proposed energy tax is opposed by a margin of 61 to 38 percent.

Clearly, the public opposes a massive new energy tax. There are not enough votes in either House to pass it, and what are the Clinton deficit numbers going to look like without it?

Interestingly, a majority of the public believes that the Clinton plan would reduce Government spending and a large percentage will be angry if their taxes go up.

What is going to be the reaction of the 47 percent of the public who believe that the President's plan is going to cut Federal Government spending when they find out the truth?

Already 28 percent of the public say they would be angry if their taxes go up. When the American people fully understand how much it is going to cost them, while doing very little to reduce the deficit, these numbers are going to become much, much worse.

MONMOUTH-OCEAN JEWISH WAR VETERANS PAY TRIBUTE TO COUNTY PROSECUTORS KAYE AND CARLUCCIO

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. PALLONE. Mr. Speaker, on Sunday, March 7, 1993, in Red Bank, NJ, the Monmouth-Ocean County Council of the Jewish War Veterans of the United States of America will hold its annual Wyatt Earp Law Enforcement Day breakfast to honor their local law enforcement men of the year: Dan Carluccio, Ocean County, NJ, prosecutor, and John Kaye, Monmouth County prosecutor. Sunday morning's event is being held to honor these two fine public officials, the chief law enforcement officers of their respective counties, for their law and order efforts to eliminate bigotry and anti-Jewish activity. The annual event also honors the memory of two legendary Jewish law men, marshal Wyatt Earp and former New York City police chief Jacob Hays.

John Kaye has served as Monmouth County prosecutor since 1983, after more than 10 years in private practice. His office employs 47 lawyers, 66 investigators, 26 agents, and 98 clerical support and other assorted professionals. He chairs the Child Abuse and Drunk Driving task forces, and sits on some 10 boards and commissions, including the Human Relations Commission, the county board of Drug Abuse and Alcoholism Services Board, and the board of directors of the Monmouth County Police Academy. He chaired the New Jersey Commission on Missing Persons in 1988–89. Mr. Kaye has also distinguished himself on the national level, as the assistant treasurer and member of the board of directors of the National District Attorneys Association. He served many years as the New Jersey delegate to the association's board of directors. He has been involved in preparing training courses for the prosecution of environmental crimes throughout the country.

Dan Carluccio was appointed Ocean County prosecutor last year. After more than 25 years of private practice in the Ocean County area, Mr. Carluccio joined the staff of Governor Jim Florio in 1990 as a liaison to more than 40 independent New Jersey and bi-State agencies. He later served as general counsel to the Casino Control Commission. Prior to becoming an appointed official, Mr. Carluccio served as a trial attorney. He also served 7 years as deputy public defender in Ocean County, as well as Dover Township municipal prosecutor and as an officer, trustee, and president of the Ocean County Bar Association.

Mr. Speaker, I can personally attest to the professionalism, integrity, fairness, and commitment to public service of these two fine men. I join with my friends at the Monmouth-Ocean Council of the Jewish War Veterans in paying tribute to these two dedicated law enforcement officials.

A TRIBUTE TO REV. DR. DONALD G. CAPP

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. VISCLOSKY. Mr. Speaker, it is with great honor that I rise today to recognize Rev. Dr. Donald G. Capp for his extensive contributions to the First Congressional District of Indiana.

Rev. Dr. Donald G. Capp founded the Crisis Center, Inc., of Gary, IN, in 1973 as an extension of Rap Line, a volunteer crisis hotline. He retired as executive director of the Crisis Center, Inc., on January 1, 1993, and will be replaced by his wife, Ms. Shirley Caylor. Throughout his tenure, he implemented inge-

nious programs and astute concepts for the Crisis Center, Inc. The center has been instrumental in providing professional services to children, youth, and families in northwest Indiana. Among the benefits provided by the center are drug and alcohol counseling, a 20-bed shelter for runaway and homeless teens, an outreach program to assist teens in crisis, and "Teen Court", an innovative juvenile delinquency prevention program whereby teens act as officers of the court to determine the sentences for their peers.

Donald Capp also served as president of the Indiana Youth Services Association for 6 years. During that time, a State office for the network of 23 youth service agencies was established. He is currently president of the Lake County Coordinating Alliance, president of the Regional Governor's Commission for a Drug Free Indiana and vice president of the Indiana Conference on Social Concerns. Dr. Capp also served on the Indiana Social Service Block Grant Advisory Committee from 1985 to 1992, as well as committees on the homeless for the Indiana-Kentucky Conference, the United Church of Christ, the Indiana Youth Institute planning process, and the Indiana Human Service Initiative planning process.

Dr. Capp received the "Citizen of the Year" award through the Indiana Chapter of the National Association of Social Workers in 1988. He was also the recipient of the prestigious "Sagamore of the Wabash" award from Governor Evan Bayh of Indiana in 1990 for his outstanding service to youth in Indiana.

Donald G. Capp has a doctor of ministry from McCormack Seminary, University of Chicago, with a major in counseling and a minor in organizational development. He was ordained as a Presbyterian clergyman and he has served as pastor in churches in New Jersey, Michigan, and Indiana for both the Presbyterian Church and the United Church of Christ.

I sincerely commend the Rev. Dr. Donald G. Capp for his extensive efforts and contributions to the First Congressional District of Indiana. It is my distinct honor to wish Donald a most rewarding retirement and continued success in his future endeavors.

TRIBUTE TO KATHLEEN RAND REED

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Ms. ESHOO. Mr. Speaker, I rise today to honor Kathleen Rand Reed, an outstanding individual who I represent from California's 14th Congressional District. Next week she is being honored as an inductee into the San Mateo County Women's Hall of Fame.

Ms. Reed is the first chair of the African-American Donor Task Force, an organization whose goal is to develop education models and vehicles for an increase of organ donors within the African-American community. She is president of Necronomics, a company specializing in the sociocultural and ethnic aspects of organ and tissue donation and procurement. She has produced a three-part radio series called Culture in Health, and has served the Federal Government as a grant proposal reviewer for health policy. She is an honoree of the National Association of Negro Business and Professional Women, and her biography is included in Who's Who Among Black Americans, Who's Who of American Women, and Emerging Leaders in America.

Mr. Speaker, Kathleen Rand Reed is truly an outstanding citizen of the 14th Congressional District. I am privileged to represent her and proud to enter these words of congratulations into the RECORD.

LEGISLATION REGARDING THE TAX CODE

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. WELDON. Mr. Speaker, every time Congress alters our Nation's tax laws, it creates special tax transition rules. These rules, which are a necessary part of the legislative process, are sometimes misused to give tax breaks to influential friends and large corporations. Although it is intended to correct technical or grammatical problems in the Tax Code, the transition rules also can hide private provisions. For example, it has been estimated that approximately $10 billion of tax breaks were stuffed into the 1986 Tax Reform Act.

The problem is not that the Committee on Ways and Means can insert these provisions, but it is the manner in which they do it. Some transition rules are needed to help correct general inequities that affect thousands of taxpayers. Some, however, are designed to benefit only the friends or campaign contributors of Members of Congress. The process holds no one accountable.

In this era of huge Federal budget deficits, the American public has a right to know who benefits from these personalized tax breaks. My legislation would simply require the Committee on Ways and Means to identify the sponsor, beneficiary, and the projected revenue loss of these targeted provisions. It does not prohibit transition rules.

As we begin to consider President Clinton's economic plan, it is imperative that we take the important steps to safeguard the Tax Code from special interests. I believe that the current system is grossly unfair to those who pay their fair share of taxes each year. Is it fair that we pay more just so that well connected individuals or corporations can pay less? I do not think so. I am confident that my bill will help to solve this serious problem.

TROOPS PERFORMANCE IN SOMALIA DESERVES RECOGNITION

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. SOLOMON. Mr. Speaker, I would like to urge my colleagues to cosponsor my legislation, House Concurrent Resolution 26, the bipartisan initiative to recognize the outstanding efforts of the United States troops in Somalia.

This resolution simply commends the United States military forces for successfully establishing a secure environment for the humanitarian relief operations in Somalia.

The U.S. military has contributed immeasurably to Operation Rescue Home. Over 20,000 American service men and women have been deployed. Their families were alone for the holidays. They have faced real hardships, come under enemy fire and lost lives. Their service has honored all Americans and has significantly lowered the death rates due to starvation in Somalia.

Please join the following members in cosponsoring House Concurrent Resolution 26: Representatives DREIER, BENTLEY, DUNCAN, MCDADE, SHAYS, ROHRABACHER, PAYNE of New Jersey, ACKERMAN, HASTERT, STEARNS, STUMP, BATEMAN, WALSH, WELDON, DORNAN, RANGLE, FRANK of Massachusetts, LANCASTER, WAXMAN, MONTGOMERY, MCKEON, MCHUGH, FAWELL, BEREUTER, ZELIFF, FROST, HANCOCK, BAKER of Louisiana, TORKILDSEN, UPTON, KOLBE, LIPINSKI, LLOYD, KOPETSKI, SPRATT, BACHUS of Alabama, GREEN, HINCHEY, WILSON, BARTLETT, EMERSON, SPENCE, BEILENSON, BROWN of Florida, VUCANOVICH, LEWIS of Florida, SERRANO, CLINGER, DELAURO, SCOTT, GILMAN, COLLINS of Michigan, MORELLA, KING, SKEEN, SISISKY, and BALLENGER.

THE DEBT FOR DEMOCRACY ACT OF 1993

HON. DAN GLICKMAN

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. GLICKMAN. Mr. Speaker, the most important foreign policy challenge facing us today is securing the peace of the cold war. It will take energy, commitment, and innovation on our part to make sure that the historic reforms underway in Russia and the other States of the former Soviet Union [FSU] continue.

One of the first tasks in meeting this challenge is ensuring that the governments in the independent states can feed their people and that they have the resources to invest in the reform process. Right now those objectives are in peril. The legislation I am proposing today, the Debt for Democracy Act of 1993, will help get the reforms back on track.

Its mechanism is simple: The legislation gives the President the authority to write down the debt the states of the former Soviet Union owe the United States for food purchases in exchange for steps those governments take to dismantle their militaries and to encourage additional progress on the road to the development of market-oriented economies.

In addition to immediate steps to get the flow of United States food to Russia resumed, this legislation will give the administration the ability to construct a long-term strategy to solidify the liberalization process. Besides the enormous foreign policy issues at stake and the overwhelming need for the United States to meet this challenge, this legislation will ensure, on the same long-term basis, that Amer-

ican farmers continue to have access to this critically important market.

Problems in the former Soviet Union abound. They are threatening its transformation to a free and market-oriented society. Ethnic rivalries and political reactionaries continue to undermine President Yeltsin's grip on power. Hyperinflation-fueled discontent is disrupting conversion to a market economy. And, making matters worse, its heavy debt burden siphons all available hard currency away from much needed purchases, such as food. News reports and reports from our own Government sources reveal that, for hard currency, military arms are being sold to some of the world's most troublesome quarters.

The Agriculture Department's export guarantee loan program, the GSM–102 Program, has been the single most important source of U.S. aid to the FSU. It has made up approximately one-fourth of the $24 billion Western assistance package promised to Yeltsin, making it possible for him to meet subsistence needs of a population beleaguered by convulsive changes.

However, Russia and Ukraine, which are responsible for their respective debts as well as jointly responsible for debt incurred by the former Soviet Union, are already $500 million behind on payments under the GSM 102–Program. By the end of the year, both will owe nearly $3 billion. The stress this debt places on an already collapsing economy is draining Yeltsin's ability to invest in liberalization and much needed food imports. In fact, because his country has defaulted on virtually every loan, governments are unwilling to extend Yeltsin more credit, hindering him from importing large quantities of food.

Chronic food shortages could prove deadly to this fragile democratization process. For this reason, the Clinton administration needs to work quickly to refinance the delinquent debt and reinstate Russia to USDA's export programs. The existing loans under the GSM–102 Program, which are short-term loans made through private banks with Government guarantees, could be converted to USDA's other export loan program which allows repayment in as long as 10 years. Or the debt could be converted to direct government-to-government loans, allowing USDA to customize financing terms according to Russia's ability to repay.

But rescheduling is only a partial answer. At some point, Washington may have to face the fact that some of the debt may never be collected. If so, the Clinton administration and Congress need to ensure the United States gets some return for the amount it writes down. This legislation, the Debt for Democracy Act of 1993 creates a program patterned after the Latin American debt write downs whereby those governments swapped debt to the West in return for such things as programs to abate environmental degradation.

In the case of the former Soviet Union, however, this bill will allow the United States to trade food debt for agreements to dismantle nuclear weapons and military facilities. Russia and any other republic of the former Soviet Union owing the United States money could enter into either separate or joint agreements to destroy a specified number of missiles or curtail arms shipments, in return for debt forgiveness. In addition, in return for dismantling arms, my bill will allow the United States to donate grain for the dismantling of nuclear arms and facilities.

The Debt for Democracy Act of 1993 will also allow debt to be swapped in ways to stimulate Russia's movement toward a market economy. United States companies could be offered equity in joint ventures with Russian or other republics' enterprises through plans in which the amount of debt forgiven would represent the investment the company might otherwise be required to make. In turn, the U.S. company would assume repayment responsibility for the credit.

The most troubling unknown for the United States and possibly the world is what is happening to all of their nuclear arms and capabilities and into whose hands are they falling. This country fought the cold war to safeguard against communism and nuclear attack. While the threat of communism has greatly diminished, if not vanished, the threat of nuclear attack whether against our country or another, is still a real concern. A concern likely to grow exponentially if we are not sure who exactly has access to the second largest nuclear arsenal in the world.

Once again, this country can benefit economically from utilizing food aid and the technical and business expertise of United States industry in helping the states of the former Soviet Union, notably Russia, get a handle on its food needs, as well as its attempts to dismantle or secure its arsenal. Also, the agreements signed under this program could aid in the transformation of a military factory to one for domestic needs, such as making baby food, clothes, or washing machines.

The Bush administration largely ignored the grain credit crisis during its last months in office, segregating it into a farm-issue-only compartment. Export stopped. Grain markets sagged. Now the Congressional Budget Office estimates that unless Moscow resumes buying from the United States, domestic farm expenditures will increase as much as $1 billion. But those costs, and the costs of rescheduling or writing down the debt, will be minuscule compared to the potential costs if the United States loses the peace of its cold war victory because the reform process in the former Soviet Union reverses course.

In the end, this is not simply an agricultural problem, though farmers, who need this market, have an immense stake in solving it. The Russian question and its grain debt are the most significant foreign policy problems facing us today. Solving the problems posed by the dissolution of the Soviet Union means ensuring that we, in Congress and in the administration, will have the resources to focus, like a laser beam, on the United States economy.

I strongly urge my colleagues to support this legislation, an explanation of which will follow this statement. It will give the Clinton administration one more tool to use in helping the former Soviet Union meet its domestic needs and maintaining peace throughout the world.

