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Senate

(Legislative day of Wednesday, April 5, 1995)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. Today's prayer will be offered by our guest Chaplain, Father Schlegel. He is president of the University of San Francisco. He has been endorsed by Senator HATFIELD and Sheila Burke. We are very pleased to have him with us.

PRAYER

The guest Chaplain, Father John Schlegel, office of the president, University of San Francisco, offered the following prayer:

Let us pray:

God, designer of life and author of all that is good and beautiful. We know You to be a God of harmony and wholeness; a God who seeks justice and rewards goodness.

You give to Your daughters and sons many gifts, talents, opportunities, and challenges. You have endowed those elected to this Chamber great opportunities and great responsibility in conducting the public work of this land for the common good of all.

As they deliberate may they be motivated by service and guided by conscience.

Grant the Members of this Senate and the whole Congress: wisdom to their minds; clearness in their thinking; truth in their speaking; love in their hearts; and enthusiasm for their work. Help them be a source of unity not division. Help them be seekers of justice and forgers of equality. Help them to set the interest of the Nation above all else.

Guide them, finally, to exercise their power to assist our fellow citizens to feed the hungry among us; to ease the burden of those in pain; and to make our country, our communities, and our homes better places to live and to work.

As we make this prayer today as every day, we make it in confidence knowing You are a God of faithfulness and covenant, a God of love, a God of peace. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished Senator from Wyoming.

SCHEDULE

Mr. THOMAS. Mr. President, on behalf of the leader, let me say this morning that the time for the two leaders has been reserved, and the Senate will immediately resume consideration of H.R. 1158, the supplemental appropriations and rescissions bill. It is the hope of the majority leader that a unanimous-consent agreement can be reached that will enable the Senate to complete action on the supplemental appropriations bill today.

If an agreement cannot be reached, Senators are to be reminded that a cloture vote on the Hatfield substitute is scheduled for 2 p.m. today. Members should be aware that rollcall votes could occur throughout the day.

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

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

The assistant legislative clerk proceeded to call the roll.

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

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

RESERVATION OF LEADERSHIP TIME

The PRESIDING OFFICER. Under the previous order, the leadership time has been reserved.

EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 1158, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 1158) making emergency supplemental appropriations for additional disaster assistance and making rescissions for the fiscal year ending September 30, 1995, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Hatfield amendment No. 420, in the nature of a substitute.

D'Amato amendment No. 427 (to amendment No. 420) to require congressional approval of aggregate annual assistance to any foreign entity using the exchange stabilization fund established under section 5302 of title 31, United States Code, in an amount that exceeds $5 billion.

Murkowski-D'Amato amendment No. 441 (to amendment No. 427) of a perfecting nature.

Daschle amendment No. 445 (to amendment No. 420) in the nature of a substitute.

Dole (for Ashcroft) amendment No. 446 (to amendment No. 445) in the nature of a substitute.

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is now recognized.

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

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

PAPERWORK REDUCTION ACT OF 1995—CONFERENCE REPORT

Mr. THOMAS. Mr. President, this request has been agreed to by both the minority and the majority leaders.

I ask unanimous consent that the Senate now turn to the consideration of the conference report to accompany

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

S. 244, the paperwork reduction bill; that the conference report be agreed to; and that the motion to reconsider be laid upon the table.

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

The clerk will report.

The assistant clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 244) to further the goals of the Paperwork Reduction Act to have Federal agencies become more responsible and publicly accountable for reducing the burden of Federal paperwork on the public, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

(The conference report is printed in the House proceedings of the RECORD of April 3, 1995.)

Mr. ROTH. Mr. President, I am pleased to state that our bipartisan efforts to strengthen the Paperwork Reduction Act, which began in the last Congress, has now in this Congress become bicameral. The conferees were able to resolve the differences between the Houses so that before the week is over the Congress will have concluded its work on a bill that significantly improves upon current law.

As my colleagues know, the 1980 Act established within OMB the Office of Information and Regulatory Affairs [OIRA]. That offices was directed to review the paperwork burdens created by the Federal Government. All collections of information from 10 or more persons must, with very few exceptions, be reviewed by OIRA for their need and practical utility and must receive a clearance number before they can become effective.

The fundamental purpose of this review process is to reduce the paperwork burden on the American public. Hence, the name given to this legislation. However, before this legislation now pending, because of the Supreme Court decision in Dole versus Steelworkers, not all paperwork burdens caused by the Federal Government had to be reviewed and cleared. The Court said that the act applied to paperwork that flowed from a private party to the Federal Government and not to instances where the Federal Government required a person to provide information to another person.

As a policy matter, I have never favored the distinction made in the Dole case. The conference report makes clear that neither House of Congress accepts this distinction. The Dole case is overturned, and the scope of OIRA's review authority is, as a consequence, enlarged by 50 percent. This change marks a major breakthrough in our paperwork reduction efforts.

In noting the major effect of this legislation, I do not mean to imply that it was a major issue with the House. It was not. In fact, in view of the breadth of this legislation, the issues in disagreement were relatively few.

Perhaps the most significant disagreement concerned the duration of the authorization of appropriations for OIRA. The Senate bill provided $8 million for each of the next 5 years, while the House had an indefinite and permanent authorization. The conferees compromised on the Senate version for an additional year. This 6-year authorization will prompt us to review the legislation at some future time, which was the underlying rationale of the Senate provision.

The House argued that OIRA has clearly been established as a matter of policy, if not in law, as a central organ of the Federal Government and a key instrument of current regulatory reform efforts. The Senate responded that it was not its position to sunset either the Paperwork Reduction Act or OIRA. The lack of a permanent authorization of appropriations for OIRA has never before, even when it has expired, caused OIRA to terminate.

I agree that OIRA has become a necessary and permanent policeman of paperwork and regulation. But I also continue to hold my longstanding commitment to limited authorizations. Six years is a substantial period of time. A lot can change in 6 years. In 2001, it is entirely appropriate that Congress review the status of our paperwork reduction efforts and the role of OIRA.

A second major issue of disagreement between the Houses concerned the annual percentage goals for Government-wide reductions in paperwork burdens. The Senate set a 5 percent goal for each of the next 5 years. The House set a 10 percent annual goal forever. Of course, all the conferees would like to see substantial reductions. The question was a practical one: what goal was realistically achievable? Once we had decided on a 6-year timeframe, the issue became more focused. While the House conferees made clear that their 10 percent goal was to be set annually with respect to a new paperwork baseline that would include new congressional paperwork mandates, Senate conferees were still concerned that 10 percent a year for 6 years was unrealistic. After some discussion, it was agreed that the paperwork reduction goals of the Federal Government should be set at 10 percent for each of the first 2 years and 5 percent for each of the other 4 years.

