

Second, the Home-Based Business Fairness Act will restore the home-office deduction and make it available to all business owners who perform their essential administrative and management functions only in their homes. This portion of the bill will clarify the ambiguities resulting from the 1993 Supreme Court decision, *Commissioner v. Soliman*. This decision required the customers of a home business to physically visit the home office and the business owners income to be generated within the home office itself in order to qualify for a deduction. This bill would expand and clarify the home-office deduction by allowing those who perform their services outside the home to benefit from the deduction as long as they use their home for all billing and recordkeeping activities.

Third, S. 460 clarifies the independent contractor definition. Under current law, small businesses and the self-employed must rely on a complicated and ambiguous 20 point test of IRS guidelines to determine how to classify their workers and what taxes must be paid. The IRS can penalize firms who use self-employed contractors and force them to pay retroactive taxes and fines if they disagree with the worker's classification as an independent contractor. The Home-Based Business Fairness Act will establish a general safe harbor to provide more certainty in determining the independent contractor status and protect against retroactive reclassifications, fines, and penalties.

On the regulatory front, I have cosponsored the Mandates Information Act of 1997 to help reduce the burden on America's economy of Congressional mandates. In the past, Congress has often acted without adequate information concerning the costs of private sector mandates. These costs are borne by consumers in the form of higher prices and reduced availability of goods; workers, in the form of lower wages, reduced benefits, and fewer job opportunities; and small businesses, in the form of hiring disincentives and stunted growth.

The Mandates Information Act contains two key provisions to prevent imposition of new mandates on the private sector. First, it establishes an additional procedural hurdle, or shame vote, against any bill containing private sector mandates exceeding \$100 million a year. Second, it directs the Congressional Budget Office (CBO) to prepare a small business impact statement to inform Members of Congress about a bill's effects on consumer costs, worker wages, and the availability of goods and services. I believe this initiative will help stop the spread of mandates at their source—allowing small businesses to take risks and create new jobs without the added pressure of unfunded Washington requirements.

Mr. President, during Small Business Week and every week, Congress needs

to listen to the men and women who are running Main Street businesses. Today, I speak for only a few minutes to honor the small business owners and employees who spend hours every day trying to fulfill their American dreams. I want to let them know that their elected officials are making some progress on their agenda, but we still have a long way to go. I urge my colleagues not to rest in our efforts to support American free enterprise.●

RISING COSTS OF A COLLEGE EDUCATION

● Mr. CLELAND. Mr. President, I rise today to share with you and all of our colleagues a disturbing report released Tuesday. According to this report, produced by a panel of public and private university officials and corporate executives, the cost of a college education is rising dramatically. This figure must be contained or an increasing number of low-income students will be shut out from the opportunity to earn a degree.

According to this report, tuition is expected to double by 2015, effectively shutting off higher education to half of those who would want to pursue it. We cannot allow this door to close on these low-income students. We should be opening these doors for our young people, not closing them.

These rising tuition costs must be addressed. An investment in education is an investment in the future of this country. Adequate governmental support for higher education is essential in order to arm our children with the proper resources so that they are able to live and compete in a global market. I firmly believe in providing all feasible financial support for students receiving a higher education. That's why I am a cosponsor of S. 12, the Education for the 21st Century Act, which would help to increase the educational opportunities for America's youth.

Mr. President, I ask that the text of the article detailing these report findings, which appeared in the *New York Times*, June 18, 1997, be printed in the RECORD.

The article follows:

[From the *New York Times*, June 18, 1997]

RISING COST OF COLLEGE IMPERILS NATION, REPORT SAYS

(By Peter Applebome)

The nation's colleges and universities need to cut costs dramatically or face a shortfall of funds that will increasingly shut out the poor from higher education and from economic opportunity as well, according to a blunt and far-ranging assessment of American higher education that was made public on Tuesday.

The report, by a panel of public and private university officials and corporate executives, says that rising costs, falling public spending and a coming surge in demand are making the economics of American higher education increasingly unsupportable.

If current enrollment, spending and financing trends continue, the report said, higher education will fall \$38 billion short of what it needs to serve the expected student popu-

lation in 2015. To sustain current spending, it said, tuition would have to double by 2015, effectively shutting off higher education to half of those who would want to pursue it.

The report focuses on one of the great unspoken dilemmas in President Clinton's push to make a college diploma as common as a high school one: higher education is expensive, students pay only a small share of their costs and, while bringing increasing numbers of low-income students into higher education will have long-term economic benefits, it will also have enormous short-term economic costs.