SECTION-BY-SECTION EXPLANATION OF THE DEBT FOR DEMOCRACY ACT OF 1993

SECTION 1.—SHORT TITLE

Section 1 provides that the bill may be cited as the "Debt for Democracy Act of 1993."

SECTION 2.—PRESIDENTIAL AUTHORITY

Section 2 gives the President the authority to reduce the amount of debt an independent state of the former Soviet Union has incurred under any program under the authority to the Secretary of Agriculture or Commodity Credit Corporation.

To be eligible for a reduction in the debt, the state must enter into an agreement with the United States as provided for in section 3.

Additionally, section 2 gives the President authority to donate grain to a qualifying state that has entered into an agreement to reduce its debt.

SECTION 3.—AGREEMENTS

Section 3 sets out the two types of agreements under which qualifying states may have their debt reduced:

1. The state would agree to dismantle nuclear weapons or other military-related objects and facilities within the state.

2. The state would agree to give a US business entity an equity interest in a state-owned enterprise. The interest would be equal to the amount of debt reduced which the business would agree to repay.

SECTION 4.—IMPLEMENTATION

Section 4 provides that in order to protect the interests of the US, the President is authorized to provide technical assistance to a state that is party to a debt reduction agreement to monitor and assist in the implementation of the agreement.

Section 4 also gives the President the authority to renegotiate or cancel an agreement if it is not implemented properly.

TRIBUTE TO SISTER MARY EMMANUEL, S.N.D.

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Ms. ESHOO. Mr. Speaker, I rise today to honor Sister Mary Emmanuel, S.N.D., who is being honored as the 1993 Woman of the Year by Notre Dame High School in San Jose.

Sister Mary Emmanuel has been principal of Notre Dame High School for 14 years, and has supervised the education of more than 2,000 women. She has fostered an excellent academic climate at the school, and has expanded campus property and facilities.

Sister Mary Emmanuel is a model of a strong, independent, and capable professional woman for the students she serves. Her interest in her students and her community extends beyond the academic, and she exhibits her caring and love in many acts of kindness.

Mr. Speaker, Sister Mary Emmanuel is truly an outstanding citizen. I am proud to enter these words of congratulations into the RECORD.

INTRODUCTION OF THE REGULATORY CONSOLIDATION ACT OF 1993

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. GONZALEZ. Mr. Speaker, today I introduce the Regulatory Consolidation Act of

1993, H.R. 1214. This act consolidates all the Federal bank and thrift regulatory functions into a single, independent commission.

Mr. Speaker, the current Federal regulatory structure for banks and thrifts is horribly scattered and disjointed. National banks are regulated by the Office of the Comptroller of the Currency. Savings associations are regulated by the Office of Thrift Supervision. The Federal Reserve regulates bank holding companies, foreign banks, and State banks that are members of the Federal Reserve System and, at the same time, is charged with carrying out the Nation's monetary policy. The Federal Deposit Insurance Corporation regulates State banks that are not members of the Federal Reserve System and insures all banks and savings associations.

You should not be surprised to learn that the current patchwork system was not created as part of any cohesive regulatory plan. The OCC was created to help finance the Civil War, the Federal Reserve was established 60 years later as the Nation's central bank to administer monetary policy, the FDIC was established still later as an insurer—not a regulator, and the predecessor of the OTS was created to provide long-term, low cost funds to thrifts.

This disjointed and haphazard approach to Federal regulation has proven to be duplicative, inefficient, and expensive. The Comptroller General recently presented the Banking Committee with a highly critical review of the bank and thrift examination process, testifying that, "[E]xamination weaknesses are symptomatic of a regulatory structure that is not as effective and efficient as it should be in overseeing our depository institutions." The General Accounting Office report highlighted the inconsistencies in the quality and comprehensiveness of examinations among the regulatory agencies.

The savings and loan debacle illustrates the cost to the taxpayers of our current regulatory system. The banks and savings associations also pay for this duplicative and inefficient system. A bank holding company with national bank, State bank, and savings association subsidiaries undergoes OCC, Federal Reserve, OTS, and State examinations annually. Even Comptroller Bowsher, no fan of loosening regulation, noted that, "[O]ne of the things that drives these bankers nuts is the inconsistency and the arbitrariness that they see from the different banking agencies that come in to look at them." This legislation remedies the uncoordinated regulatory burden and its attendant costs imposed upon our insured depository institutions.

The Regulatory Consolidation Act of 1993 creates a Federal Banking Commission. All regulatory functions of the OCC, OTS, FDIC, and Federal Reserve are transferred to the Commission. The Federal Reserve is free to focus solely on monetary policy and the FDIC administers the Federal deposit insurance funds. The OCC and OTS are abolished. The current system of regulation and insurance of credit unions remains unchanged.

Some argue that the Federal Reserve needs to retain some regulatory functions. A plan floated by the last administration would have large bank holding companies with the Federal Reserve; others propose having the Fed continue to regulate foreign banks. I believe that the Federal Reserve should concentrate on monetary policy only and will explore, through hearings, whether any bank or bank holding company regulatory powers are needed to carry out its monetary policy mission.

The new Commission will consist of seven members; the Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve System, the Chairman of the Board of Directors of the FDIC, and four public members, one of which would be the Chairman, appointed by the President with the advice and consent of the Senate. At least one Presidentially appointed commissioner must have had at least 2 years experience representing consumer or community interests on banking services, credit needs or housing and consumer financial protection.

I believe this arrangement strikes the appropriate balance between independence and executive branch control of bank regulation. Independence is vital—attempts by previous administrations to politicize regulation in order to promote their economic policy contributed greatly to the savings and loan crisis and a near tragic laxity in bank and thrift examination and supervision.

On the other hand, the executive branch has a strong interest in promoting a healthy and viable banking industry. Critical aspects of any administration's economic policy depend to a great degree on a safe and sound banking industry. Placing the Secretary of the Treasury on the Commission will provide the administration with an avenue to express its views. The institutionalized relationship between the independent regulator and the Treasury Department of the sort envisioned in my legislation is superior to the current system where the Treasury Department is charged with running the OCC and the OTS and influences the Federal Reserve and the FDIC through back room winks and nods.

The Regulatory Consolidation Act establishes a consumer division within the Commission to supervise and enforce consumer protection laws, including the Community Reinvestment Act. The consumer division recognizes that consumer protections, including availability of banking services and credit, are as important as safety and soundness. Insured depository institutions are required to meet the convenience and needs of the community they serve. The consumer division is designed to monitor institutions' performance under that test.

I am heartened by the number of my Banking Committee colleagues that have joined me as original cosponsors of the Regulatory Consolidation Act of 1993—Mr. VENTO, Mr. FRANK, Mr. KENNEDY, Mr. FLAKE, Mr. MFUME, Ms. WATERS, Mr. GUTIERREZ, Mr. RUSH, Ms. ROYBAL-ALLARD, Ms. VELÁZQUEZ, and Mr. HINCHEY. I wrote to President Clinton in late January urging him to support regulatory consolidation and pledging to work with his administration towards that goal. I am pleased to report that the initial response of the administration is a positive one. President Clinton's report, "A Vision of Change for America" states that, "The Federal Government is more complex than it needs to be. Often, many different agencies deal with the same issue, and individuals, businesses, communities, and States find it impossible to have their problems addressed. Departments and agencies are already consolidating and simplifying their operations, and the administration will seek to rationalize and streamline functions Government-wide."

The massive job of regulating an increasingly complex financial community requires the full-time effort of an independent and thoroughly coordinated commission. Otherwise, we are setting the Nation up for another costly regulatory failure that may make the savings and loan disaster look like a walk in the park, and in the meanwhile, loading needless and excessive burdens on the banking system.

WHY ASK WHY?

HON. THOMAS J. BLILEY, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. BLILEY. Mr. Speaker, I would like to have the following editorial printed in today's RECORD.

[From the Richmond Times-Dispatch, Mar. 4, 1993]

WHY ASK WHY?

"Why ask why?" asks the beer commercial. On the other hand, "Why not?" Why not ask a sober politician why he wants to cut the deficit?

Balanced budgets may be a moral good, but few politicians since the late Harry Byrd, Sr., and the late Robert Taft have made balanced budgets a way of life. Although in rare instances a balanced budget is an end in itself, in most it appears a means to something else. Only the naive would doubt that today's debate regarding deficit spending involves issues transcending the equalization of income and outgo.

The political reasons for seeking deficit reduction reduce to two:

(1) To limit the scope of government period;

(2) To allow government to grow.

Those who emphasize spending cuts seek the former; those who emphasize tax hikes the latter.

Regarding (1): Critics of Big Government see the deficit as a consequence of an arrogant leviathan grown too powerful for the Republic's good. Insufficient taxes do not create deficits; unrestrained spending does. When the government spends more, it controls more. More governmental control translates into less personal freedom. As leaders from the real Jefferson to Lincoln understood, there is no greater threat to liberty than to take from a man the earnings made from the sweat of his brow. Deficit "reduction" stressing tax hikes departs from an honorable tradition.

Regarding (2): Deficit reduction and making Big Government bigger are not incompatible. The deficit inhibits the creation of new spending programs and the expansion of existing ones. Even the looniest tax-and-spender suspects the government can borrow only so much. And he knows the citizenry will not tolerate an ever wider deficit. Thus he seeks deficit reduction as a means ultimately to expand the size of government—to give the state more power over the individual, to take from some to give to others. He may be willing to sacrifice a small program (the tea-tasters board) or a small practice (certain limousines) as political cover for

overall governmental growth. But the goal remains always in sight.

To his credit, Ross Perot sought deficit reduction not as a means but as an end. Can the same be said of the current economic plan? Why ask why? Because "why" may be the most important question of all.

RICHARD A. WANNEMACHER, JR., TIRELESS ADVOCATE FOR NEW YORK'S VETERANS

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. SOLOMON. Mr. Speaker, our Nation's veterans have always had a special place in my heart, and I'd like to give you one of the reasons why.

His name is Richard A. Wannemacher, Jr., a resident of Clifton Park, NY. He is a national service officer and commander of the Department of New York, Disabled Veterans of America [DAV]. All veterans in New York owe him a debt of gratitude.

Dick Wannemacher enlisted in the U.S. Navy in 1967. On July 10, 1969, he was severely wounded by a satchel charge in Saigon, Republic of South Vietnam. His wounds required disability retirement on December 1 of that year.

Back in civilian life, Dick joined DAV and enrolled in the VA's Vocational Rehabilitation Program in Buffalo. He earned an associate's degree in business administration at Erie Community College, a bachelor's degree in environmental conservation studies at Buffalo State College, and 17 credits toward an M.B.A. at Canisius College.

Even while in college, Dick was active in veterans affairs. He held every office in the Cheektowaga, NY, DAV, and became the first Vietnam veteran to serve as commander in the western New York Council of DAV. He joined that group's national service office in Buffalo in 1978.

In 1980, he was transferred to the Albany service office as a supervisor. The next year, he was appointed special projects director for the department of New York, and in 1982, legislative chairman.

Dick's reputation as a tireless advocate for veterans resulted in his being appointed to the Governor's Advisory on Veterans Affairs, Advocate for the Disabled and Accessibility to Polling Places. Dick has been instrumental in directing scholarship, service training, and employment problems for veterans. He also oversees the DAV's Emergency and Disaster Relief Programs in the Capital District. He is a long-time member of the New York State Joint Council of Veterans Organizations and serves on the boards of directors of the DAV National Service Foundation, as well as Vet Care, a local nonprofit organization. Other memberships include the American Legion, Veterans of Foreign Wars, and the Military Order of Purple Heart. Dick has still found time to accumulate more than 1,750 volunteer hours at the Samuel S. Stratton VA Medical Center, where he serves on the dean's committee.

His civilian awards include a New York State Conspicuous Service Medal, 1978 Outstanding New York Veteran of the Year, and a 1978 Presidential Award for Outstanding Achievement of Vietnam Veterans. His military awards include the Purple Heart, Vietnam Campaign Medal with Bronze Star, and Vietnam Service Medal.

Dick is married to the former Cindy Bickel. Their two children, Jeffrey, 21, and Laura, 19, are both students at Buffalo State College.

So you can see, Mr. Speaker, what an asset Dick has been to the veterans community in the State of New York. He will be honored at a special ceremony March 20. I would ask all members to join me today in paying our own tribute to Richard A. Wannemacher, Jr., a great American who has served his country well as a veteran and on behalf of veterans.

TRIBUTE TO SHARON GRAHAM NIEDERHAUS

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Ms. ESHOO. Mr. Speaker, I rise today to honor Sharon Graham Niederhaus, an outstanding individual who I am privileged to represent from California's 14th Congressional District. Next week she is being honored as an inductee into the San Mateo County Women's Hall of Fame.

Ms. Niederhaus, as director of Partnerships in Education, has developed over 100 K–12 Adopt-a-School business/education partnerships through the San Mateo County office of education. She organized and coordinated a Latina mentor program, and chaired the Palo Alto Junior League's corporate partnerships task force. She assisted the volunteer center of San Mateo County in developing its corporate partnership program.

Mr. Speaker, Sharon Graham Niederhaus is truly an outstanding citizen of the 14th Congressional District. I am privileged to represent her and proud to enter these words of congratulations into the RECORD.

SHABBAT ZACHOR

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. HUGHES. Mr. Speaker, according to Jewish tradition March 6 is named Shabbat Zachor which means the Saturday of Remembrance. In recent years this day has been dedicated to reflecting upon the Jewish people of Syria.

Historically, people of the Jewish faith in Syria have suffered unequal treatment and have been the victims of restrictive policies. These people have been denied the right to travel freely. When travel was permitted, only one member of a family could travel at a time, in order to guarantee a person's return. Moreover, many Jewish people in Syria were required to post a bond before they could travel.

During the Middle East peace talks last April Syrian President Assad agreed to lift some of the restrictions, and allow Jewish people to travel abroad. By October, however, less than 800 of the 2,000 applicants had been approved to travel abroad. Since October, the numbers have decreased to alarmingly low levels, and I fear that some restrictions have been reinstated since the disruption of the Middle East peace talks.

President Assad offered a commitment to lift the suspension of exit visas when he met with Secretary of State Christopher in February. I applaud his pledge and urge him to carry it out swiftly for the right to travel is essential to a free society.

RECOGNITION OF THE FOURTH ANNUAL CONFERENCE ON HISPANIC ISSUES

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. VISCLOSKY. Mr. Speaker, it is my distinct honor to recognize the Fourth Annual Conference on Hispanic Issues, which was presented by the Northwest Indiana Hispanic Coordinating Council on Saturday, November 7, 1992.

The theme for last year's conference reflected upon 500 years of Hispanic presence, with an emphasis on family violence, substance abuse, educational achievement, gangs, drop-outs, vocational education, work training, and literacy.

Special guests at this event included Father Michael L. Pfleger, pastor at St. Sabina Parish in Chicago, IL and Ms. Socorro M. Roman, who spoke on the topic of the Year of the Woman.