A third major issue of disagreement concerned the House provision which permitted OIRA to charge the users of Government information more than the cost of disseminating such information. While there might be some instances where such an authority would be appropriate, the House provision was not crafted in any such limited manner. The Senate conferees thought it was a little late in the legislative process to start isolating circumstances where charges in addition to dissemination costs might be appropriate. Not having addressed this issue at all in the Senate bill, the Senate conferees asked that the House recede. And the House agreed.

Mr. President, the topic that captured more time in conference discussion than any other was that of redrafting section 3512, which provides public protection against agency noncompliance with the Paperwork Reduction Act. Since 1980, the act has provided a fundamental protection to every citizen that he or she need not comply with, or respond to, a collection of information if such collection does not display a valid control number given by OMB as evidence that the collection was reviewed and approved by OIRA. And if the collection does not display a valid control number, the agency may not impose any penalty on the citizen who fails to comply or respond.

In order to strengthen and underscore congressional desire to protect the public, the conferees included a definition of penalty at the end of section 3502 to make clear that the term not only applies to the payment of a fine but also to the denial of a benefit. What this means is that if an agency does not comply with this act, it is in serious trouble. If an agency does not act on a citizen's request for a Government benefit because the citizen did not complete a form that fails to display a valid OMB clearance number, it is the agency—not the citizen—that stands in violation of law. Once this is determined, the agency would not only owe the citizen the benefits due but also perhaps interest as well.

Now there are some who may grumble that this provision is too weak. Since 1980, section 3512 has included an alternative clause of public protection requiring the collection of information to state that if it did not display a valid OMB control number, it was not subject to the act. Some may view that second clause as a tautology. That is how agencies have interpreted it. But some others have believed that it requires: First, that every effort by the Government to collect information, even those not covered by the act, be accompanied by a statement advising that such collection is not required to have a clearance number; and second, that consequently a failure to provide such advice would subject the collection of information to the public protection sanctions of section 3512, even though the collection was not subject to the act.

Now the act specifies in section 3518 certain exceptions from the act. A subpoena is one example. Also, by definition, a collection of information falls under the act only if 10 or more persons are involved. My view is that since a subpoena is not covered by the act's clearance requirements and since a request for information made to nine or fewer individuals is likewise not covered, then in such cases the sanctions of section 3512 have no application. It is simply foolish, in my opinion, to require an agency to inform a person it is

dealing with about the laws that do not apply.

So with the concurrence of all the Senate conferees, this second clause was rewritten to be both feasible and useful. It now requires the agency to inform the person who is to respond to collections of information governed by the act that such person is not required to respond to the collection of information unless it displays a valid control number from OMB. This statement of how section 3512 operates to protect the public technically need not appear on the collection of information itself. That is because the term collection of information includes more than Government requests for information. An example of an additional item included within the definition might be a recordkeeping requirement. In such case, the collection of information might not be a Government form but instead a legal requirement about which the agency provides instructions.

While the conferees provided some flexibility regarding the second clause of section 3512(a), it is their intention that the agency inform those who are to respond in a manner reasonably calculated to bring the matter to their attention. If the collection is a Government form to be completed and submitted by a person, then that form should bear the necessary statement to fulfill the requirements of section 3512(a)(2). If the collection concerns something else, such as recordkeeping, then the agency should make it section 3512(a)(2) statement as clearly as possible in some document, such as instructions regarding such recordkeeping.

Moreover, in section 3512(b) the conferees made clear that the protections of section 3512 may be raised at any time during the life of the matter. The protections cannot be waived. Failure to raise them at any early stage does not preclude later assertion of rights under this section, regardless of any agency or judicial rules to the contrary.

I believe that as a result of our changes to section 3512 we have substantially strengthened that section and, in turn, the entire act. Any agency that fails to comply with the clearance provisions of this act does so at its peril. Any collection of information, unless excepted by this act, must be cleared by OMB. And this applies to all agencies, including independent agencies.

Neither the House nor the Senate sought to change the policy of the 1980 Act that all agencies, including independent agencies, have their information collections, even those by regulation, subjected to OMB review and approval. So while exceptions are made for certain law enforcement and intelligence activities, none is made for duck hunting or the safety and soundness regulations of banking agencies, Apparently, no difficulties have arisen in the last 15 years under the 1980 Act. So no change is made from current law.

The final major item of disagreement concerned the standard by which regulations which include information collections are judged. Under current law, OMB reviews such agency rules and comments thereon applying the standard of section 3508—whether the collection is unnecessary) and thereafter approves or disapproves after receiving the agency's response to OMB's comments. By what standard does OMB decide? Current law allows OMB to disapprove if the agency's response was unreasonable. The House sought to tidy up by cross-referencing section 3508 rather than using the current law's formulation of unreasonable.

As a practical matter, there is no real difference between whether the agency's response to OMB's comments are unreasonable in light of OMB's views on whether the agency's collection is unnecessary under section 3508 and whether the collection is unnecessary under that section. Since both standards—unreasonable and unnecessary—lack precision, there is nothing in current law to stop OMB, unless persuaded by the agency's response, from disapproving a regulatory collection because it would be unnecessary under section 3508.

Some of my Senate colleagues believe that the House position undermined an important difference—a zone of deference to be accorded agency rulemaking. The argument is that OMB may disapprove a regulation only if the agency's response is unreasonable even if OMB believes that collection is unnecessary. While the argument tracks the words of current law, I am not persuaded that the zone of deference has any dimension to it at all. Nor do I see what benefit would derive from making a distinction between collections undertaken as part of a regulation and those outside of a regulation, which are covered only by section 3508. Either way, if the collections are unnecessary, they should be disapproved. What is the compelling argument for allowing unnecessary collections to burden the American public simply because the agency's response was not unreasonable?

Ultimately, the conferees decided to keep current law because it satisfied more conferees then did the House version's unambiguous language. Current law satisfies the majority of conferees who believe that nothing stops OMB from disapproving a regulatory collection found to be unnecessary while it allows others to argue that some metaphysical zone of deference is preserved for regulatory collections.