On the other hand, the report said, with education increasingly crucial to economic advancement, cutting off access to education—particularly to the poor and to immigrant groups who increasingly dominate the student population of states like California, Florida, New York and Texas—would have enormous consequences for the nation's social fabric.

The report, "Breaking the Social Contract: The Fiscal Crisis in Higher Education," calls for a radical restructuring of universities, including an effort to overhaul university governance to limit the power of individual departments, redefining and often reducing the ambitions of different institutions and a sharing of resources between institutions.

The report also calls for more public financing, but it stresses that changes in the system should be prerequisites to any increases.

"The facts are irrefutable," said Thomas Kean, the former New Jersey governor who is now president of Drew University and is a co-chairman of the panel that wrote the report. "We are heading for a crisis at the very time we can least afford one."

The panel, the Commission on National Investment in Higher Education, is made up of academic and business leaders convened by the Council for Aid to Education, an independent subsidiary of the Rand Corp.

Experts say that higher education is already being reshaped by such forces as technology or competition from for-profit institutions, so that a straight-line extrapolation from current economic figures is difficult. And higher education is such a varied enterprise in the United States that a crisis for a public college in California does not necessarily mean a crisis for Harvard or Princeton.

Still, Roger Benjamin, president of the Council for Aid to Education, notes that even rich universities like Yale and Stanford have faced deficits and retrenchment in recent years.

And officials in state systems, which educate the majority of Americans, say the gap between resources and costs in higher education is becoming ever more daunting.

Charles Reed, chancellor of the State University System of Florida, said that over the next 10 years Florida will face a 50 percent increase in students at its public four-year institutions, from 210,000 to 300,000.

Barry Munitz, chancellor of the California State University System, said California was midway through a half-century of population growth and demographic change that would see the number of schoolchildren in kindergarten through the 12th grade almost double, to about eight million, and go from about 75 percent white in 1970 to about 75 percent minority in 2020.

Population growth will only accelerate the financial problems facing higher education, the report said. It noted that the index measuring the increases in the price paid by colleges and universities for goods and services, like faculty salaries, rose more than sixfold from 1961 to 1995. The annual rate of growth in the cost of providing higher education exceeded the Consumer Price Index by more than a percentage point from 1980 to 1995, the report said.

And, while costs have gone up, public support has not. Since 1976, public support per student has just kept up with inflation, while real costs per student have grown by about 40 percent, the report said.

To make up the difference, tuition has risen dramatically, with tuition and fees doubling from 1976 to 1994. But the report said that a similar doubling between now and 2015 would have a catastrophic effect on access, pricing as many as 6.7 million students out of higher education.

"If you were to announce that, given fiscal pressures, the door to social mobility that was good enough for the old generation is really no longer needed by the new one, you might as well stick a ticking bomb inside the social fabric of this country," Munitz said.

While calling for more public support, the report says that a solution to the fiscal imbalance has to start with colleges and universities themselves.

"Given the magnitude of the deficit facing American colleges and universities, it is surprising that these institutions have not taken more serious steps to increase productivity without sacrificing quality," the report said.

The report's recommendations for restructuring—from sharing a library with other institutions to eliminating weak programs—are not new, but there are enormous political and institutional barriers in the way of a major economic overhaul of higher education. Still, some experts say institutions have no option but to find ways to operate more efficiently.

"The ability to maximize revenue, given the competitive pressures for state dollars on the one hand and the resistance to future increases in tuition on the other, has about run its course," said Stanley Ikenberry, president of the American Council on Education, a leading advocacy group that was not involved in the report. "All of that's putting more and more pressure on the operating side of the budget."•

TRIBUTE TO THE TOWNS OF NASHUA, PORTSMOUTH, AND MANCHESTER ON BEING NAMED TO MONEY MAGAZINE'S BEST PLACES TO LIVE IN AMERICA

• Mr. SMITH of New Hampshire. Mr. President, I rise today to recognize the great citizens of Nashua, NH, Portsmouth, NH, and Manchester, NH, on being named to Money Magazine's best places to live in America. Nashua, NH came in at No. 1, with Portsmouth and Manchester finishing fifth and sixth respectively, based on Money magazine's rankings.

The national investment magazine released their list of America's top 10 communities based on business climate, economic well-being, quality of life, and other factors that comprise a positive environment in which to work and raise a family. New Hampshire's tourism industry, scenic beauty, lack of sales or income tax, low crime rate, quality education and family and community spirit make the State attractive for families and businesses to locate here. The people of these communities, and of the entire State, have good reason to be extra proud.