Ms. Roman has gone to extraordinary lengths to promote community involvement and achievement among women, as well as the Hispanic population of northwest Indiana. Her accomplishments include membership in organizations such as the American Nurses Association, the Illinois Transcultural Society, the National Coalition of Hispanic Health and Human Services Organization and the National Association of Hispanic Nurses, of which she is the northwest Indiana chapter founder and president.

The Northwest Indiana Hispanic Coordinating Council is composed of leaders from over 40 different Hispanic organizations. Its goal is to improve the standard of life of residents of northwest Indiana and I commend this effort. Council president, Mr. Benjamin T. Luna has exhibited an exemplary role in promoting fraternal and cultural activity among Hispanics.

It is with great pleasure that I commend each and every individual who participated in this event. They serve as outstanding role models not only to the Hispanic community, but also to the community as a whole. Their dedication toward improving the quality of life for residents in northwest Indiana is acknowledged and sincerely appreciated.

MONMOUTH COUNTY PRIVATE INDUSTRY COUNCIL HONORS LEADERS WHO HAVE FOSTERED ECONOMIC AND SOCIAL GROWTH

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. PALLONE. Mr. Speaker, on Saturday, March 6, 1993, the Monmouth County, NJ, Private Industry Council [PIC] will honor individuals from the fields of education, labor, and business who have made significant contributions to the social and economic growth of Monmouth County. The occasion is the Monmouth County PIC's second annual scholarship dinner dance in Aberdeen, NJ. The honorees—Dr. Webster Trammell, Jr., vice president for planning and development at Brookdale Community College, Mr. James Gratton, business manager and treasurer of Local 400 of the International Brotherhood of Electrical Workers, and Ms. Jacqueline R. Cioffi, administrator of Meridian Medical Centre—have all done more than their share to further the development of our county.

The list of associations, memberships past and present in community and professional organizations, citations, and honors for Dr. Webster Trammell is a long one. In addition to his post at Brookdale, Monmouth County's community college, Dr. Trammell has been involved in such worthy and important causes as the Monmouth County Board of Alcohol and Drug Abuse Services, the Monmouth County United Way, the Monmouth County Project Self-Sufficiency, the Greater Asbury Park Chamber of Commerce, the REACH Advisory Committee, and Monmouth Medical Center. He has also distinguished himself as a scholar and researcher on a variety of local and national issues.

Jim Gratton has lived in Monmouth County his whole life. He has been the business agent and business manager of Local 400 of the IBEW since 1968, and the president of the Monmouth-Ocean County Building Trades since 1973. He has been the president of the Service Trades Council, with its approximately 3,000 members, is a member of the executive board of the New Jersey State Building Trades and the Monmouth-Ocean Central Labor Council, and is an officer of the New Jersey State Electrical Works Association.

Jacqueline Cioffi is the owner and administrator of Meridian Medical Centre, formerly Oakhurst Medical Center, and Meridian Rehabilitation and Sports Medicine Centre in Eatonwide, NJ. She also serves as president of the Freehold Township Women's Club, vice president of the Eatontown Chamber of Commerce, vice president of the Eatontown Industrial Park Association, treasurer of the Monmouth County Employer Legislative Committee, and is a member of the Western Monmouth Chamber of Commerce and the Monmouth/Ocean Development Council. She was nominated for Woman Entrepreneur of the Year by Inc. magazine and Merrill Lynch in 1991.

Mr. Speaker, it is an honor and a privilege to join the Monmouth County Private Industry Council in paying tribute to these three fine citizens who have done so much to advance the economy and the quality of life in Monmouth County. I also wish to pay tribute to the PIC, created through the Job Training Partnership Act, which has made great strides in creating jobs and opening up opportunities for all of the people of New Jersey.

TRIBUTE TO JUDY BLOOM

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Ms. ESHOO. Mr. Speaker, I rise today to honor Judy Bloom, an outstanding individual who is being honored as an inductee into the San Mateo County Women's Hall of Fame.

Ms. Bloom has served San Mateo County residents for 23 years. She is a founding member of the Advisory Council on Women, and chaired the feminization of poverty hearings in 1984. She has been active with Women's American Organization for Rehabilitation Through Training, and was a cofounder of the north peninsula section of the Jewish Community Relations Council and vice chair of the North Peninsula Jewish Community Federation 1990 campaign. Ms. Bloom was a director of the League of Women Voters for 16 years and has served on numerous education and child care task forces.

Since 1986 Ms. Bloom has been administrative assistant to Assemblywoman Jackie Speier. She was the first president and is still a board member of the Professional Business Women's Conference, Inc. In 1991, she was honored by the California Commission on the Status of Women, and is a recipient of San Mateo-Burlingame Soroptimists Women-Helping-Women Award.

Mr. Speaker, Judy Bloom is truly an outstanding citizen. I am privileged to be her friend and proud to enter these words of congratulations into the RECORD.

A TRIBUTE TO SYRIAN JEWRY

HON. THOMAS M. BARRETT

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. BARRETT of Wisconsin. Mr. Speaker, I rise today in remembrance and prayer for the Jewish community of Syria. It is on this day that Syrian Jews all over the world pray for the safety and liberty of their unfortunate brothers and sisters prohibited from travel by the Syrian Government.

The Universal Declaration of Human Rights states in part, that all people have the right to leave any country, including their own, and return to their own country. Historically, Syrian Jews have been denied their basic human rights and civil liberties. Those who have been permitted to travel for health reasons or business have had to leave family members and monetary deposits to ensure their return. Additionally, Jewish involvement in political activity has been restricted, and Syrian Jews have been arrested, held without trial, and tortured.

In April 1992 the Syrian Government finally began allowing Jews to leave Syria. However, few permits have been granted since October 1992. The remaining 1,400 Jews in Syria continue to be denied the right to emigrate. We must not forget those who still await permission to leave Syria.

This day of commemoration, the Shabbat Zachor was first initiated in 1975 in Canada to memorialize the murder of four young Jewish women caught in their escape from Syria. Their deaths will be observed March 6, 1993, as the Sabbath day when Jewish communities recognize the oppressive treatment inflicted on their fellow brethren in Syria and the rescue of Jews from genocidal edicts.

Congregations throughout the world, including Congregation Beth Israel in my Fifth District of Wisconsin, have been asked to offer prayers for the remaining 1,400 Jews in Syria.

Again, I applaud the determination and tenacity of the Syrian Jewry.

Today, we—the leaders of the free world—are obligated to remember this ethnic community. We must continue to monitor the situation in Syria and press for greater protection for the rights of minorities. Those are the principles our country stands for—at home and abroad.

Mr. Speaker, I ask my colleagues, and fellow Americans to join me in observing the Sabbath of the remembrance and prayer for the Jewish community of Syria.

TRIBUTE TO THE LITHUANIAN-AMERICAN COUNCIL OF LAKE COUNTY, IN

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. VISCLOSKY. Mr. Speaker, it is with exceptional honor that I rise today in recognition of the Lithuanian-American Council of Lake County, IN and their commemorative program honoring the 75th anniversary of the Proclamation of Independence for Lithuania.

The Lithuanian-American Council consists of fraternal, religious, and cultural organizations throughout Lake County, IN. They have held annual commemorative programs to honor the proclamation since 1943. Mr. Albert G. Vinick was the dedicated organizer of this council in 1943, when the first commemorative program was held. His untimely death on December 3, 1989, precluded him from participating in the celebration when Lithuania formally declared its independence from the Soviet Union on March 11, 1991 and was later granted full diplomatic recognition by the United States and the United Nations.

I would like to salute Mr. Kazys Ciurinskas as the only remaining charter member of the council, as well as the following Lithuanian-American Council board members and directors for their dedication and earnest efforts throughout the years: Vincent J. Gumulauskis, Pete D. Auksel, Casimir Balt, Birute Vilutis, Walter Ruzga, Rev. Ignatius Urbonas, Aleksas Degutis, Alex Navardauskas, Dan Pauls, Frank Petrites, Brone Tampauskas, and Izidorius Tavaras.

Lithuanian-Americans maintain a strong and vital presence in northwest Indiana and it is a very special pleasure to acknowledge the council, as well as this most deserving celebration of independence.

CNN: 61 TO 38 PERCENT OF AMERICANS OPPOSE NEW ENERGY TAX—AVERAGE FAMILY OF FOUR WILL PAY AN EXTRA $500 A YEAR

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. SOLOMON. Mr. Speaker, today I would again ask my colleagues to join me in cosponsoring legislation, House Resolution 50, in opposition to the proposed new energy tax.

Most Americans still do not understand the Clinton economic plan but they do understand and strongly oppose the proposed energy tax. This tax will fall squarely on the middle class.

As expected, President Clinton has not been truthful about the cost of this massive new energy tax on the average family. This tax will increase the cost of all goods and services by over $320 a year. When this is added to the higher price of gasoline and home energy expenditures, the average family of four will pay an extra $500 a year.

The proposed Btu tax will have a very negative effect on large and small businesses, jobs and consumers. The election year is only 10 months away, just enough time for the voters to understand that you voted for a plan that would increase the amount voters pay for heat, electricity, and gasoline and yet would only make a small dent in the deficit. Please join in cosponsoring House Resolution 50, in opposition to the proposed new energy tax.

TRIBUTE TO PHYLLIS CANGEMI

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Ms. ESHOO. Mr. Speaker, I rise today to honor Phyllis Cangemi, an outstanding individual who I am privileged to represent from California's 14th Congressional District. Next week she is being honored as an inductee into the San Mateo County Women's Hall of Fame.

Ms. Cangemi is the founder and executive director of Whole Access, a nonprofit organization dedicated to providing outdoor recreation and education opportunities to people with disabilities. Ms. Cangemi has shared her knowledge at conferences all over the world, and has served on the California State Parks Accessibility Task Force.

Ms. Cangemi has been honored by the California Department of Rehabilitation and the Point Reyes National Seashore, and has received the J.C. Penney Golden Rule Award. Ms. Cangemi and her organization have been featured in several magazines, and Ms. Cangemi has published articles on access.

Mr. Speaker, Phyllis Cangemi is truly an outstanding citizen of the 14th Congressional District. I am privileged to represent her and proud to enter these words of congratulations into the RECORD.

LEGISLATION TO GRANT A MEDICAID WAIVER TO D.C. CHARTERED HEALTH PLAN

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Ms. NORTON. Mr. Speaker, I am pleased to introduce a bill to direct the Secretary of Health and Human Services to waive for 3 years the 75/25 requirement, described in section 1903(m)(2)(A)(ii) of the Social Security Act, as applied to D.C. Chartered Health Plan, Inc. This legislation is vital to the District of Columbia because it will allow D.C. Chartered Health Plan, a high quality health maintenance organization, to continue providing health care services to low-income residents of the District for whom there is no other care of comparable quality, especially at the cost.

D.C. Chartered Health Plan is a private, managed-care organization that has been in existence since 1986. Chartered's emphasis on preventive health care for its low-income patients has resulted in a decrease in the number of unnecessary emergency room visits and in overall improved health among its enrollees. Chartered's long-term commitment to quality health care for low-income people is further demonstrated by its work in providing free services, such as vaccinations and blood pressure checks, in some of the neediest Washington neighborhoods.

Under current law Federal Medicaid funds are available only to match State expenditures under risk-based contracts with HMO's and other prepaid plans if at least 25 percent of the enrollees in the plan are not Medicaid or Medicare recipients, the 75/25 requirement. Between 1988 and 1991, D.C. Chartered operated under an initial 3-year waiver of the 75/25 requirement as provided by law and had a comprehensive risk contract with the District of Columbia. During this time period Chartered saved the District at least $3 million it otherwise would have spent with the traditional Medicaid Program.

As a relatively newly established HMO, Chartered has not yet been able to meet the 75/25 requirement because of the problems presented in competing in the commercial market against large, long established plans. Chartered's initial waiver expired over 1 year ago. Since expiration of the waiver, the District of Columbia Medicaid Program has maintained a cost contract with D.C. Chartered, with the hope that Chartered's waiver would be extended and thereby allow the District to renew its risk contract with Chartered. The cost contract poses particular problems because Chartered has significantly expanded coverage and access to Medicaid enrollees by seeking better primary care access to physicians and by providing outpatient coverage and transportation assistance, even where it would not ordinarily be provided by D.C. Medicaid. Under a risk contract Chartered was able to afford these benefits by assuring early intervention and avoiding unnecessary and expensive institutional care. However, the terms of Federal requirements for a cost contract are not flexible in allowing or recognizing many costs that Chartered has found necessary in order to operate an effective prepaid program.

D.C. Chartered is the only prepaid organization participating in the D.C. Medicaid Program. Many of the valuable health services Chartered provides are above and beyond what is required by the Medicaid Program. Further, under the terms of Chartered's participation in the D.C. Medicaid Program, Chartered is subject to annual quality assurance audits, the results of which have been consistently outstanding. Unless Chartered is granted an extension of the waiver as this bill provides, its services may no longer be as widely available in the District, thereby leaving a huge void in the health care options for the neediest of District of Columbia residents. Further, the District government could not replace Chartered's services at the same level of cost and quality. In these fiscally tight, cost-conscious times, D.C. Chartered stands as a glimmer of hope. I urge my colleagues to support this bill when it comes to the floor.

RURAL ECONOMIC DEVELOPMENT RESOLUTION

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. CLEMENT. Mr. Speaker, 2 weeks ago President Clinton presented to Congress an extensive and bold economic stimulus agenda for America. An agenda that is designed to encourage job and economic growth through investment in our Nation's infrastructure and other fiscal initiatives.

Today I am introducing the "Rural Economic Investment and Revitalization Resolution." The point of my resolution is simple. Rural America deserves recognition from both Congress and the President during the consideration of economic stimulus proposals.

Mr. Speaker, rural communities across America provide a vital role in the economic health and well-being of the United States. Twenty-one percent of the total U.S. employment is located in rural areas. Employment in these areas however, increased by only 12 percent between the years of 1979–89 while employment in metro areas increased by nearly 21 percent during this time.

Now, I encourage the job and economic growth of metro areas, but these statistics simply highlight the inequalities rural areas experience in economic development initiatives. These inequities were the major cause for nearly half of all rural counties in America to lose population in the mid-1980's.

Rural areas provide a strong traditional heritage which has continued to be vital to the American spirit. The United States Census Bureau defines 97.5 percent of the land area in America as "rural." This, combined with the fact that 24 percent of all Americans reside in rural areas, stresses the point that economic investment in rural development is investment in America.

The types of incentives which are required for improved economic growth in rural areas are infrastructure improvement, small business assistance and educational enhancement programs; all of which encourage economic revitalization.

Mr. Speaker, if America were a body then rural areas would surely be considered its heart. Congress and the President cannot afford to miss the opportunity to commit ourselves to rural America. To neglect rural America is to neglect the heart of America. We simply cannot afford not to invest in rural America. The importance of these areas in the revitalization of the American economy is unlimited. I strongly urge my colleagues in Congress to support this resolution.