Mr. President, when we last came to the floor on S. 244, the Senate adopted several amendments that did not directly bear upon the Paperwork Reduction Act. Only one of those amendments survived the conference. That amendment by Senator COVERDELL sought to reduce small business compliance burdens with the Quarterly Financial Report Program at the Bureau of the Census. With some minor modifications, this provision has been transformed in conference from a pilot project to a permanent program change. The provision, as modified, has the support of its original sponsor and of the Census Bureau.

Two amendments dealing with the elimination of unnecessary reports to Congress—one by Senator MCCAIN and one by Senator LEVIN—were dropped at the insistence of the House. Conferees had received correspondence from various congressional committees and agencies raising technical and other concerns about these provisions. Representative CLINGER, who chaired the conference, indicated that he favored the purpose of the reports-elimination provisions but could not hold up the Paperwork Reduction Act while various concerns with these nongermane amendments were addressed. He said he would introduce a companion bill in the House and would seek to move the legislation there.

Finally, an amendment that expressed the sense of the Senate regarding the Oregon option was also dropped in conference at the insistence of the House conferees.

Mr. President, the Paperwork Reduction Act of 1995 passed both Houses on rollcall votes with not a single dissenting voice. I am pleased to report that the conferees have resolved all differences between the two bodies with the result that we have even a stronger bill than before. It should be noted that we could not have moved so swiftly to passage and through conference without the bipartisan cooperation of Senator NUNN, the chief sponsor of S. 244, and Senator GLENN, the ranking minority member of the Committee on Governmental Affairs. I commend them for their hard work on this legislation not only in this Congress but in the last. Their effort set a mark not only in the Senate but in the House and made enactment of this legislation possible within the first 100 days of the 104th Congress.

I urge my colleagues to approve this conference report.

Mr. GLENN. Mr. President, it gives me great pleasure to rise before my colleagues today and urge their acceptance of the conference report on our bipartisan legislation to reauthorize the Paperwork Reduction Act. This day has been a long time in coming. At long last, we can take our final step toward presenting the President with a bill that I am sure he will sign and that I am equally confident will reduce paperwork and improve the management of Federal information resources.

Passage of this legislation is an accomplishment that I am very proud of. Reauthorization of the act was one of my major priorities during my 6 years as chairman of the Governmental Affairs Committee. After several years of discordant debate about the act's implementation, we fashioned a bipartisan bill that resolved outstanding issues and moved the act forward to more clearly address new Information

Age issues. This bill was unanimously passed by the Senate on October 6, 1994.

Unfortunately, the House was unable to act before the end of the 103d Congress. The legislation that we have before us today is this same bill, with only a few minor changes. This year's House bill itself was also modeled very, very closely on our bill. I am thus very proud of the leadership our committee provided in the last Congress, the bipartisan cooperation that continued into this Congress, and the accomplishment that we now have before us.

The Paperwork Reduction Act is a vitally important law. Originally enacted in 1980, and reauthorized in 1986, the act serves two closely related and very essential public purposes. First, the act is key to the ongoing effort to reduce Government paperwork burdens on the American public. Too often, our citizens—individuals, businesses, State and local governments, academic institutions, nonprofit organizations, and more—are burdened by having to fill out questionnaires and forms that simply are not needed to implement the laws of the land. Too much time and money is wasted in an effort to satisfy bureaucratic excess.

The Paperwork Reduction Act of 1980 took up the battle by transforming a leaky review process—created in 1942—into a strong centralized OMB clearance process to control the information appetite of agencies all across the Federal Government. The Paperwork Reduction Act of 1995 strengthens this process, primarily by increasing the paperwork reduction responsibilities of the individual agencies, so that we can make new progress in fighting Government redtape.

The act's second core purpose is to improve Federal information resources management. This is not a separate or secondary goal. Reducing the costs and improving the efficiency and effectiveness of Government information activities is an essential element of paperwork reduction. As the 1977 Federal paperwork Commission commented, how can Federal agencies reduce paperwork if they don't know what information they possess or how best to use it? We simply cannot reduce paperwork burdens on the American people unless we can get more efficient and effective information activities out of Federal agencies.

Our entry into the Information Age signals an even more fundamental truth. We cannot provide efficient and effective Government operations without efficient and effective information activities. Program operations, service delivery, agency policy formulation and decisions—all now depend increasingly on information technology.

The scale of this transformation of the Government from a paper-driven to a computer-driven operation is staggering. The Federal Government is now spending over $25 billion each year on information technology. We have truly entered the Information Age. Automated data processing for program applications, electronic benefits transfer for food stamps distribution, electronic data interchange to speed up Federal contracting, direct deposit for more efficient delivery of pay and retirement benefits, computer matching to catch tax cheats, high capacity telecommunication networks and videoconferencing for more efficient work across the Nation and even the globe. These innovations are already a part of Government. They also suggest some of the opportunities still to come for improving Government operations.

Unfortunately, as oversight by our committee and others has shown, the Government is not realizing the full potential of this technological revolution. The Federal Government is simply wasting millions and millions of dollars on poorly designed and often incompatible systems. This must stop.

The Paperwork Reduction Act of 1980 took a first step on the road to reform when it created information resources management [IRM] policies to be overseen by OMB. The Paperwork Reduction Act of 1995 strengthens that mandate and establishes new requirements for agency IRM improvements. These requirements focus on agency responsibility for IRM improvement, including results-oriented performance standards. These strengthened requirements add needed detail to the larger IRM framework, with its essential oversight role for OMB, to ensure that we have both management results and accountability. The legislation balances process controls with program and management responsibility to provide IRM improvements without stifling micromanagement.

In serving these twin, closely related statutory purposes of paperwork reduction and information resources management, the Paperwork Reduction Act of 1995 includes several notable accomplishments.

We reauthorize the act for 6 years. While the House proposed a permanent authorization, the conference agreement contains a definite reauthorization period. While the difficulties in reauthorizing the act between 1983 and 1986, and again from 1989 to the present, may suggest to some that the act ought to be permanently reauthorized, I draw a very different conclusion. It is precisely because the act is so important, because it concentrates significant power in OMB—which is the President's enforcer, if there ever was one—and because there has been so much controversy about OMB's actions under the act—and its related regulatory review powers—that every effort must be made to provide and sustain serious congressional oversight.