Nashua, the Gate City of the Granite State, named No. 1 by Money magazine, is the only State to receive this honor twice, of which I and the citizens

are very proud. The former mill town, which borders the Commonwealth of Massachusetts, has a booming economy with manufacturing facilities, hi-tech firms and defense contractors. Nashua is also close to many cultural arts venues and major medical facilities of neighboring communities, which make it No. 1 as touted by Money magazine.

Portsmouth, New Hampshire's port city, placed sixth as the most desirable place in the country. The Portsmouth community relies on many major technology and communications firms to help thrust to the forefront of the Nation. The Portsmouth community is a great place to raise a family with its many fine schools and major colleges nearby, including the University of New Hampshire in nearby Durham. The Port City is also the home of one of our Nation's finest military institutions, the Portsmouth Naval Shipyard.

Manchester, the Queen City, picked up the sixth place honors in the Nation. The Queen City has many hi-tech firms and major telecommunications businesses which help add to the economic power of the city. Manchester sits on the banks of the Merrimack River, the home to many of the historic manufacturing plants of the late 1800's and early 1900's. Situated in the Merrimack Valley of New Hampshire, Manchester is also home to a booming cultural arts center which is the pride of northern New England.

Mr. President, it is no surprise that New Hampshire is the only State with 3 towns in the top 10. I can think of no cities in America more deserving of these top honors than Nashua, Portsmouth, and Manchester. I applaud the local officials, enterprising businessmen and women and the committed citizens of these great cities. They helped bring about an economic revival that has propelled New Hampshire into national recognition once again. I am proud to represent them all in the U.S. Senate.●

BOB OLIVER, WASHINGTON STATE D.A.R.E. OFFICER OF THE YEAR

• Mrs. MURRAY. Mr. President, it is my great pleasure to recognize Bellevue Police Department Officer Bob Oliver for his selection as Washington State D.A.R.E. Officer of the Year.

Our children are our greatest resource and our future prosperity depends on them becoming contributing members of the community. Giving them the skills to success is no easy task, yet it is our responsibility as adults to ensure that our children have the best chance possible to succeed. The D.A.R.E. Program gives them that chance. D.A.R.E. equips each participant with the skills to just say no to peer pressure when confronted with the temptation to use drugs. It reinforces the importance of self-esteem and the consequences of one's actions, lessons which will help the children confront problems of any sort their entire lives.

Through his active participation in the D.A.R.E. Program, Officer Oliver

has demonstrated his special commitment to these children. As a police officer, Officer Oliver has dedicated his career to making his community a safer place to live. Through his participation in the D.A.R.E. Program and with his focus on prevention, his work not only makes a difference today, but will have a lasting impact.

Some take measure of a good police officer by the numbers of arrests made or traffic violations ticketed. Officer Oliver can measure his success by the many children whose lives he has touched and positively influenced through the D.A.R.E. Program and the high esteem in which he is held in the community.

As his family and colleagues gather to recognize him for this achievement, I want to wish him continued success. Officer Bob Oliver is truly an asset to our community, and we all congratulate him on a job well done.●

COMMENDING ALL THOSE ASSISTING THE SENATE BANKING COMMITTEE INQUIRY INTO HOLOCAUST ASSETS

• Mr. D'AMATO. Mr. President, I rise today to commend all those assisting in the ongoing Senate Banking Committee Inquiry into Holocaust Assets.

I must start with the leading role of the World Jewish Congress, particularly Edgar Bronfman who along with WJC Secretary General Israel Singer brought this issue to me on December 7, 1995. Their work, along with that of Elan Steinberg has been a true force to reckon with for the Swiss banks.

I cannot forget the absolutely invaluable help of Ambassador Stuart Eizenstat and his very able staff in finding and preparing the administration's exhaustive report on the subject. Of particular help has been the work of Judy Barnett. She has fought the tough interagency battles to establish the truth. State Department Historian Bill Slany did an incredible job in assembling the report.

I want to also thank the following members of the various departments of the U.S. Government: Francine Barber, Abby Gilbert, David Joy, Felix Hernandez, Judy Liberson, Bill McFadden, Eli Rosenbaum, Ruth Van Heuven, and Barry White.

I hope that I have not left out anyone.

The National Archives at College Park has been nothing less than amazing. The staff has gone out of their way to provide our researchers with help, including declassification, record and document locations, use of their facilities, overall access to the building and records, and the wisdom, and advice of the gifted archivists. Put all together, their help was indispensable in establishing, continuing and expanding the research of the Committee.

Of particular help to our staff and researchers has been that of Greg Bradshear who compiled the finding aid