THE FIRST-TIME HOMEBUYER AFFORDABILITY ACT OF 1993

HON. BILL ORTON

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. ORTON. Mr. Speaker, last Thursday I introduced the First-time Homebuyer Affordability Act of 1993 on behalf of myself and many other colleagues. The purpose of this bill is to increase homeownership opportunities for families and individuals struggling to buy their first home.

If enacted, this provision would allow the direct use of IRA funds—without tax or penalty—to make a down payment for a first-time home purchase. It would also allow a parent to use IRA funds for a loan or downpayment assistance to a son or daughter buying their first house.

Two weeks ago, President Clinton introduced his comprehensive economic plan. In the introduction to this plan, the President articulated a vision of fundamental change—"to invest in people, to reward hard work and restore fairness, and to recognize our families and communities as the cornerstones of America's strength."

One of the best ways to promote families and communities in our country is to raise our level of homeownership. The First-time Homebuyer Affordability Act of 1993 would do precisely that by addressing the fundamental problem young people face in buying their first home—accumulating the necessary cash to meet downpayment requirements. It does so by dynamically accessing the $650 billion pool of funds currently found in IRA accounts.

Congress has already recognized the potential of opening up IRA funds for home purchase. Last year, we twice passed comprehensive tax bills containing a waiver of the 10 percent penalty for premature withdrawal of IRA funds for a first-time home purchase. Accessing IRA funds for this purpose only makes sense. After all, what better long-term savings and investment vehicle is there than the purchase of a single family home. For probably the majority of retirees, equity in a home is the single greatest asset. Therefore, I expect that as we debate and act on a comprehensive tax bill in the next few months, a penalty waiver will come under serious consideration.

Before we enact a penalty waiver, though, I would simply ask every Member of this body to consider in its place the approach found in the bill we are introducing today. I confidently believe that anyone who takes the time to analyze these two approaches will inevitably support the concept of home purchase investment within an IRA as a superior method of accessing IRA funds for this purpose.

To see why this is so, it is important to keep in mind a little-discussed disadvantage of the penalty waiver approach. Although penalty waiver proponents tout the advantage of avoiding the 10 percent withdrawal penalty, the IRA participant would still be required to pay income taxes on the amount withdrawn. This could be up to 31 percent in Federal taxes, plus State taxes, on the amount withdrawn—a cost of $3,100 in Federal taxes alone on a $10,000 withdrawal. In contrast, under our legislation, this enormous tax disincentive would be eliminated entirely, as funds for first-time home purchase would be used as an investment within the IRA account.

The mechanics of this proposal are quite simple. The owner of an IRA account directs his or her custodian to use IRA funds for one of the eligible housing options. When the house is sold, funds are restored to the account through repayment of the loan or the equity investment. These funds are then available for reinvestment, still tax-deferred, within the IRA account.

In the case of an individual using his or her own IRA funds for home purchase, the IRA account would in effect be engaging in an equity sharing arrangement with the account owner. When the house is sold, the IRA account is replenished, including the IRA's appropriate share of profit earned through a higher resale price.

In the case of parental assistance, a parent could use some or all of the funds in his or her IRA account to make a loan to a son or daughter to assist in making a downpayment. Periodically, interest payments on this loan would be made into the IRA account. When the house is sold, the principal is returned to the IRA account—available, still tax-deferred, for re-investment. In fact, this parental assistance provision is the most dynamic part of this legislation—an option not available under a penalty waiver.

Finally, a parent could assist a child with downpayment assistance through an equity sharing arrangement. The mechanics are similar to an individual using his or her own IRA account under an equity sharing arrangement.

The question naturally arises why this legislation is even necessary. After all, an individual is allowed to invest IRA funds in a mutual fund consisting of GNMA securities—which is simply a pool of mortgages of single family homes for thousands of other people. Remarkably, though, that same individual cannot invest in his or her own home or in a mortgage of a child's home. Technically, these are known as prohibited transactions. This is unfair and ultimately antifamily.

I do not believe this particular prohibition is consistent with the historical reason for establishing prohibited transactions. The first rationale for prohibited transactions is the prevention of self-dealing. This arose primarily as a result of corporate pension fund trustees' abuse of pension funds for personal aggrandizement. When IRA's were instituted, many of the pension restrictions—including prohibitions against personal use and family transactions—were applied to IRA provisions. Since our bill provides for a narrow exemption for a laudable purpose, there is no risk of self-dealing.

The second rationale for prohibited transactions is the desire to limit IRA use to prudent investments. Congress has specifically prohibited uses which are considered speculative—for example, most collectibles. At the same time, Congress has specifically permitted uses for solid, proven investments. Investment in a single family home more properly falls into the latter category.

In short, the prohibition against IRA investment or loan for first-time home purchase is simply not warranted. The First-time Homebuyer Affordability Act of 1993 would remove that prohibition.

The advantages of this approach over the penalty waiver are numerous. Use of funds within an IRA account results in significant tax savings, in comparison to a penalty waiver. With that tax savings, the individual also has significantly more funds available for investment in a home. Finally, since the funds are not withdrawn from the IRA account, interest and earnings on the home investment continue to be tax-deferred during the period they are invested in the home and after funds are restored to the account.

There are also advantages to our economy. Adequate national savings is critical as a source of capital for productivity improvements and modernization so that American companies can compete internationally. IRA's provide an important source of such long-term capital. Homeownership investment within an IRA account prevents the leakage from the savings and retirement system that is in fact promoted under a penalty waiver and withdrawal. This preservation of retirement accounts will be increasingly important as Social Security resources become strained into the next century. Finally, increased homeownership through accessing the $650 billion IRA pool will stimulate the housing industry and the national economy.

This issue will undoubtedly come before us in Congress in the next few months. We can say we are doing something to help promote housing in this country by passing a penalty waiver for a third time. Or, we can actually do something by enacting a truly effective proposal. I believe the choice is an easy one.

TRIBUTE TO MARIE HERMENIA MINOR DAVIS

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Ms. ESHOO. Mr. Speaker, I rise today to honor Marie Hermenia Davis, an outstanding individual who is being honored as an inductee into the San Mateo County Women's Hall of Fame.

Ms. Davis has been active in the struggle for civil rights since the age of 12 when she

was ousted from a movie theater for refusing to sit in the area designated for "colored people." She served on a President's Commission on Civil Rights, and coordinated a San Mateo County/NAACP/Bay Area Urban League program to raise scholastic achievement levels.

Ms. Davis is a soprano and has performed for numerous organizations. She received the San Mateo County Family Service Agency's Family of the Year honor in 1991.

Mr. Speaker, Marie Hermenia Minor Davis is truly an outstanding citizen. I am privileged to be a part of her community and proud to enter these words of congratulations into the RECORD.

ENDORSE CLINTON INDUSTRIAL PROGRAM: A BIG STEP FORWARD

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. LAFALCE. Mr. Speaker, on February 22, President Bill Clinton announced a turnaround in U.S. strategy toward the support and development of U.S. industry. By presenting to the American people a well-conceived program for technology, the President recognizes that the very future and well being—indeed the economic security—of the United States depends on how well this country is able not only to research and develop new technologies but to process and commercialize these technologies. In no small measure, President Clinton's Program, "Technology for America's Economic Growth, A New Direction to Build Economic Strength," is music to my ears. He is playing my song, a medley in fact that began 10 years ago when then-Governor Clinton appeared before the subcommittee that I chaired, economic stabilization, to plea for greater Federal, State, and local cooperation to explore and define a broad industrial policy, and how the States might become involved in formulating and implementing such a policy. Other witnesses who appeared with Governor Clinton in June 1983 in that series of hearings on industrial policy were no less than Robert Reich and Laura D'Andrea Tyson—all now architects and players in President Clinton's new technology directions. At that time, we all were singing from the same song book. Then years ago I said, "America's predominant economic position in the world is in jeopardy, and the consequences of continued decline in our industrial competitiveness will mean a permanently dislocated work force and reduced standard of living for most Americans." I also noted that "the last decade has sent an unmistakable message. It is now time—in fact, past time—to respond. If we sit back and do little but rely on truisms that ignore the current realities of global competition, then foreign industries and workers will continue to enjoy a critical advantage." During these intervening 10 years, the United States has lost precious time, opportunity, and resources in the competitiveness race. The result has been a sapping of U.S. economic strength and leadership. But we are not down for the count. We are fighting back. President Clinton's announced technology program will provide one of the means for the United States to excel in the years ahead.

Let me comment specifically on one particular aspect of his program, and that is the section affecting small business. Too often small business is lauded as the backbone of the American economy, the central nervous system of new business formation and job creation. And too often small business is then ignored when it comes to policies and programs that actually support its efforts. President Clinton's technology program specifically recognizes small businesses and their needs. He has pledged to send legislation to Congress designed to provide incentives for "those who make high-risk, long-term venture capital investments in startups and other small enterprises." He also proposes to expand the existing network of State and Federal manufacturing extension centers that will provide assistance to a larger number of small businesses in their efforts to upgrade technologies and training systems.

In his strategy to turn around competitiveness and this country's approach to technology, the President has gone beyond the need to ensure the best in basic research. We have learned that this country cannot and will not prosper if we focus only on being the best researchers and inventors. We have witnessed time and again U.S. inventions—the video cassette recorder being most prominent—that have been swooped up by other countries and commercialized with great success. So while we cannot, and will not, abandon U.S. commitment to basic research, we must increase our attention to process technology and commercialization of our discoveries and innovations.

President Clinton spoke often during his campaign about regaining U.S. competitiveness in global markets. he has now acted on this pledge, and the United States will indeed be on the road to enhanced competitiveness with adoption of his proposals. His proposals, among others, to build clean cars and a superhighway information system are strategies that will do more than enhance the U.S. commercially competitive position. Such a focus on technology will support a cleaner environment; it will improve work efficiencies and bring new horizons to education. These spillover effects to an improved policy approach to technology will affect and improve the lives of all Americans, not just the companies that promote and sell the technology products.

For those concerned about starting down the path of that much maligned term industrial policy, such fears are misplaced. We are not in the game of picking winners and losers; we are in the game of economic survival and strength. We cannot be strong selling potato chips while others are selling HDTV's. When the U.S. Congress decided to contribute a small amount of funds to help support the private-sector initiative, Sematech, it chose to ensure that the U.S. semiconductor industry and related semiconductor equipment industry survive and thrive. We now know that Sematech has made an incredible breakthrough on the next generation of semiconductors—ahead of the Japanese. Sematech has succeeded, and President Clinton has recognized this success by continuing funding for Sematech and using this consortium as a model for Federal consortia funded to advance other critical technologies.

President Clinton's announced policy of ensuring that U.S. technology is in the forefront of innovation and commercialization is the commonsense approach to the Federal Government's role as the guardian of this country's future. This policy states the Government's intention to be vigilant about where we are heading as a nation and how our economic future will be shaped. I heartily applaud President Clinton's initiative and look forward to working with the administration in implementing a technology policy that is so critical to the strength of the United States.

JAMES MAYER AND ROBERT J. MORAN RECEIVE FREEDOMS FOUNDATION GEORGE WASHINGTON HONOR MEDAL

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. MONTGOMERY. Mr. Speaker, on February 16, in a ceremony at Walter Reed Army Medical Center here in Washington, two very special Vietnam veterans—James Mayer and Robert J. Moran—received prestigious recognition from Freedoms Foundation for their Red Cross volunteer work which greatly assisted disabled veterans upon their return from Operations Desert Shield and Desert Storm in the Persian Gulf.

I have known Jim and Bob for a number of years, and I can relay to my colleagues with great certainty that more inspiring and generous individuals would be extremely difficult to find. Jim and Bob, both double-leg amputees, both employees of the Department of Veterans Affairs [VA] Voluntary Service, took it upon themselves to befriend, counsel, and assist our service personnel who were hospitalized at Walter Reed both during and well after the Persian Gulf war. Their efforts included frequent bedside visits and outings for Walter Reed patients, many of whom were coping with the loss of limbs. With the help of their wives, Debbie Mayer and Judy Moran, they even opened their own homes to these patients for overnight stays, meals, picnics, and recreational activities, all in an effort to help them summon the courage to cope with the challenges of their disabilities.

One of the honorees, Bob Moran, explained to Cable News Network [CNN] why they did it:

"Just to relate to [the patients] on a one to one basis of somebody that's been through it that life really does go on and that, if you're a person that can deal with it, cope with it, understand, learn and grow from it, there's an awful lot out there that you can enjoy * * *. I'm not knocking people for having praise for the able-bodied, but my point is to not let any of these guys fall through the cracks."

Jim Mayer and Bob Moran responded to the needs of returning Persian Gulf veterans by helping establish the "Friendship Therapy Support Group" under the auspices of the Red Cross. They provided invaluable counseling services and served as role models for newly disabled servicemen and their family mem-

bers. As the program in their honor stated: "They demonstrated rare commitment and deep sensitivity in giving tirelessly to others." Several of the more than 70 former patients Jim and Bob helped, returned to Washington to see them honored by the Freedoms Foundation, their families, friends, and colleagues.

The Freedoms Foundation is an institution devoted exclusively to fostering an understanding of, and commitment to, the freedoms enjoyed by our citizenry. Since its founding in 1949, the Freedoms Foundation has worked to prevent erosion of the ideals and principles upon which our country was founded. Through its National Awards Program, the foundation recognizes individuals, organizations, and schools who through word or deed help to bring about a better understanding and appreciation of our Nation, suggest solutions to basic problems and contribute to responsible citizenship. The Foundation's National Awards Program's top award, in the category of individual achievement, is the George Washington Honor Medal, which was presented to Jim Mayer and Bob Moran for their efforts.

The following are excerpts from remarks about these two remarkable individuals from the February 16 award ceremony:

Chaplain (LTC) Ross B. Jackson: "Most gracious God, we give you thanks with our whole hearts for the gift of this nation, for the freedoms for which at our best we stand, and on this day especially for these two men, whose selfless example, whose strength and whose courage has been a source of help and inspiration to all of us. We thank you for the opportunity to honor them and to recall in so doing, those things, those qualities, those characters which make us great."

Major General Ronald R. Blanck, Commanding General, Walter Reed Army Medical Center: "This certainly is a special occasion as we honor two absolutely super individuals. * * * We all share a common concern for those who serve and for those who sacrifice. Service and caring really is what it's all about. Walter Reed volunteers, like the Red Cross, make life better by giving of themselves."

Excerpt from CNN tape: "After the Storm:" "The wounded [at Walter Reed] have not been forgotten by the forgotten. Two Vietnam veterans have helped them heal using a double dose of laughter and the wisdom from hard-earned experience—Jim Mayer and Bob Moran proved there can be a joyous life, even after tragedy. Both are double amputees from the war in Vietnam. Because of their deep understanding of what faces these soldiers, they volunteered to help them * * *. They are humorists, role models and listening posts for the Persian Gulf warriors."

Of the wounded, CNN reported: "They are all glad to be alive, but they don't want to be rejected because their bodies have changed. They want to be respected as soldiers who did their duty. And they want to serve as reminders that war is ugly, the price steep."