Without a periodic reauthorization schedule, I am afraid that our oversight would suffer. With the requirement for reauthorization, we are required to scrutinize the act and its implementation, and persevere in resolving differences and arriving at any needed statutory reforms. The reforms found in the Paperwork Reduction Act of 1995 are the product of this reauthorization process and proof of its importance.

We strengthen the paperwork clearance process in several ways. The most important reform is the establishment of new detailed requirements for agencies to evaluate paperwork proposals and solicit public comment on them before the proposals go to OMB for review. These new requirements will, first of all, ensure the more thoughtful development of only truly ''necessary'' agency information collection proposals. Just as importantly, these requirements will also help agencies more clearly and thoroughly make their case for such proposals, and thus prepare for a fair hearing before OMB on what is or is not ''necessary for the proper performance of the agency's functions,'' as the law puts it. Together, I believe, these expanded agency requirements provide the greatest opportunity for progress in the war against red tape.

We also strengthen the paperwork process by overturning the Dole versus United Steelworkers Supreme Court decision regarding OSHA's hazard communication standard, so that information disclosure requirements are covered by the OMB paperwork clearance process. This ends a controversy of several years and clarifies that the act covers all paperwork requirements, not just information that is collected for an agency's own use.

In other respects, the act's OMB paperwork clearance standards remain unchanged. In fact, the decision to overturn the Supreme Court ''Haz Comm'' decision is only appropriate given the continuing integrity of the procedure for OMB review of information collections required by regulation. As provided under the original 1980 act, after commenting on regulatory paperwork requirements in a proposed rule, OMB may disapprove a final rule paperwork requirement only if it finds that the agency's response to its comments are ''unreasonable.'' As Senator KENNEDY said at the time, ''[Without this provision,] this legislation would permit OMB to overturn * * * [an agency rulemaking] decision without even requiring OMB to justify its decision publicly. This violates basic notices of fairness upon which the Administrative Procedure Act is based, as well as concepts of due process embodied in the U.S. Constitution.'' (S30178, November 19, 1980). With this legislative history so clear, I am very pleased that the House receded to the Senate on this point in the current legislation—our committee and the Senate having already clearly decided to maintain unchanged the paperwork clearance standards of the act.

The Paperwork Reduction Act of 1995 also provides needed detail to the act's general provisions on information dissemination. OMB policy guidance responsibilities are delineated, as are the operational responsibilities of individual Federal agencies. The primary

theme running through these provisions is the obligation of Federal agencies to conduct their dissemination activities in such a way as to ensure that the public has timely and equitable access to public information. A major element of this obligation is the mandate to make information available on a nondiscriminatory and nonexclusive basis so as to avoid disadvantaging any class of information users. Public information is public. It should not become a source of revenue for agencies or a means by which to exercise proprietary-like controls on information.

Finally, the legislation requires the development of a Government Information Locator Service [GILS] to ensure improved public access to government information, especially that maintained in electronic format, and makes other improvements in the areas of government statistics, records management, computer security, and the management of information technology.

These are important reforms. Of course, reaching broad bipartisan agreement on this legislation has involved considerable compromise. There has been give and take on both sides. The result, like most compromises, has displeased some. I believe, however, that the legislation represents a practical compromise that addresses many real issues and moves the Government forward toward the reduction of paperwork burdens on the public and improvements in the management of Federal information resources. It should be supported for its very significant provisions.

Even with this accomplishment, it should be clearly understood that the legislative compromise does not resolve conflicting views on the OMB paperwork and regulatory review controversies that have dogged congressional oversight of the Paperwork Reduction Act. As I said in my additional views in our committee report:

> Support for the original act and for the current legislation should not . . . lead anyone to overlook the problems that have frustrated full implementation of the law. Fifteen years of Committee oversight have produced a record replete with criticisms, largely directed at OMB, for unbalanced implementation of the Act. Slighting statistics, records management, information technology management, privacy and security, and other aspects of information resources management, OMB devoted itself to a paperwork clearance and regulatory review process that occasioned repeated charges of interference with substantive agency decisionmaking. I believe that this record should not be obscured . . .'' (S. Report No. 104–8, p. 59):

This record should remind us of our continuing obligation to oversee the act, at the same time that we move forward with the current legislation to better fulfill its very important purposes.

In conclusion, the legislation before us strengthens the Paperwork Reduction Act. It also remains true to the intent of the original 1980 act. Both the administration and the General Accounting Office concur in this judgment and support the legislation. I am very proud of our accomplishment in bringing this legislation to final passage of the conference report. This has been a cooperative bipartisan effort. We could not be here without the hard work of Senator NUNN and Senator ROTH, who is now chairman of the Governmental Affairs Committee. I would also single out Senator BINGAMAN, my good friend from New Mexico, who, when he was on our committee, initiated the reauthorization effort in 1989. And, of course, as always, Senator CARL LEVIN of Michigan has played an important role, working to ensure that our committee's consideration of the legislation helped the fight both against paperwork and for Government efficiency.

This really has been a long-haul effort. And through those years, a small group of staff have labored long and hard, again and again working over drafts and coming up with legislative language to help us reach the point we are at today. I want to thank Frank Polk of Senator ROTH's staff, Bill Montalto with Senator NUNN, and Len Weiss and David Plocher of my staff. We could not be here today without their work. Finally, I want to thank Jeff Hill and Bruce McConnell of OMB's Office of Information and Regulatory Affairs, and Dan Latta and Chris Hoenig of GAO's Accounting and Information Management Division. Their technical assistance throughout the legislative process was essential, and they deserve our thanks for their help.

We are now one short step from final enactment of the Paperwork Reduction Act of 1995. I strongly urge my colleagues to join in supporting this very important legislation.

The PRESIDING OFFICER. Without objection, the conference report is agreed to.

So the conference report was agreed to.

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

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

FRESHMAN FOCUS

Mr. THOMAS. Mr. President, as you know, over the last several weeks, the Senate freshmen have taken time on various occasions to come to the floor to talk about the agenda that we believe was prescribed during the last election, the agenda that the 11 of us, as new Republican Senators, would like to see pursued in the Senate.

Our plan was to talk in morning business about that this morning. As you know, the order has been changed, and we respect that. But until such time as the majority leader and the minority leader are able to pull up the bill, we would like to proceed to talk about some of the things that we think are most important.