James W. Holsinger, Jr., M.D., Under Secretary for Health, Department of Veterans Affairs: "I am exceptionally proud of both Jim Mayer and Bob Moran. They are prime examples of the 210,000 Americans that serve in the Veterans Health Administration across this great land of ours."

Letter from Hon. Constance Morella, Maryland Representative: "* * * As volunteers, you play a special and crucial role in our country. You inspire us with your energy, move us with your example and inspire us with your enthusiasm for service to others. The veterans and citizens are infinitely richer by your commitment, and we are all deeply grateful * * *."

Robert Miller, president, Freedoms Foundation: "Today is a very proud day for Freedoms Foundation * * * to be able to present our top award to two very extraordinary individuals."

[Reading from the citation]: "During the past, Messrs. Mayer and Moran have distinguished themselves in exemplary service to the rehabilitation of war-injured veterans. As a result of impending hostilities in the Persian Gulf, they took the initiative and established a Friendship Therapy Support Group to assist returning disabled veterans and their family members. By mobilizing other veterans, their own wives and friends, in an innovative volunteer effort, they provided extraordinary relief and comfort to the veterans of Desert Shield and Desert Storm. By drawing on the experience as disabled veterans of the Vietnam War, they played a key role in the physical and psychological rehabilitation of veterans of America's most recent war. On behalf of the board of directors of Freedoms Foundation, it is my great privilege to present this award to you two great American citizens."

Chaplain (Col) Sanford L. Dresin: "Eternal and loving God, bless James Mayer and Robert Moran, for they have reminded us of our potential, fueled by the divine spark that kindles our humanity * * *. May our loving and merciful God never challenge us the way he did Jim and Bob and those who they have helped. But should it occur, may we rise to the challenge as they did."

Mr. Speaker, I know my colleagues will join with me in applauding Jim Mayer and Bob Moran for their sacrifices in uniform and for their continuing distinguished service to America and support for their fellow veterans. I am very proud to know these two gentlemen. Their deeds let our disabled veterans, who perhaps could not take part in the national parades and other public acclaim for the able-bodied, know that they too are remembered and appreciated.

As Jim Mayer points out:

Right after Bob and I were wounded, our Army hospitalization separated us from our families. We also didn't have any clue then that there was a light at the end of the tunnel. Our volunteer group tried to fill both those voids for the wounded vets at Walter Reed.

Let us take what these two veterans and their fellow volunteers have done and assure that, in the event there is yet another generation of wounded and disabled veterans, the void is indeed filled and they receive the same type of respect and compassion from their Government and their fellow Americans that Jim Mayer and Bob Moran willingly and industriously provided on their own, with the help of some like-minded volunteers in the Red Cross. What these two amazing individuals have done and continue to do is an eloquent reminder of the patriotism and action upon which our country was founded. They exemplify what is good about America.

TRIBUTE TO SHELLEY KESSLER

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Ms. ESHOO. Mr. Speaker, I rise today to honor Shelley Kessler, an outstanding individual who is being honored as an inductee into the San Mateo County Women's Hall of Fame.

Ms. Kessler has worked in nontraditional careers and has been an advocate for women in the labor movement. She helped develop and is a board member of "We Do The Work", a national television program with positive portrayals of working people. She is president of the Western Workers Labor Heritage Festival and helped organize congressional hearings on job safety and workplace injustice. She participated in early organizing for the Airport Childcare Program and received a special award from the Independent Federation of Flight Attendants for her support during a national flight attendants' strike. She is now assistant executive officer of the San Mateo County Central Labor Council.

Mr. Speaker, Shelley Kessler is truly an outstanding citizen. I am privileged to be her friend and proud to have this opportunity to enter these words of congratulations into the RECORD.

TRIBUTE TO MR. CURTIS O. PATRICK

HON. BART STUPAK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. STUPAK. Mr. Speaker, I rise today to pay tribute to Mr. Curtis O. Patrick, a man who dedicated his life to public service in Antrim County which is located in Michigan's First Congressional District, which I represent.

Mr. Patrick passed away on July 26, 1991 and is being honored by his friends and family on March 6 of this year. This is an honor that is long overdue as the State of Michigan, especially the county of Antrim, has long reaped the benefits of his tireless dedication.

First and foremost, Mr. Patrick was a good Democrat. He was active in the party all of his life. He served on the Antrim County Board of Commissioners for 15 years. During his time on the commission, he was both a commissioner and chairman of the board. Throughout his tenure, his integrity and honesty was never above reproach. He was always respectful and respected by others.

It is important to note, though, that he was not just active in party politics. He was equally passionate about the larger issues facing his State and Nation. When Mr. Patrick was called to service in World War II, he went willingly and served with distinction. He later became a member and post commander of the George Puckett American Legion Post No. 264 in Mancelona. Mr. Patrick was also a member of the Mancelona Post of the Veterans of Foreign Wars.

He continued his community service through his involvement with the Antrim County Senior

Citizen Center in Mancelona as well as the Commission on Aging. In this capacity, he passed on his caring and dedication to those in the community less fortunate than himself.

And Mr. Patrick was truly fortunate. He is survived by his wife Irene, his 9 children, 18 grandchildren, and a host of great-grandchildren. The State of Michigan, and particularly Antrim County and the city of Mancelona will long remember his service. Mr. Speaker, the House of Representatives, where the citizens of the United States are served, is a fitting forum to pay tribute to a man who gave much of his life to the people of his community. I rise today to thank Mr. Patrick for his years of service, and to let his family know that our thoughts are continually with them.

YUGOSLAVIA: A HUMAN RIGHTS NIGHTMARE

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. PORTER. Mr. Speaker, we are all repulsed at the savagery and injustice which has taken place during the conflict in Bosnia this past year. Heinous and despicable forms of human rights abuses have been committed by warring factions who have shown complete disregard for the human dignity of the civilian victims of this war and have repeatedly and grievously contravened the Geneva Convention. Sadly, the litany of horrors devastating the lives of all those caught in this tragic situation grows longer every day.

Crimes against humanity, such as the murders of civilian men, women and children, rape, mass executions, torture and the forced expulsion of civilians from their communities in the name of "ethnic cleansing," are an affront to the human race. The international community has a responsibility to bring the alleged culprits in this conflict to trial if we are to make it clear that unspeakable atrocities are illegal and deplorable. While no party is blameless for human rights violations in this conflict, most of the evidence gathered by international observers indicates that the Bosnian Serb militias and their supporters in Belgrade have been chiefly responsible for the violence and turmoil. The rump government of Yugoslavia will remain isolated and excluded from the family of civilized nations so long as their political leaders endorse and support what can only be described as calculated cruelty against their former countrymen.

All reports of human rights violations are appalling, regardless of the gender of the victim. However, the stories which have emerged about the sheer scale and nature of the abuses committed against women, particularly Muslim women in Bosnia, during the conflict are offensive in the extreme. Human rights organizations have documented examples of the systematic brutality against women and children in Bosnia, including gang rape, the incarceration of women and girls impregnated by rape, the forcing of women into brothels, and murder of rape victims and of children in front of their parents. What most women in this country or any other civilized country would consider to be their worst nightmare has become a daily reality for thousands of women in the Balkan conflict. This is clearly outrageous and must stop. Because of these almost unprecedented war crimes, I have cosponsored a resolution in the House introduced by Rep. MOLINARI which expresses the Congress' strong opposition to rape and forced pregnancy and which urges the U.N. to explicitly list these forms of torture as war crimes within its charter. I am hopeful that this resolution will be adopted by the House soon.

For the past 10 years, I have served as Co-Chairman of the Congressional Human Rights Caucus, a bipartisan organization comprised of 220 members. The Congressional Human Rights Caucus is motivated by belief that the violation of the human rights of one individual is a threat to the rights of us all. In this regard, we all have an obligation to speak out and condemn all parties responsible for committing human rights abuses and to remind all governments that their first obligation is to protect the human rights of their citizens. If we remain silent in the face of human misery and suffering in Bosnia, then we have truly failed to learn the lessons of the Holocaust 50 years ago or of the genocide in Cambodia two decades ago. Although we have made progress since these dark moments in human history, the tales of atrocities coming out of Bosnia demonstrate that we must continue to strive to find better and more effective ways to promote respect for human rights throughout the world.

In closing, I would like to inform my colleagues that in honor of International Women's Day, the Commission for Women's Equality of the American Jewish Congress along with other organizations in the area will be holding a vigil on March 8th in Chicago to protest human rights abuses committed against women in the former Yugoslavia. I congratulate and commend the organizers of this event for speaking out against the systematic and widespread rape of women and girls in the conflict of Bosnia and for demonstrating their solidarity with these innocent victims.

POLKA WEEKENDERS CELEBRATE 25TH ANNIVERSARY

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mrs. BENTLEY. Mr. Speaker, and my fellow colleagues, I would like to take this time to commemorate the Polka Weekenders, Inc. on their 25th anniversary. The club was founded on March 9, 1968, and during the last 25 years it has been a large part of Baltimore's Polish-American community.

The Polka Weekenders boast a membership between four and five hundred individuals who are dedicated to promoting Polish culture throughout the country. The group entertains at Polish festivals and thrills everyone with their wonderful dancing. The Polka Weekenders have performed for audiences in all 50 States, as well as in Poland and Mexico. In addition, the Polka Weekenders always are happy to teach their dances to anyone.

Baltimore is a town rich with ethnic traditions and festivals. Every summer I look forward to seeing many of my Polish friends at the festival. Not only is the food at the festival superb, I never miss the chance to see the very talented dancers. The Polka Weekenders amaze me with their skill and agility, and I relish the chance to join them for a step or two.

In addition to providing much of the entertainment, the group members are involved in making the festival such a success. They work as volunteers in the many booths at the festival. The blend of Polish dancing, Polish crafts, and Polish food help to draw huge crowds from all over the State of Maryland.

In its 25 year history, the Polka Weekenders also have done much charitable work in the community. This year, the organization plans to donate its time and money to the Kennedy Krieger Institute in Baltimore. Any organization which provides entertainment combined with benevolent work deserves special recognition.

The Polka Weekenders attempt to pass on to other Americans and their younger generations a love of Polish tradition and culture. It is so important for all of us Americans to preserve and promote our ethnic heritage.

Mr. Speaker, my fellow colleagues, it is with the utmost respect and admiration that I commend the Polka Weekenders on the group's 25th anniversary. May God bless them in the years to come.

TRIBUTE TO LOTTIE KIRK

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Ms. ESHOO. Mr. Speaker, I rise today to honor Lottie Kirk, an outstanding individual who I am privileged to represent from California's 14th Congressional District. Next week she is being honored as an inductee into the San Mateo County Women's Hall of Fame.

Lottie Kirk has been an outstanding role model for the women of her family. She has maintained contact with more than 100 family members, and has helped them to appreciate their heritage as African-Americans. She has helped members of her family during their difficult times, and has helped them to feel pride in themselves. She has provided shelter for those in need, and has helped to build healthy family relationships.

Mr. Speaker, Lottie Kirk is truly an outstanding citizen of the 14th Congressional District. I am privileged to represent her and proud to enter these words of congratulations into the RECORD.

TRIBUTE TO PLANNED PARENTHOOD

HON. JANE HARMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Ms. HARMAN. Mr. Speaker, I rise today both as a Member of Congress and as a mother of four wonderful children to publicly applaud the work of the Planned Parenthood Federation of America. Planned Parenthood

provides high-quality family planning services and education programs to millions of Americans. Since its beginning 75 years ago, despite adversities ranging from funding cuts to physical harassment, Planned Parenthood has never swayed from its mission. It continues to provide some of the best family planning services and education programs in the Nation.

In my district, there is a group of volunteers called the South Bay Friends of Planned Parenthood. These dedicated women and men donate thousands of volunteer hours and support the local organization in a million ways. Because of their pro-choice activities, my constituents have had their meetings picketed by Operation Rescue and have been the targets of personal attacks.

Planned Parenthood will soon be opening a new clinic in the south bay. The majority of the community is welcoming the clinic and I have pledged my unwavering support. I firmly believe that every woman has the right to make her own decisions about what is right for her and her family.

My first act as a Member of Congress was to cosponsor the Freedom of Choice Act, which codifies the language of Roe versus Wade into law and once and for all guarantees the right to choose. As this legislation moves through Congress, it will face considerable opposition in the form of harmful amendments, but I will fight for its passage.

In addition to the issue of legality, however, the problem of access to services must be addressed. The right to choose does not exist for many rural, young, or poor women in this country. In addition, more technical training is needed, and more insurance coverage must be available as a necessary part of full reproductive care.

We have also neglected contraceptive research in this country for more than a decade. Until the approval of Norplant this year, American women had not been offered a single new birth control method since the introduction of the pill in the early 1970's. Women in other countries have many more choices than American women. A decade ago, more than a dozen pharmaceutical companies engaged in intensive research and development of new birth control methods, now there is only one.

There are other problems. In Los Angeles County, two out of every three eligible women do not have access to subsidized family planning services they need. There is no State or national standard for sex education programs in our schools. Many students desperately need information and guidance, and have nowhere to turn. I cosponsored H.R. 670, legislation to increase the funding for the title X program—the only Federal program that supports family planning programs for low-income women and men. If we really want to reduce the number of abortions, we must begin by supporting prevention.

Planned Parenthood understands this. Nonabortion related services—contraception, sexually transmitted disease testing, parental care, and other vital programs—comprise more than 90 percent of its total services. Planned Parenthood provides very effective teen pregnancy prevention programs and full option counseling for women facing an unplanned pregnancy.

We have only to look at other countries for examples of what works and what doesn't. In Romania in the 1980's, both contraceptives and abortion were outlawed. During that time, Romania had an abortion rate 17 times higher than that of The Netherlands. The Netherlands has the world's lowest abortion rate because it has comprehensive community and school health education programs and easily accessible family planning services.

The new Planned Parenthood clinic in my district will go a long way toward dealing with these problems. Operation Rescue will send protesters, but the wonderful volunteers in the South Bay Friends of Planned Parenthood will also be there, escorting patients and making sure they get the care they need.

Abortion can be a divisive issue. We must remember to concentrate on the real solution: prevention. Ideally, all choices should be available and safe, and every woman should have the necessary knowledge to make the right choices for themselves and their families. With the help of the dedicated staff and volunteers of Planned Parenthood, we can make that dream a reality.

INTRODUCTION OF LEGISLATION REGARDING DRUGS AND FIREARMS

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. GOODLING. Mr. Speaker, I am introducing legislation which would change Federal law to impose stiffer penalties on individuals convicted of lesser drug offenses while possessing firearms. I am pleased my bill has the endorsement of the Pennsylvania State Chiefs of Police and the National Association of Chiefs of Police.

Under current Federal law, a person convicted of a felony crime involving drugs and firearms faces increased criminal penalties and is also prohibited from legally owning a firearm. This is not the case, however for individuals convicted of less serious drug offenses.