We call this the freshman focus, and we think we do bring to this body something of a unique point of view in that each of us, of course, just came off an election, each of us campaigned for a very long time in our States, each of us talked to many people, and each of us believes that there was a message in the election and that the responsibility of responsive Government is to respond to that election and to the voice of the voters as we see it.

So, Mr. President, we, I think, have going on here a great debate. It may not take the form of great debate in terms of its physical approach, but the great debate is between the way we see things happening, the way we see ourselves as a society and as a country entering into the new millennium, entering into the year 2000 in a relatively short 5 or 6 years and what shape we see ourselves in as a nation going into that new millennium.

The great debate is whether or not we want to go into that new century continuing as we are financially, continuing as we are with the huge debt that we have, continuing as we are with deficits of $250 billion in that foreseeable future or, in fact, whether we want to seek to make some changes so that we go into that millennium, so that we go into that new century, with a nation that is financially and fiscally responsible, and now is the time we have to do that.

That is the great debate, the great debate that has been going on in the House, the great debate that is going on here, the great debate that will take place over the next year in terms of the budget. Basically, the debate is overspending.

We all have charts. Unfortunately, I am not armed with a chart this morning. The chart would show, however, that spending has gone up in this kind of fashion, spending has gone up in the neighborhood of 5 percent a year for many years and is designed to continue to go up at 5 percent a year for the foreseeable future. The President's budget this year has a 5.5-percent increase in spending.

So we talk a lot about the deficit, the deficit which is a result, of course, of the difference between revenues and outlays, but really is the result of spending. If there was a message that I think was universally discernible in November, it was that Government is too big and that Government spends too much. Most people agree with that.

If we are to have a reasonable debate, there needs to be a couple of things agreed to, a couple of things have to be stipulated. One struck me some time back in our church in Cheyenne that we attend, and the message that the pastor had was that every day each of us has a responsibility to make this a better place to live.

Whether a person is a Senator, whether a person is a carpenter, whether a person is a rancher, we each, where we are, have a responsibility to make this a better place to live.

We do it in our own ways. We each have something different to contribute.

But, Mr. President, we have, in addition to the citizenship responsibility, we have the responsibility of being trustees for this country, being trustees for the spending responsibilities of the United States—an awesome responsibility it seems to me, one that goes far beyond simply spending, goes far beyond arithmetic, goes far beyond accounting. It goes into the character of a nation.

Whether or not we are able to pay for the things we want, whether we are willing to have a cost-benefit ratio and decide for ourselves if it is worth paying for, we pay for it. It is irresponsible to continue to put it on the credit card for our kids. Our credit card is maxed out.

Within the next month or 2 months, we will be asked to raise the debt limit— $5 trillion. Talk about charts that impressed me a little some time ago, in 1970, the budget of this country was about $204 billion, in that category. Twenty-five years later, the interest payment on the debt is more than the entire cost of the Federal Government in 1970—not very long ago.

So the question in the great debate is how do we go into the 21st century? How do we go into the new millennium? That is what the freshmen are focusing on.

There is a great deal more to the debate on this question today of rescissions, this question today of whether we can find $15 billion to take out of spending, $15 billion that will not go on the debt. There is more to it than just this spending issue. It has a good deal to do with national character.

So that is what it is about. That is what the freshmen are seeking to do. Unfortunately, the opposition, rather than taking a look at where are we, where do we need to go, what changes do we have to make, what changes did voters ask for, are saying, ''Oh, no, we cannot change. We want to continue with the programs we have had. We want to continue with the war on poverty''—which has failed. The war on poverty was started 30 years ago, and there are more people in poverty now than there were then.

We have the greatest opportunity now than we have had for a very long time, a great opportunity to take a look at where we are going. I suggested there needs to be a stipulation in this great debate, and that stipulation also has to be not only do we have a responsibility to make it a better place to live, but also that people who want to make changes have as much compassion and as much caring as do those who do not. The idea that people wanting to make a change and wanting to take a look at where we are going signifies that we want to throw everyone out on the street and there is no caring and that it is simply a mathematical thing is absolutely wrong. I am beginning to hear it. I hear it almost hourly from the opposition—the reason for not making a change is because it is not compassionate.

Let me suggest if we want to take a look at the long range, we want to take a look at your kids, my kids and our grandkids, we need to have a little compassion about that. We need to have a little compassion about what kind of a financial position and responsibility for our Government will we have in the year 2000 unless we make some changes.

Of course they are difficult. Of course they are difficult changes. We must make them. Americans voted for change in 1994.

We have the greatest opportunity we have had for a very long time to take a look at programs and say are they fulfilling the objective? Is that the best way to deliver services to people who need them? To take a look at welfare and say, the purpose of welfare is to help people who need help and to help them back into the workplace. A hand up, not a handout.

That is what we ought to be looking for, and to measure those programs and see if, indeed, they are successful, or is there a better way to do it. Do we need 165 programs designed to go from school to work? Of course not. We need to put them together and look at duplicity and look at repetition and see if there is a more efficient way to do it. That is what this debate is about.

Frankly, we are having a hard time keeping that debate in the arena of finding better ways to help people help themselves. That is what it is for.

Mr. President, I hope as we go through it, there will be a stipulation that we are setting out to find a better way, a better way to help people who need help; a better way to provide incentives for everyone to work and take care of themselves; a better way for the business sector to invest, to create jobs, so that we can help ourselves; a better way to eliminate bureaucracy and duplicity so that we can deliver services.

That is what it is about. That is the responsibility that we have.

Mr. President, I thank you, and I want to yield to my good friend from Pennsylvania, who certainly is one of the leaders in this effort to find better ways so that we have a society of self-improvement rather than dependence.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I ask unanimous consent I may proceed as in morning business.

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

CONGRATULATIONS TO THE HOUSE

Mr. SANTORUM. I want to commend the Senator from Wyoming for his continued effort to bring the freshmen here to the floor on a regular basis to talk about where this Senate is going and how we are living up here in the Senate to what the country said on November 8, and what the House is obviously very successfully doing in living up to their promises to the folks that they made when they ran for office back last year.

The first thing I want to do is congratulate the House, having voted, pretty strong showing last night, for a tax reform bill and a tax cut bill—both a tax cut bill and a tax reform bill. It is a progrowth bill, a bill that is going to create more jobs, it will help families, eliminate the marriage tax penalty that has existed—which is a tremendous break—an encouragement for people to marry, an encouragement to supporting families.

It is a bill that says to seniors that we believe seniors have value and worth, that seniors can, in fact, work past the age of 65 and earn a modest amount of money—$20,000, $15,000—and not lose your Social Security benefits, if you are age 65 to 70.

We think that that is important. It is an important sign to seniors that we understand that they have value to give to the communities and to give it their businesses, and that we do not want to discourage seniors out of the work force and penalize them at a rate of over 50 percent in taxation if they make over $9,600 a year as a senior. We think that that is a very positive thing that occurred in that tax bill last night.

The adoption tax credit provision which encourages adoption, we believe, is also a very, very positive profamily kind of tax change. And the list goes on.

I want to commend them for the great work that they did in paying for the program. It is not a tax cut that will increase the deficit. They offset it, more than offset it, with spending reductions in order to pay for the tax reductions.

That is the kind of decision that we will have to be making, whether it is, in fact, better to have a person keep their money or is it better to have a person send their money here and for Washington to figure how best to spend it, and of course take the cut for bureaucracy and write rules and regulations that make no sense, then send it back. That is the difference.

I think it is a pretty easy call for most Americans. I am not surprised that it passed over in the House, and I will not be surprised when it passes over here in the Senate.

On a larger scale, I want to congratulate the House for the great work that they have done. In 91 or 92 days they passed nine major pieces of legislation, nine major bills. The amount of work that they did in working—and I know a lot of folks around do not believe that Members of Congress and the Senate work very hard. I will say if we look at what the House of Representatives has done in this first 90 days, and the amount of hours they put in legislation in committees and in working groups and putting this stuff together to pass this kind of massive change that they promised, I think a person might think

again as to whether Members of Congress do in fact earn their keep.

Let me suggest that the most important thing—I ask this question all the time—the most important thing that came out of the House of Representatives was not the tax bill, was not the balanced budget amendment, was not the line-item veto.

The most important thing was they kept their promise. They kept their promise. They ran and they said, ''If you elect us, we will do 1, 2, 3, 4, 5, 6, 7, 8, 9, 10—we will do these 10 things. We promise you we will bring them up and we will get a vote and we will work our darndest to try to make that happen.'' They could not promise passage because you never know. But they promised they would try their best.

Do you know what? They introduced bills exactly the way it was written in the contract. They did not change it. They did not say, look, I am going to cut taxes for middle-income people and then pass a tax increase. They did not say they were going to be for a balanced budget amendment and then pass big spending increases. No, they did exactly—exactly what they promised the American public. And they succeeded on 90 percent of it.

They are batting .900. Ted Williams would be proud—.900; 90 percent of what they said they would try to do, they did.

The only one they failed on was the constitutional amendment, which as most people know takes two-thirds of the body to pass, which is well beyond the number of Republicans that there are in the House of Representatives. So: The first ever vote on term limits. They failed, but 85 percent of the Republicans supported it. They got a majority of the House to support it. It is building. It is on the track to eventually pass, probably after the next election. So I think the country should look at the House of Representatives.

One of the big concerns I had when I came to the U.S. House, 4 years now, now here in the Senate, is I think the public has lost trust in our institutions. They do not believe that we mean what we say or say what we mean; we are here and all we care about is getting reelected and having some power and being able to throw our weight around. What the public really wants does not really matter. It is just this big game down here.

Is it not nice to know that promises can be kept; that people do sometimes mean what they say? They made some hard decisions. A lot of this stuff was not easy to do. A lot of it came, as you probably heard in the last few weeks, with a lot of criticism raining down on how mean-spirited this Contract With America is.

I know it is mean to cut off a lot of bureaucrats here in Washington—that is mean—and to give that money back to you. That is very mean to the people who are here to protect the bureaucrats. I know it is mean to say people who are on welfare have to work at some point. That is terrible. It is terrible that we should require people to work. It is just unbelievable to me that argument was made on programs that were trying to help people. We are trying to give more responsibility and freedom and choices back to people, but that is the way things are in this town. If we do not keep the power then it is mean, because of course we are the only ones who actually care about people. You do not care about your neighbor, we do. You do not care about your family, we do. We care about it more than you do.

I am sitting right behind the desk of the Senator from Texas, Senator GRAMM. I will never forget a statement he made on one of these talk shows. Ira Magaziner was on and they were talking about the health care plan of Clinton's a couple of years ago and Magaziner was making the point he does care about children, he does care about the young people in this country and the folks who are uninsured. He says, ''I care for your children as much as you do.'' That is what he said to PHIL GRAMM, and what PHIL GRAMM said, I think, was classic. And that is: ''OK, what are their names? What are their names?''

You see, we all care. But do we really care about that one person? Do we really understand what their needs are? Not what ''the needs'' are, but ''their needs?'' What ''their concern'' is? See, that is the problem. We cannot deal with ''a concern.'' We deal with ''the concerns.'' The problem is ''the concerns'' sometimes do not beat ''a concern.'' And the closer we get to ''a concern'' and the closer we can tailor and allow the people who have the feeling and the relationship to deal with that concern, the better our country and the ''gooder'' our country is.

This line has been used a lot around here and it is so true, the de Tocqueville line. ''America is great,'' he wrote in Democracy In America, ''America is great because America is good.''

The people are good, they care about each other. They reach out to their fellow man. There are volunteer organizations that developed here in the 1800's and 1900's that just did not exist anywhere else in the world because Americans cared about each other and felt that relationship and kinship. And he said America is a great country because it is a good country. ''And when America ceases being good it will cease being great.'' We are ceasing to be good because we have delegated everything to this massive bureaucracy here in Washington to be good for us.

You hear the people, as you will over the next few months, get up and talk about: How can you be so mean as to not give money to—this or that. Folks, it is not my money. See, I am taking that money from somebody else who worked darned hard to make it. And who says I know best how to spend their money to help somebody else? That is the basic premise of what is going on here.

If you want to talk about the revolution that is going on, that is the basic premise. I care as much—I believe more—but I do not necessarily think I am the best person equipped to make those decisions for everybody. We can best make those decisions one-on-one, local communities and groups, as opposed to here in Washington, DC. That is the fundamental argument.

So, when you look at the first 100 days and you see what has happened in the U.S. House of Representatives, and I believe what will happen in the U.S. Senate, if you look at what we have accomplished and the hope that we have given to Americans that we in fact can change, that America, again, can be good, that America can be great, I think it is an inspirational story.