My legislation is simple: It expands current law to treat individuals who commit less-serious drug offenses in the same manner as people involved in other drug crimes, such as drug-trafficking. Any person found guilty of a drug crime not currently classified as a felony, including simple possession of a controlled substance, and who possesses a firearm at the time of the offense, will face mandatory jail time and/or substantial fines in addition to any penalty imposed for the drug offense. For second or subsequent offenses, jail time and fines are mandated.

Furthermore, the guilty party will be prohibited from owning a firearm for 5 years. Exceptions to this rule can be made, however, depending upon the circumstances surrounding each individual's case. Present law states that a person convicted of a drug crime can petition to the Secretary of the Treasury for an exemption to the firearms prohibition if they can prove "that the circumstances regarding the conviction, and the applicant's record and reputation, are such that the applicant will not be likely to act in a manner dangerous to public safety and that the granting of the relief would not be contrary to the public interest".

Certainly the time has come for serious efforts to convince people who use drugs that the cost of engaging in this activity is prohibitive. If my bill becomes law, individuals owning firearms for legitimate purposes—hunting, target-shooting, collecting, or personal protection—and who also engage in the use of illicit drugs, will think twice before participating in their drug-related endeavors, facing the prospect of enhanced penalties and the loss of their firearms following any drug conviction.

This legislation will not affect a law-abiding citizen's right to own a firearm. It will, however, increase the price of drug use for people who choose to continue this illegal and self-destructive activity. We all know that the drug problem is expensive to society as a whole; let's try to transfer more of the costs to those who use and abuse controlled substances.

JOSEPH A. EDGAR SCHOOL WINS NINTH AWARD OF EXCELLENCE

HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. HOCHBRUECKNER. Mr. Speaker, it is a great pleasure to rise today to honor the Joseph A. Edgar Intermediate School of Rocky Point, NY for achieving its ninth award of excellence.

The children, teachers, parents, and staff of the Joseph A. Edgar Intermediate School are proud that their school serves as a shining example for New York State, as their school is the only one in the State to receive this award. I should also point out that there were only a handful of schools in the United States to receive the award of excellence. For the Joseph A. Edgar School to win this award in 9 consecutive years is truly a remarkable accomplishment.

The Joseph A. Edgar Intermediate School has maintained for the past 15 years a consistent 97 percent achievement level, and an even higher level in its State competence tests and schoolwide achievement tests. Some of the school's other accomplishments include: the 1991–92 National Drug Free Schools Award, an award for achievement with disadvantaged children, the New York State Teacher of Excellence Award in English, Reading, Science, and Elementary Guidance, and a Federal department model of excellence award in reading. This is in addition to being named one of the top 10 elementary schools in New York State.

Mr. Speaker, it is an honor to recognize the students and staff at the Joseph A. Edgar Intermediate School for their ninth award of excellence. They are a role model for students throughout Long Island, NY, and the United States. They should be very proud of their tremendous accomplishments.

TRIBUTE TO IRENE CHENG: YOUNG WOMAN OF EXCELLENCE

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Ms. ESHOO. Mr. Speaker, I rise today to honor Irene Cheng, an outstanding individual who is being honored as an inductee into the San Mateo County Women's Hall of Fame.

Irene Cheng is an honor student at Mills High School and a National Merit Scholarship semifinalist. She is a writer, poet, violinist, and public speaker in both Mandarin and English. She serves her community as a peer counselor, a volunteer at a local hospital, a tutor and as president of the Interact Club, a service organization sponsored by the Rotary Club. She was chosen from 210 applicants for the position of student member of the California State Board of Education.

Mr. Speaker, Irene Cheng is truly an outstanding citizen and a model for her peers. I am privileged to be a part of her community and proud to enter these words of congratulations into the RECORD.

AMERICAN HERO MARINE PFC DOMINGO ARROYO, JR.

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. PAYNE of New Jersey. Mr. Speaker, I ask my colleagues in the U.S. House of Representatives to join me in honoring a true American hero, Marine PFC Domingo Arroyo, Jr. of Elizabeth, NJ, who sacrificed his life in the service of others as the first casualty of Operation Restore Hope in Somalia.

Private Arroyo was a young man full of determination, patriotism, and hope for the future. He entered military service to better himself and to make a contribution to his country. He was proud to be part of the humanitarian relief effort in Somalia, delivering food to starving people. Earlier, he had served in Operation Desert Storm.

Private Arroyo, a native of Puerto Rico, was known in his community as a fine young man who cared deeply about his family and who made friends easily. He will be greatly missed by all who knew him and will be forever remembered as a hero who gave his life for the highest purpose.

Mr. Speaker, I know my colleagues will join me in expressing heartfelt sympathy to Private Arroyo's mother, Mrs. Ramona Ortiz; to his father, Domingo, Sr.; to his brother, Hector, and his brother Ramon, who is serving in the Navy. Let us pause to honor the memory of Private Arroyo. Our thoughts and prayers are with the family of this brave young man, and we hope that they will find comfort during this difficult time in knowing that his memory will live on and his sacrifice will not be forgotten.

TRIBUTE TO CULVER CITY

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. DIXON. Mr. Speaker, I rise with great pride to pay special tribute to Culver City, which recently received the distinguished Calling on America 1991–92 Award from the National Organization on Disability [NOD]. Culver City, which is located in my congressional district, received NOD's top award of $2,500 for a community with a population of less than 50,000.

The award was accepted by Ms. Patricia A. Hadley on behalf of Culver City, a member of the National Recreation and Park Association's [NRPA] Board of Trustees. Ms. Hadley was in Washington, DC for NRPA's midyear forum to construct its national issues agenda.

The Culver City disability program was judged by a panel of private citizens as being a broad-based initiative that educated the public about disability issues. In particular, the panel commended Culver City for publishing and distributing to all residents a quarterly newsletter about disability; sponsoring of a wheelchair basketball game during school hours against the varsity high school team; installing and audible crossing signal and providing funds for accessible picnic tables; improving accessibility to education, and providing funds for a job training program at a local junior college and $80,000 in community block grant funds for two group homes. Culver City's comprehensive program excelled beyond the legal requirements of the Americans with Disabilities Act by reaching out and providing equal access for the disabled in transportation, recreation, education, and housing.

NOD was founded in 1982 with the intent of promoting full participation of America's more than 40 million men, women, and children with disabilities in all aspects of community life. It is the belief of the National Organization on Disability that the best way to achieve full participation of people with disabilities throughout our communities is through local planning and action. As a result, NOD established its Community Partnership Program—a network of nearly 3,000 towns, cities, counties, and military installations nationwide that work to increase acceptance and full participation of persons with disabilities in all aspects of life. Culver City has been recognized as one such community.

Mr. Speaker, please join me in acknowledging and applauding the contributions of Culver City in developing outstanding local disability programs which fervently seek to expand the participation of people with disabilities in all walks of community life.

IRANIAN DENIAL OF BAHA'I FREEDOMS

HON. THOMAS S. FOLEY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. FOLEY. Mr. Speaker, it was with considerable apprehension that I recently learned of a secret campaign by the Iranian Government to deny certain basic freedoms to those who profess the Baha'i faith. The policy in question is set forth in a confidential document promulgated by Iran's Supreme Revolutionary Council at the direction of Iranian President Rafsanjani and Iran's supreme religious leader, Ayatollah Khomeini, and obtained by the United Nations Special Representative for Iran, Reynaldo Galindo Pohl. On its face, it directs that the progress and development of Iranian Baha'i be blocked, that Baha'i be expelled from or denied admission to Iranian universities if they identify themselves as Baha'i, that they be denied employment for the same offense, and that a plan be devised to confront and destroy their cultural roots outside the country.

This is a chilling directive. It belies earlier indications of some diminishment in Iranian hostility toward the Baha'i. Worse, it manifestly demonstrates a deliberate, callous plan to deny members of the Baha'i faith basic freedoms and the means to earn a livelihood.

Mr. Speaker, it is the obligation of all nations that respect basic human rights to condemn any effort to implement this cruel policy. It is further the duty of those of us who enjoy the complete freedom to exercise basic human rights, and most particularly the right to speak out against injustice, to constantly remind the rest of the world of intolerance and inequity whenever they rear their ugly heads. Finally, we must continue to monitor and document the behavior of those who would deny human rights to the innocent and unprotected.

Mr. Speaker, I note with approval and support the efforts of members of the Baha'i to publicize this deeply troubling document. Today, in fact, the Baha'i community in the United States will hold a meeting here in the Capitol to brief Members and the press concerning the repression that could flow from the implementation of the secret Iranian Government policy directed against their coreligionist in Iran. We must use the power of our condemnation, and that of the rest of the world, to ensure that such a policy is halted forever.

TRIBUTE TO MONICA JIMENEZ: YOUNG WOMAN OF EXCELLENCE

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Ms. ESHOO. Mr. Speaker, I rise today to honor Monica Jimenez, an outstanding individual who is being honored as an inductee into the San Mateo County Women's Hall of Fame.

Ms. Jimenez is a 15-year-old high school honor student. She serves her community through volunteer efforts at a retirement home and at a program for underprivileged children. She is cochair of the youth board at the volunteer center and has recruited other student volunteers. She also cochaired a county conference on youth and volunteer service. She is a member of her schools' swim team and drama club.

Mr. Speaker, Monica Jimenez is truly an outstanding citizen and a model for her peers. I am privileged to be a part of her community

and proud to enter these words of congratulations into the RECORD.

BOROUGH OF SWARTHMORE, PA CELEBRATES ITS CENTENNIAL ANNIVERSARY

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. WELDON. Mr. Speaker, I rise today to offer a special congratulations to a community in my district. This year, the Borough of Swarthmore, Delaware County, PA celebrates the occasion of their centennial anniversary. This month marks the beginning of what will be a year-long celebration for the proud residents of this historic community.

The history of Swarthmore actually dates back further than the formal foundation of the borough to 1864, when Swarthmore College was founded as a coeducational Quaker College on property located in Springfield Township. This brought about the formation of the Village of Swarthmore. Eventually, the villagers petitioned Springfield Township and became a duly incorporated borough in 1893.

Today, Swarthmore Borough enjoys national prominence as the home of what is arguably the finest liberal arts college in the Nation. However, those who live in Swarthmore and elsewhere in Delaware County, know this small borough for its scenic beauty, its historic business district, and its hometown atmosphere.

Throughout its history, Swarthmore Borough has been blessed with residents who take great pride in being active members of their community. Examples range from the early days of the borough when the Country Weeks Picnic Association treated poor women and children from Philadelphia to a day in the country, to the formation of cooperative efforts with the college such as: "Associates of the Scott Horticultural Foundation" and "Friends of the College Libraries."

Throughout the years, Swarthmore's community organizations have been known to be on the leading edge of societal change. One of the earliest organizations in the borough was the Women's Suffrage League which promoted women's right to vote from 1890 through 1920 when that right was officially recognized. Following that, the League of Women Voters was formed to educate women about the political process. Today the league is a mainstay in our political process at all levels of government across the country.

Swarthmore has steadily grown from a village of 900 people to a borough of more than 6,000 residents today. It has grown from a borough with a few active community organizations to one with better than 60 organizations including the Lions and Rotary clubs, a village business and professional association, and various groups for children and senior citizens.

On March 8, 1993, the borough will re-enact its first borough council meeting. At that meeting, the residents will surely be able to sense the spirit of energy and enthusiasm the borough's first fathers must have felt when Swarthmore began. As evidenced by the continued success of the borough, its people, its businesses, and its college, that spirit is alive and well today.

In closing Mr. Speaker, it gives me great pleasure to join with the people of Swarthmore in celebrating not only their 100th anniversary as a borough, but also the undying community spirit and neighborhood involvement of the residents that makes Swarthmore one of the finest places in the country in which to live, work, and raise a family.

DESERT SHIELD/DESERT STORM MEMORIAL LIGHT IN COLUMBIA, NH

HON. DICK SWETT

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. SWETT. Mr. Speaker, I want to call my colleagues' attention to House Joint Resolution 132, a resolution which I have introduced calling for recognition of the Desert Shield/Desert Storm Memorial Light at the Shrine of Our Lady of Grace in Columbia, NH. This resolution will provide for congressional recognition for the Memorial Light which the people of Coos County and the towns of Colebrook and Columbia have erected to honor those who were killed in the line of duty during the Persian Gulf war.

The Shrine of Our Lady of Grace in Columbia is of great significance to the veterans of Coos County. It is the site of traditional gatherings on occasions such as Veterans Day and Memorial Day for the communities of Berlin, Colebrook, Columbia, Dixville, Pittsburg, and Stewartstown. In 1990, veterans and others in each community worked hard to erect the memorial light and are now seeking to have it dedicated as a memorial of national significance for those who died in the defense of freedom in Operation Desert Shield and Operation Desert Storm.

Mr. Speaker, I urge my colleagues to support this resolution so that the efforts of the people of Coos County to dedicate their memorial to those who made the supreme sacrifice in the Persian Gulf war can receive national recognition.

RESPONDING TO CONCERNS OF MR. GEORGE BREAZEAL

HON. JAY DICKEY

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. DICKEY. Mr. Speaker, I recently received a letter from a concerned constituent, George Breazeal of El Dorado, Arkansas. He expressed his outrage over the fact that former Members can buy their office furniture and equipment without disclosing the costs to the taxpayer—this requiring freshman Members to purchase new items needlessly at the taxpayer's expense.

Mr. Speaker, my constituents want Congress to set an example—they are giving me their ideas because they know that the process of deficit reduction must begin right here in this House.

Therefore today I voice my strong support of H.R. 1026, a bill to repeal the first section of Public Law 93–462 to limit departing Members' purchases of office equipment and office furnishings from their district offices. Mr. Speaker, I ask my colleagues to join with me in this bipartisan effort to secure passage of this legislation.

TRIBUTE TO ERIN LEYDIG: YOUNG WOMAN OF EXCELLENCE

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Ms. ESHOO. Mr. Speaker, I rise today to honor Erin Leydig, an outstanding individual who is being honored as an inductee into the San Mateo County Women's Hall of Fame.

Ms. Leydig is first in her class at Hillsdale High School, a class officer, and a member of the swim and track teams. She was her school's delegate to California Girl's State and was accepted to the accelerated high school student program at U.C. Berkeley. She serves as a volunteer for her church group and has traveled with the group to build houses in Mexico. She has participated in the Close Up Program in Washington, DC. She has run a kid's camp for the last two summers, and is in her 10th year of studying the piano.

Mr. Speaker, Erin Leydig is truly an outstanding citizen and a model for her peers. I am privileged to be a part of her community and proud to enter these words of congratulations into the RECORD.

A TRIBUTE TO NEWTON I. STEERS, JR.

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mrs. MORELLA. Mr. Speaker, I rise to pay tribute to a former Member of this House, the late Newton I. Steers, Jr., a towering figure in Maryland politics for more than a quarter-century, who died February 11, at his home in Bethesda, MD.

Newt Steers was known by many in this House who served with him in the 95th Congress. He was in the great Montgomery County Republican tradition of former Senator Charles Mathias and Newt's predecessor, Gilbert Gude.