We have done something in the House—and I believe the Senate will follow—we have done something that is more important than any one particular thing, and that is, I hope, we have restored the faith that the American public used to have in their institutions. Because if they do not believe in us, if what we say is irrelevant, if they do not believe in anything we say on the campaign trail, that we are just a bunch of folks who say what we need to say to get elected—if they do not have any faith in what we stand for, if they think all we are going to do is change our minds when we get down here, then democracy itself is in danger.

If people do not believe in us anymore, if we do not stand for anything anymore, if all we are is symbols of a corrupt institution that does not respond to what the will of the public is, then democracy fails. It falls from within.

Whether you agree with what the House of Representatives has done, whether you agree 10 percent, or 90 percent, or 100 percent, you have to stand back and say ''Well done. You did what you said you were going to do. We may not like it but, darn it, you did. And you have to tip your hat to that.''

Hopefully here in the Senate, while we did not sign the Contract With America, and no one in this institution did, and that is often repeated, we have an obligation to do something. We have an obligation to follow through and let the country know that elections do matter; that when the country speaks, we here in Washington, in both the House and Senate, listen.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. THOMAS. Mr. President, I yield time to the chairman of our freshman group, the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The Senator from Oklahoma is recognized.

Mr. INHOFE. Thank you, Mr. President. I thank the Senator from Wyoming for giving me some time to talk about this.

I do not think there is any subject nor any issue in America right now that people are more concerned about than what is happening with the budget and with the deficit.

I just had an experience a minute ago with two very dear people, and I would like to deviate a little. It fits very well into this. Two of the most beautiful women in America are Yvonne Fedderson and Sara O'Meara. They started many years ago an effort to address the problem of child abuse. This blue ribbon is in recognition of Child Abuse Prevention Month that is taking place right now. Here is a bumper sticker. They started many years ago a program outside of Government to do something effectively about the problem of child abuse in America.

We saw just yesterday a bill which passed the House of Representatives that also recognizes that the problems of this country are not going to all be addressed by Government. In fact, in many cases, Government is the problem.

This particular program, which was started by Sara O'Meara and Yvonne Fedderson many years ago, has a hotline throughout the Nation. Anyone who has an idea about or knowledge of child abuse can call 1–800–4–A–CHILD.

The reason I bring this up, Mr. President, is because this is a national problem. It seems to me that in the last 40 years the very liberal Congress in both Houses has felt that you had to respond to these problems by starting some new Government program. I suggest to you that most of the programs which address the problems in the Nation today are not Government programs, they are programs in the private sector. This program is a perfect example. They have in every State and every contiguous State—and perhaps the others too—a program where people can call a hotline and do something about one of the most serious problems in America, which is child abuse.

The Government has a number of programs. But I suggest to you when you look at the effectiveness of these programs it is far more effective to have one that is run by the private sector, that is staffed by volunteers, than having one that is a Government program. Our problem is we have become accustomed to assuming that the problems can be addressed by the Federal Government better than by the private sector.

In the bill that was passed yesterday in the House of Representatives, there is a tax incentive for families to take care of their own children as opposed to Government taking care of them. There is a tax incentive—not many people are aware of this—of $500 for people to take care of the elderly. This is something that many people did not know was in that bill, which just passed yesterday. The idea is families in this country can take on a lot of responsibilities that Government has learned to assume.

I read something with interest the other day. It is an article by Thomas Sowell. Thomas Sowell is an editorial writer. The name of his article is ''A Dishonest Slogan.'' This ''Dishonest Slogan'' is the one that is called trickle down. It seems as if the liberals feel that with Government, higher taxes are the answer to our problems—and this was said, by the way, on this Senate floor by the distinguished Senator from West Virginia, Senator BYRD—that we need higher taxes in America. Then when they talk about the fact that they are giving tax reductions, they try to use slogans like ''trickle down.''

Mr. President, I ask unanimous consent that, at this point in the RECORD, this article by Thomas Sowell be printed.

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

A DISHONEST SLOGAN

(By Thomas Sowell)

If there were a prize for the most dishonest phrase in politics, the competition would be fierce and the outcome very uncertain. However, my nomination would be the phrase ''trickle-down economics.''

The trickle-down theory is supposedly the notion that the way to benefit the poor is to have the government provide benefits to the rich, which will then trickle down to the poor. But there is simply no such theory—not in Adam Smith, not in John Maynard Keynes, not in Milton Friedman. Not in anybody.

My specialty within economics is the history of economics theories—but there is no history of any such theory.

Still, no political campaign is complete without liberals accusing conservatives of applying trickle-down theories to benefit the rich, instead of having the government give benefits directly to the poor. With Republicans likely to raise the issue of reducing the capital gains tax in the next Congress, Democrats will no doubt cry that this is a ''tax break for the rich'' based on ''trickle-down economics.''

Let's go back to square one. There is no investment income to tax until after an investment has been made and people hired—and after it all works out successfully, which is by no means guaranteed. In short, the benefits to investors come after the benefits to those they employ, not before.

When investments finally pay off, perhaps years later, it would make no sense to call the eventual profit simply income for the year in which it is received. That is why capital gains are taxed differently from ordinary income.

Often there is no real capital gain at all, except on paper. If you bought an asset back when the price level was half of what it is today, and you sold the property for twice what you paid for it, then you have just kept up with inflation. If you sell it for 50% more than you paid for it, you have actually lost part of the real value.

Even when your capital ''gain'' does not keep up with inflation, the government still taxes you on it. Moreover, these kinds of ''gains'' go into the statistics supposedly showing that ''the rich are getting richer and the poor are getting poorer.''

Despite tilting against the windmills of a nonexistent trickle-down theory, the last thing the liberals want to do is to give benefits directly to the poor. They may not have a trickle-down theory, but in practice they make sure that any benefits to the poor trickle down through layers of bureaucracy and are siphoned off to pay the salaries, consulting fees and research grants of all sorts of ''experts'' with degrees.

That is why studies have shown that every man, woman and child in America could be raised above the official poverty level by direct transfers of money, at less than half the cost of all the government's antipoverty programs. Lots of people who are not poor by any stretch of the imagination have to be taken care of out of antipoverty money.

Proposals to replace public housing programs, ''retraining'' programs and other social experiments with hard cash given directly to the poor have repeatedly run into a buzz saw of opposition from liberals. They don't mind more money being given to the poor—or to anybody else—but not at the expense of programs that employ bureaucrats and ''experts.''