Newt was a tireless advocate of community service who viewed his work in Government as a mission, not as a stepping stone to enhance his own standing. During his term in the House, he demonstrated by his many accomplishments his zeal—and his encyclopedic interests. Far ahead of his time, Newt crafted battered spouse legislation that included demonstration grants to set up shelters for women. A strong supporter of Israel, he pioneered legislation to speed up the naturalization process

for Soviet Jews. He pushed hard to preserve the pay and benefits of Federal employees. He was a firm voice for tax reform. And he was an active member of the Banking, Finance and Urban Affairs, and the District of Columbia Committees.

Born in New Jersey, Newt graduated from Yale University and worked for DuPont before serving in World War II in the Army Air Services, which sent him to England, France, Belgium, and Germany. After the war, he earned a degree from Yale Law School and worked in private industry before taking a position in 1951, with the Atomic Energy Commission. Later, he helped form the Atomic Development Mutual Fund, which was highly successful. Ten years later, he launched his career in politics when he became involved in the legislative reapportionment movement in Montgomery County.

He served as a State senator for 6 years, Maryland's insurance commissioner for 2 years, and Maryland Republican chairman from 1964 to 1966. In 1982, he was the Republican nominee for Lieutenant Governor.

Newton Steers set a high standard for public service, and he made a lasting mark on political life in Maryland. I am proud to pay tribute to our former colleague and my Republican predecessor in this House from the Eighth Congressional District of Maryland.

THE 50TH ANNIVERSARY OF THE CINCINNATI HUMAN RELATIONS COMMISSION

HON. DAVID MANN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. MANN. Mr. Speaker, it is with great pride that I rise today to commemorate the 50th anniversary of the Cincinnati Human Relations Commission [CHRC]. The commission has been one of the front runners in the effort toward improving race relations in the city of Cincinnati. By working with local government, business, service, community, and religious organizations, the Human Relations Commission has promoted a better atmosphere for understanding between the races.

The commission advises city council on strategies to reduce tensions and disorder between groups throughout the Greater Cincinnati area. Through the exchange of dialog and ideas, the commission has greatly improved the quality of life of the citizens of Cincinnati.

The primary mission of the CHRC is the decrease of human relations conflicts. Issues faced by the commission are not unique to the city of Cincinnati. The problems of homelessness, drugs, youth violence, crime, and unemployment which we confront on a daily basis are found in every major city stretching from coast to coast. We are privileged to have an organization such as the CHRC to help the community and the local government to work together to tackle the difficult issues of our time.

I am proud to be able to honor the 50 years of dedication which the Cincinnati Human Relations Commission has given to the people of the city of Cincinnati.

IN MEMORY OF DR. WILLIAM L. GEE

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Ms. PELOSI. Mr. Speaker, I rise today to pay tribute to Dr. William Gee, founding president of the board of directors of On Lok Senior Health Services and a pioneer in the field of care for the elderly, who passed away on January 19, 1993.

At the age of 6, Dr. Gee arrived in San Francisco from Canton, China. After distinguished service in World War II, he received his undergraduate degree at U.C. Berkeley and his postgraduate degree at the U.C.S.F School of Dentistry. He began and ended his practice in Chinatown, devoting a significant part of it to treating the indigent as a public health dentist.

In 1968, Dr. Gee was appointed by Mayor Joseph Alioto to the North Beach District Council, a group designed to explore and attend to the needs of members of the Chinatown-North Beach community. Soon after, he helped to found North East Medical Services, a low-cost clinic for the benefit of low-income and immigrant members of the Chinatown-North Beach community.

In 1973, Dr. Gee's leadership was instrumental in the founding of On Lok Senior Health Services, which was conceived and designed so that medical and social needs for seniors could be met under one roof. Dr. Gee was named founding chairman and president of the board of On Lok Senior Services, a position he held for 15 years until his retirement in 1987. His belief in the potential of On Lok enabled him to secure support and funding from Federal, State and private sources.

On Lok has become a national model for the program of all-inclusive care for the elderly, and is being replicated in programs across the United States. Even after his retirement, Dr. Gee traveled the country, assisting nonprofit organizations in setting up programs like this. Planners have come to the city from throughout the world to study the innovative and effective ways On Lok cares for the elderly.

Dr. Gee's passion for assisting those in need was well known in the community. When asked about his philosophy regarding volunteering, Dr. Gee offered this response, "We aren't born into this world alone. If we don't help each other, who's going to do it? I was taught that you do your share without looking over your shoulder to see if others are doing theirs. The encouraging thing is that usually they are."

Mr. Speaker, the San Francisco community will gather on Thursday, March 4 to remember and celebrate the life and good works of Dr. Gee. Our Nation has benefited from his vision, his wisdom, and his leadership, and his contributions shall not be forgotten.

TRIBUTE TO CHARLA ROLLAND

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Ms. ESHOO. Mr. Speaker, I rise today to honor Charla Rolland, an outstanding individual who I am proud to represent from California's 14th Congressional District. Next week she is being honored as an inductee into the San Mateo County Women's Hall of Fame.

Charla Rolland is a school superintendent in San Mateo County. To promote equality of education, she has established two important programs: Outreach confidentially provides help with finances, transportation, translation, and child care for families in her school community, and the Casa Program which pairs adult mentors with students identified as being at risk. As a member of the Child Advocates Council, she is an advocate for two teen-age girls.

Mr. Speaker, Charla Rolland is truly an outstanding citizen of the 14th Congressional District. I am privileged to represent her and proud to enter these words of congratulations into the RECORD.

HONORING THE SELECTION OF PAUL W. ROBINSON AS THE VILLAGE OF DELTA'S CITIZEN OF THE YEAR

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Ms. KAPTUR. Mr. Speaker, it is my distinct pleasure to join with the Delta Chamber of Commerce in congratulating Paul W. Robinson for his selection as the Village of Delta's Citizen of the Year.

Mr. Robinson has served his community admirably for close to a half-century. In 1949 he was elected the youngest mayor in Delta's history at the age of 31. He went on to serve two terms as mayor and for many years later was active on the Delta Board of Public Affairs and the Delta School Board.

Mr. Robinson's service to his community did not stop him from pursuing several other livelihoods. During his tenure as mayor, Mr. Robinson also had time to run a milk route, a paper route, farmed and started a career as an auctioneer and real estate salesman. The commitment and energy he brought to his community and his work are legendary among the citizens of Delta.

Paul Robinson, still more active than many men half his age, continues his work as an auctioneer and donates his talents to the Delta Rotary Club, Swanton Rotary Club, Swanton Athletic Boosters, Delta Assembly of God and the United Methodist Church of Delta for their annual auctions. Mr. Robinson also donates his talents as an auctioneer for area fundraisers to help his neighbors in need.

On March 13 when the citizens bestow this very deserved honor on Paul Robinson, they will be paying tribute to a man who embodies what is best about small town America. His

love of his family and his community are well known to all of those who have been touched by his energy and enthusiasm throughout the years. It is an evening that is sure to be remembered by Paul Robinson, his family and the citizens of Delta for years to come.

I join with my colleagues in the U.S. Congress in congratulating Paul Robinson on this honor and for his many years of service to Delta, OH, and our Nation.

SHABBAT ZACHOR—REMEMBERING SYRIAN JEWRY

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. WAXMAN. Mr. Speaker, this weekend the international Jewish community will be observing Shabbat Zachor, the Sabbath of Remembrance. Jews throughout the world use this day to remember four young Jewish women from Damascus who in 1974 were caught trying to flee Syria. These women—three sisters and their cousin—were raped and brutally murdered by the Syrian police, who left their bodies in the Jewish quarter of Damascus as an example to anyone else who would try to escape. As we recall the tragic murders of 1974, we must also focus on the Jews who continue to suffer under an oppressive Syrian regime.

For over 40 years the Jewish community in Syria has lived in constant fear, experiencing Government-sanctioned harassment and discrimination and being deprived of basic rights as citizens. Until recently, Jews were not permitted to leave Syria without posting a cash bond and leaving some family members behind to ensure their return. On April 27, 1992, after years of pressure from Congress and the executive branch, the Syrian Government lifted its restriction on travel. In the months that followed, more than half of the 4,000 Jews living in Syria were allowed to leave.

Since late October of last year, the floodgates of Syria have slammed shut. Over the last 5 months, only a small number of the community have been granted exit permits for travel, and the majority of the 1,400 Jews remaining in Syria are waiting to leave. These individuals are being held hostage by their Government, used as pawns in a political chess match with the United States.

As Syria and the United States prepare to return to the Middle East peace table, the plight of the Syrian Jews must not be forgotten. The United States must continue to apply pressure on the Syrian Government until every Jew who wishes to leave the country is allowed to do so. The persecution of this tiny community has gone on for far too long. As Jews and others worldwide remember the past, let us not forget the work that remains to be finished.

CLINTON DIDN'T TELL THE TRUTH HIS ECONOMIC PLAN IS WRITTEN IN RED INK

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. SOLOMON. Mr. Speaker, I recommend that all of my colleagues carefully review the article I am inserting into the CONGRESSIONAL RECORD today which accurately outlines the serious problems with the Clinton economic plan. The title of the article pretty much says it all "Experts: Plan Written in Red Ink."

In 10 months, the Members of this body face another election year and will be held accountable for voting for a plan that means more pain than gain for taxpayers. The Clinton plan is nothing short of a revolutionary rise in taxes masquerading as an attack on the deficit.

The one message I intend to deliver to the American public is that this plan is written in ink. It is the largest tax increase in history, it greatly increases Government spending and it does little to decrease the deficit. To quote the below article, "But even the economists who praise Clinton's efforts also say he has done little to cut the deficit."

EXPERTS: PLAN WRITTEN IN RED INK

(By J. Craig Crawford)

WASHINGTON.—At first, President Clinton's economic plan seemed so simple: raise taxes, cut spending and stem the tide of federal red ink.

But many economists have found something different in Clinton's 145-page blueprint called "A Vision of Change for America."

They see a plan for bigger government that seeks $2 in tax increases for every $1 in spending cuts over the next five years, while barely touching the red ink.

Veteran Capitol Hill economist Allen Schick sees a revolutionary rise in taxes—$385 billion over five years—masquerading as an attack on the deficit, that yearly shortfall between what the government takes in and what it spends.

"The president is using the cover of the deficit to impose higher taxes to increase government spending," the University of Maryland professor said.

What's this? The deficit could be a mask for higher taxes and bigger government? Not so, say the president's defenders.

"We won't vote for any tax increases on the wealthy or anybody else unless there are assured cuts in spending," said Rep. Sander Levin, D-Mich, a member of the powerful House Ways and Means Committee.

And some economists give Clinton's plan high marks for at least being more straightforward than Presidents Reagan or Bush.

"It is much more honest," said Stanley Collender, director of federal budget policy for Price Waterhouse.

But even the economists who praise Clinton's efforts also say he has done little to cut the deficit.

"At least he stepped up to the plate," said Urban Institute economist Eugene Steuerle. "But when it comes to deficit reduction he's barely out of the batter's box."

Despite proposing the biggest tax increase in history, Clinton's five-year plan winds up making only a dent in the deficit.

If Congress gives Clinton everything he has asked for, the 1998 deficit would be $241 billion—only an 8-percent drop from next year's estimated $262 billion deficit.

What's going on here? All this sacrifice from taxpayers for an 8-percent dent in yearly overspending?

"He's eaten up the tax increases and spending cuts with more spending," economist Schick said. "In the end, you just get more spending."

Here's how it works:

The president promised more than $300 billion in spending cuts over the next five years. But that included what the White House expects to save by raising taxes on benefits such as Social Security, and increasing Medicare premiums and fees for federal services.

A study by the nonpartisan Congressional Research Service concluded that Clinton's real spending cuts over the next five years are closer to $200 billion.

But subtract from that what Clinton would add in spending—more than $200 billion in new federal "investments" over the next five years. He plans huge increases for highways, mass transit, health care and job-training.

So, if the spending cuts and spending increases cancel each other out, what happens to the $385 billion generated by Clinton's tax hikes between now and 1998?

Some of it takes a small bite out of each year's expected deficit. But most of Clinton's new taxes are devoured by his business tax breaks and the rising cost of Medicare and other entitlements.

SCARING THE TAXPAYERS

Here's what's happening: Washington has accumulated so much debt that frightened taxpayers could be persuaded to pay more to reduce it, even though their money might actually be used to make government—and the debt—bigger than ever.

It's happened before. In 1990, President Bush and Congress agreed to the nation's biggest tax increase so far on the promise that it would cut red ink.

Instead, the debt grew another $1 trillion as federal spending soared.

The president is not shy about his belief in bigger government. Much bigger. As big as they have in Europe, the model he usually cites whenever talking about health care reform, workplace changes, or federal investment in industry.

Europeans pay more for government, but they also get more: inexpensive doctors and hospitals, widespread mass transit and low cost college tuition.

The Paris-based Organization for Economic Cooperation and Development, a European think tank, released a study in December that blamed a "tax deficit" on troubled U.S. efforts to compete against nations with higher taxes that subsidize industry.

Clinton supporters now cite the study as proof that Americans are undertaxed, sending less than a third of their income to Washington. But add state and local taxes, and the average American pays at least 37 cents of every dollar earned.

"Investment" is the buzz word in Clinton's rhetoric that describes how he would have the federal government train workers and subsidize favored industries as the Europeans do.

Last week's White House policy paper on technology noted that federal spending on favored companies—known as industrial policy—is "notably weak" compared to Europe and Japan.

RAISING TAXES

Even if Clinton's tax increases make government bigger—instead of significantly cut-

ting red ink—could most Americans at least be assured that their taxes won't rise much?

Again, the president's numbers are tricky.

Clinton told Congress he would "make sure that no cost is imposed on families with incomes under $30,000."

That sounded all right to those who make less than that. But it turns out that Clinton's definition of family income is not the familiar statistic on your Form 1040 tax return: adjusted gross income.

Instead, the president's estimate of his tax proposal's effect was based on what is called "economic income." That includes your taxable earnings in addition to so-called unreported income, such as tax-exempt interest, employer-provided fringe benefits, children's wages and the potential rent on a house you own (even if you don't rent it to anyone).

Don't worry, they aren't going to tax your house. The White House just used the rental value of a home, and other possible sources of income, as a way of inflating the minimum worth of families that would be hit by planned tax increases.

Add all that to the mix and the Clinton administration grudgingly acknowledges that the proposed tax increases start hitting husbands and wives who jointly earn $20,000 in taxable income.

George Bush must be grinding his teeth. Last Oct. 1 his losing reelection campaign ran a television advertisement calculating that Clinton would pay for more government by raising taxes on every family earning more than $36,600 a year.

Now it turns out that Bush underestimated the number of Americans who would face a Clinton tax increase.

Clinton now claims that he was forced to change his tax plans in December after unexpectedly learning that he would inherit a $346 billion deficit in 1993.

But last July he told Business Week that he expected deficits approaching $400 billion. (And he was surely aware that in August the Congressional Budget Office predicted a $350 billion deficit for the current budget year.)

Clinton responded angrily to Bush's campaign prediction of higher taxes on middle-income families.

"It is blatantly false," Clinton said in October. "It is a disgrace to the American people that the president of the United States would make a claim that is so baseless, that it is so without foundation, so shameless in its attempt to get support under false pretenses."

WHERE IT GOES

Where does President Clinton's new money go? Here's the breakdown of Clinton's 1994–98 "investment" increases (in billions):

Transportation (highways and mass transit)	12.5
Environment (wastewater-treatment projects)	12.4
Technology	17.3
Unemployment compensation	2.4
Education and jobs	52.3
Health care	36.0
Housing	68.9
Other	15.4
Total	217.2

Source: Congressional Research Service

Who pays under Clinton's tax changes?

Income group:	
Under–$10,000	$–12
$10,000–20,000	0
20,000–30,000	+24
30,000–50,000	+190
50,000–75,000	+430
75,000–100,000	+590
100,000–200,000	+980
200,000 or more	+16,000

Taking in more: All Tax Increases Under Clinton's Plan

Proposal 1994–98 total:

	In billions
Raise upper income rates	$124.5
Remove cap on Medicare wage base	29.2
Medicare premium increase	11.6
Increase corporate rates	30.2
Impose energy tax	71.4
Collect unpaid taxes on service industry workers	6.2
Disallow unreasonable claims	1.9
Restrict deduction for business meals and entertainment to 50 percent	16.1
Reduce pension compensation cap	3.6
Disallow deductions for meals and real-estate expenses	1.7
Extend 2.5 cent per gallon gas tax	7.8
Extend estate tax rates	2.7
Deny deduction for club dues	1.2
Deny lobbying deductions	0.9
Alter international tax provisions	8.7
Increase fees for Harbor maintenance; SEC registration and other federal services	20.2
Tax 85 percent of Social Security benefits for upper income recipients	29.0
Other miscellaneous provisions	17.6
Total	384.5

Source: Office of Management and Budget

THE SMALL PROPERTY AND CASUALTY INSURANCE COMPANY EQUITY ACT OF 1993

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. THOMAS of California. Mr. Speaker, I am pleased today to be introducing the Small Property and Casualty Insurance Company Equity Act of 1993 in order to correct an obvious inequity that exists between the tax treatment of small property and casualty insurance companies and the current tax treatment of small life insurance companies. This important legislation, in modified form, was twice passed by the U.S. House of Representatives during 1992, once as part of H.R. 5674, and once as part of H.R. 11, the "Revenue Act of 1992".

Small property and casualty insurance companies play an essential function in the insurance industry by enhancing the level of competition within the industry and providing coverage in areas where other companies often fear to tread. However, small property and casualty companies are more at risk than are the large, diversified companies to the vagaries of nature—massive earthquakes, damaging hurricanes, and ravaging floods, such as those suffered in recent years by California and our Southeastern States. Small property and casualty insurance companies are also subject to surplus requirements that limit the amount of premiums they can write, thus making it difficult for such companies to grow.

Instead of imposing an impediment to the existence of small property and casualty companies, the tax law should at least provide a level playing field for such companies in relation to small life insurance companies.

Life insurance companies have the benefit of actuarial tables to aid in the prediction of losses, which makes the life insurance business inherently less risky than the property and casualty business. Small life insurance companies—those with total assets of less than $500 million—are entitled to the small life insurance company deduction under section 806 of the Internal Revenue Code, a provision which has been available to them since 1984.

The legislation I am introducing today will put small property and casualty insurance companies and small life insurance companies on an equal footing for tax purposes. Under the bill, the small company deduction now applicable to life insurance companies would be made available to property and casualty companies of similar size. Thus, a small property and casualty company with assets of less than $500 million would be entitled to exclude from its insurance company income 60 percent of the first $3 million of insurance company income earned each year. The special deduction would be decreased by 15 percent for every insurance dollar earned in excess of $3 million. Thus, the small company deduction would phase out once insurance income reached $15 million for the year.

The same limitations that currently apply to small life insurance companies, for purposes of determining their assets and their insurance income, would apply to the deduction allowable to small property and casualty companies.

I strongly encourage my colleagues to cosponsor this important legislation and to work for its prompt enactment so that small property and casualty companies and small life insurance companies will be subject to equal tax treatment.

PLIGHT OF SYRIAN JEWS CANNOT BE IGNORED

HON. JERROLD NADLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. NADLER. Mr. Speaker, this week Jews across America will observe the Sabbath of Remembrance, commemorating centuries of discrimination and resolving to fight anti-Semitism at home and abroad. Next week, Jews across the world will celebrate Purim, recalling the triumph of the Jewish people over oppression and genocide. If history holds any lesson, it is that in the face of aggression, we must never remain silent. I rise today to fulfill this obligation. Mr. Speaker, on the eve of the Sabbath of Remembrance, I wish to call attention to the continuing plight of the 1,400 Jews of Syria, the vast majority of whom are trapped there against their will.

Last April, Syrian President Assad yielded to international pressure and allowed over half of Syria's 4,000 Jews to escape the Government-sanctioned discrimination and harassment they face every day in their country. While advocates of human rights applauded this historic action, we were dismayed when, in October 1992, the Syrian Government

abruptly reversed itself and shut the door on Jewish travel.

Mr. Speaker, the continuing plight of Syrian Jews is simply unacceptable. Families remain divided and communities torn apart. I call on President Assad to resume immediately the granting of passports and exit permits to the over 1,000 Jews still trapped in Syria.

I wish to applaud Secretary Christopher's personal intervention with President Assad in this matter. The plight of 1,400 Syrian Jews cannot be ignored. During this week of remembrance, we in Congress must not forget them.

TRIBUTE TO JAMES STANKEVITZ

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. LIPINSKI. Mr. Speaker, it gives me great pleasure to bring to the attention of my colleagues, an outstanding educator from the Third Congressional District of Illinois. James Stankevitz was selected as one of the recipients of the 1992 Presidential Award for Excellence in Science and Mathematics Teaching. This is an accomplishment worthy of special recognition.

The Presidential Award which is administered by the National Science Foundation is designed to recognize and reward outstanding teachers who serve as models for their colleagues in the vital area of science and mathematics. I commend James on his enthusiasm and dedication as a high school science teacher.

I am sure my colleagues will join me in expressing congratulations to James for his outstanding achievement in teaching.

THE FEDERAL EMPLOYEES POLITICAL ACTIVITIES ACT OF 1993

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. MINETA. Mr. Speaker, I rise today in strong support of H.R. 20, the Federal Employees Political Activities Act of 1993.

Federal employment should not mean second-class citizenship. Our 3 million postal and Federal civilian workers must be allowed to fully participate in our country's democratic process by revising the abstrusive Hatch Act that hinders these citizens' rights.

I have long supported reform of the Hatch Act, which unnecessarily discourages Federal employees from exercising their constitutional right to partake in the political process of our Nation. Since its implementation in 1939, there have been over 3,000 separate regulatory rulings in an attempt to interpret and enforce the Hatch Act. The bill before us today establishes a solid, workable structure for protecting Federal employees from political coercion while ensuring their rights as citizens.

While H.R. 20 would permit voluntary participation by Federal employees in political activities during their off hours, it sets up specific guidelines to ensure that this privilege is not abused. The bill clarifies provisions to deter the use of Federal positions and information available to Federal employees for political purposes, and even strengthens prohibitions against political pressuring of Federal employees by their superiors.

As a cosponsor of H.R. 20, I truly believe this legislation offers a balance between concerns about political coercion in the workplace with the right of individuals to participate freely in the political process.

I have great respect for the valued service rendered to our country by Federal employees and I believe we must vigorously work to untie the political restraint that the Hatch Act places on these workers. Our Federal employees should no longer be afraid to exercise their basic rights as citizens of the United States of America. I urge my colleagues to join me in support of this bill.

LEGISLATION REGARDING SOCIAL SECURITY TAXES ON DOMESTIC EMPLOYEES

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. SHAW. Mr. Speaker, today I am introducing two bills that suggest several very basic and common sense changes that will make paying Social Security taxes on domestic employees less of a burden, and therefore more likely to occur.

My first bill proposes three simple changes: It would raise the threshold for paying Social Security taxes on domestic employees from the current $50 per quarter to $2,000 per year, index this threshold to account for inflation, and require paperwork and payments to be filed once a year instead of every 3 months. Individuals with regular domestic employees, such as a nanny or live-in housekeeper, would still need to pay taxes. Even for those reaching the higher threshold, however, filing would be less of a burden, making this tax more likely to be paid.

My second bill recognizes that, for a number of reasons, current law in this regard has been widely ignored. I certainly do not condone Americans who do not pay the proper taxes. However, it became clear from public discussion surrounding the nomination of Zoe Baird to be Attorney General that many Americans simply were not aware of this tax liability. Others ignored paying because of the paperwork burden and the ridiculously low threshold, recognizing that this law was apparently rarely if ever enforced.

These are not excuses for not paying, but they are reasons for us to consider raising the threshold, as the House Ways and Means Social Security and Human Resources Subcommittees has done today. Most Americans realize, rightly I think, that paying their neighbor's son $10 per week through the summer to mow their lawn does not make them a small business owner. Our laws should reflect this simply fact, but unfortunately they don't currently.

My second bill therefore proposes extending a 6-month amnesty from penalty and interest payments for individuals who come forward and pay taxes they may owe on past domestic employees. Also, this bill requires the Secretary of the Treasury to transmit information about the employee and any earnings to the Secretary of Health and Human Services, so that the employee's wages can be credited toward future Social Security benefits. Domestic employees would get credited for the wages they earned, and their employers would be able to pay taxes they may have only recently found out they owe without additional penalty.

Mr. Speaker, Americans should obey the law, but unreasonable laws invite abuse. My bills will make observing this tax simpler and less burdensome for many Americans, which will also make them more likely to pay the taxes they owe.

SUPPORT DAVIS-BACON REFORM

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. MURPHY. Mr. Speaker, today I am introducing legislation to reform the Davis-Bacon Act. For over 50 years, this important law has protected the U.S. Government and American workers from unscrupulous contracting practices. It assures that taxpayers can expect competent craftsmen on federally funded or assisted construction projects and at the same time guarantees a decent standard of living for workers in one of our last important blue collar industries.

I believe it is time for us to reaffirm our commitment to the principle of providing a level playing field for Federal contractors. Our constituents have a right to expect competitive contracts, quality construction, and competent craftsmanship when their tax dollars are invested in construction projects as well as the expectation that such projects will pay fair wages.

The Davis-Bacon Act mandates that all federally funded or assisted construction projects pay locally prevailing wages corresponding to the various types of trades or skills involved. The purpose of this act is to prevent Federal construction procurement from undermining living standards and local economies impacted by the presence of U.S. Government projects. The Davis-Bacon Act requires contractors to pay locally prevailing wages thereby eliminating any incentive to bring in low paid, unskilled workers from other areas. Consequently, local laborers and craftsmen have at least an even chance to compete for work on projects where Federal money or other assistance is involved.

My bill is the result of more than 4 years of effort to promote meaningful and timely reforms of the Davis-Bacon Act. Those individuals or groups who seek repeal of this law will no doubt be disappointed. Those who in good conscience advocate reform will, I believe, find a well-reasoned and balanced package of major concessions and adjustments as well as other improvements to the Davis-Bacon Act.

The bill I am introducing today is an extensive reform. Briefly, the bill modernizes the ap-

plication of the act, simplifies Federal construction procurement with a true small contract exemption, improves administration and enforcement of the act, and ensures continued prevailing wage protection for construction workers.

I encourage my colleagues in the House to pass true Davis-Bacon reform legislation. It is time for Congress to take a firm stand on the issue and resolve this matter once and for all. This bill represents the most comprehensive effort to make the Davis-Bacon Act reflect the realities of construction work in the 1990's. We cannot let another opportunity pass us by.

TRIBUTE TO LISA WOLFKLAIN

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Ms. ESHOO. Mr. Speaker, I rise today to honor Lisa Wolfklain, an outstanding individual who is being honored as an inductee into the San Mateo County Women's Hall of Fame.

Ms. Wolfklain has served with the San Mateo County Battered Women's Services since 1981. She has been president of the governing board and was instrumental in making the organization into a vital community resource. She has developed a new organizational structure, established a community office, employed high quality professional staff, and obtained a $50,000 grant from the California Office of Criminal Justice Planning.

Ms. Wolfklain has applied her passion for justice to the business world where she has developed a human resources program that has grown from 5 to 180 employees in 5 years. Her accomplishments in the field of health care have been written of in several newspapers.

Mr. Speaker, Lisa Wolfklain is truly an outstanding citizen. I am privileged to be part of her community and proud to enter these words of congratulations into the RECORD.

IN COSPONSORSHIP OF THE FREEDOM OF CHOICE ACT, H.R. 25

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. WILLIAMS. Mr. Speaker, last week I added my name to the list of cosponsors of the Freedom of Choice Act. I do so because I believe the decision reached in the Supreme Court case Roe versus Wade in January 1973, is a sound one.

I would, however, like to make it very clear that I support this legislation because it continues the precedent set in Roe versus Wade, including the provision that permits States to regulate abortion after fetal viability. During the third trimester, the Supreme Court makes an exception to the States' authority when the preservation of the life or health of the mother, as determined by appropriate medical judgment, is at stake. States also have the authority to regulate abortion at the end of the first trimester to promote the health of the mother.

In signing this bill, it is my understanding the legislation preserves current State authority.

TRIBUTE TO KIMBERLY WILMS FRIEDMAN

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 4, 1993

Mr. BERMAN. Mr. Speaker, it is an honor to pay tribute to Kimberly Wilms Friedman, who has spent so much of her time working with Alzheimer's patients at Granada Hills Community Hospital and the Bernardi Center. She has dedicated her professional life to helping ease the pain and suffering caused by a cruel disease that remains incurable. Her work is an inspiration to us all.

At Granada Hills Community Hospital, Kimberly is the director of the Center for Alzheimer's Resource and Evaluation. The center provides a full range of services, including outpatient diagnosis, clinical drug trial information, education programs, and support groups for caregivers. Not surprisingly, Kimberly is regarded as an expert in the care and treatment of the disease.

The Bernardi Center is indeed fortunate to have had Kimberly as an advisor to its own Alzheimer's program. Her support and knowledge have helped the program continue to function effectively.

Kimberly is also affiliated with several groups that have been created to deal with the psychological and physical toll the disease extracts both from its victims and their families. She is vice president for patient and family services of the Los Angeles chapter of the Alzheimer's Association, a member of the board of directors of the Los Angeles chapter of the Alzheimer's Association and a cochair of the chapter's support group committee. Outside of this particular area of expertise, she is a member of the American Society on Aging and a cofounder and member of the steering committee of the San Fernando Valley Aging Network.

We all hope that someday a cure will be found for Alzheimer's, which is a leading killer of senior citizens. In the meantime Kimberly Wilms Friedman is doing all she can and more to bring comfort to those with the disease, as well as their loved ones. For this she deserves our gratitude and praise.