These anomalies are not accidental. The welfare state is ultimately not about getting more money into the hands of the poor but about getting more power into the hands of government. In program after program, the poor are to benefit only insofar as they allow themselves to be directed and manipulated by their self-anointed saviors.

When people get private sector jobs instead of government handouts, the situation is completely different. Capital gains tax reforms are needed simply to stop the government from discouraging the investment that provides employment.

It is nonsense to call this ''trickling down'' because the investment has to happen first, and workers have to be hired first and paid first, before the investor has any hope of reaping any gains. Since capital gains come last, not first, they do not ''trickle down.''

Obviously, the higher the capital gains tax rate, the less the incentive to invest and hire. If you want more Americans employed, you don't punish people for employing them. Otherwise, the investors have every incentive to invest their money in some other country that doesn't have such high capital gains taxes—or doesn't have capital gains taxes at all.

But the liberals are so politically dependent on class warfare, and on their own role as saviors of the poor, that they are very slow to admit that there wouldn't be so many poor for them to save if there were more jobs created by the economy. On the other hand, if they are not playing the role of saviors of the poor, how are they to get re-elected?

Mr. INHOFE. Mr. President, the idea is that nobody benefits from a capital gains tax or some of these tax reductions until they have actually provided a stimulus to the economy. For example, if you have a capital gains tax, the individual who will eventually benefit from that tax cannot benefit until he has already started a company, already invested his money, already met a payroll, and already hired people. What the liberals in Congress refuse to recognize is that for each 1 percent increase in economic activity in America, it produces an additional $24 billion of new revenue.

I am so sick and tired of sitting on the floor here listening to the liberal Members of Congress talk about how it did not work in the 1980's, how we tried tax reductions in the 1980's and look what happened to the deficit. Well, the deficit went up during that decade, but

it did not go up because we had tax reductions. It went up because the Members of the House and the Senate have an insatiable appetite to spend money that is not theirs and are borrowing it from future generations.

I will give you an example. Back in 1980, the total revenues that were derived from the marginal tax rates in America were $244 billion. Then, in 1990, the total revenues that were derived from the marginal tax rates in America were $466 billion. What happened during that 10-year period? During that 10-year period, we had the greatest tax reductions in this Nation's history. Remember, the highest rate went down from 70 percent to 28 percent. We had capital gains tax reductions. We had reductions all the way down so that people knew they could keep more of the money that they made. This stimulated people to invest in equipment, in company, in employment, and it did, to borrow a phrase that is often abused by our President, it did ''grow America.'' So we almost doubled the revenue during that 10-year period when we had the largest tax reduction.

I would like to mention one of the things that I told the Senator from Wyoming, Senator Thomas, that I would make a reference to; that is, the moral issue that we are dealing with right now. I gave a talk not long ago where I had the pictures of two beautiful children on an easel behind me. Those two beautiful children I identified in the first hour as being my two grandchildren, Glade and Maggie. Each of them will be celebrating their second birthday this month. They are beautiful little children.

When people talk about the programs they say are going to be cut when we have passed a balanced budget amendment—and we will try to reach a balanced budget—and they try to pull on the heartstrings of America and say that all these great, wonderful Government social programs are going to be cut, they neglect to tell you who is really going to be punished by these programs, who is really going to be punished if we do not do something to bring the budget into balance, which we are going to do. And I do not want to sound partisan here, but by Republicans taking over the House and the Senate, you are going to see some cuts. You are going to see come growth caps. But you will see our budget come back into balance, and we are targeting right now the year 2002.

Let us look at what is going to happen if we do not do this in America. According to the CBO and all the other analysts, where are we in America today if we do not have some type of a change in the program that we have had? They have said that, if we continue to go on as we have gone in the past, if we do not pass a balanced budget amendment, if we do not bring it into balance, that a person who is born today, during his or her lifetime, will have to pay 82 percent of his or her lifetime income for taxes to support the Government programs. Stop and think about that.

The other day, we had an interesting visitor. We had a number of visitors from all over the world. This was during the National Prayer Breakfast. We had people from all over the world there. I was in charge of a group of the national visitors from the Ukraine, from Eastern Europe and some of that area. One man was here from Moldavia. He asked me a very interesting question. He said, ''Senator INHOFE, here in the United States, how much can you keep?''

I said, ''Pardon me? I do not understand what you are saying.''

He said, ''Well, when you earn something, how much do you have to give the Government?''

I said, ''Well, that is a real interesting question.'' I kind of established a guess because there is not really a very simple answer to that question when you stop and think about what the Government really absorbs.

But he said, ''We are celebrating in Moldavia. We are so thrilled that finally, after all these years of communism, we now have a free economy. We now have a free society. We now can own property. We now can buy businesses and we can work hard and pass on to future generations that which we reap.''

I said, ''In your country, how much do you have to give the Government?'' He said, very proudly, ''We get to keep 20 percent.'' I said, ''How does that work?'' He said, ''Well, when you earn money, if you earn a dollar, you have to give 80 cents of that dollar to the Government.'' They do not wait until year end, Mr. President. This is something that is ongoing. And then we looked around at each other and thought, here are these people, seeking their freedom, so excited about this, they are all through with communism, and they can benefit and they can enrich themselves and future generations and how happy they were, and yet they have to give to Government 80 percent of what they have.

Mr. President, that brings it really to the surface of where we are today. If we do not do something to change this path, we will be behind Moldavia. It will cost our future generations 82 cents on the dollar.

So I would like to think that this is not a fiscal issue. It is a moral issue. We are going to see in the next few weeks the Republicans coming out in the House and the Senate with a program, with a budget, a proposed budget that would eliminate the deficit by the year 2002. I disagree with the way we are doing it. I hate to be the one who disagrees with my own party. I have talked to different people who are on the Budget Committee, and I say I think we are making a mistake when we come out with a budget and say exactly where we are going to cut programs, where we are going to expand programs. Why not do what we know would work? Let us put spending caps on. If we initiate a resolution that says we are not going to let any Government program increase more than 2 percent, we would not touch one program, not have a reduction in one program, not have elimination of one program, and we would be able to balance the budget by the year 2002.

That is because—and most people do not realize it and you are not going to hear it said by a lot of the liberals here in Congress—our problem is not where to cut programs but how to stop the accelerated growth. And when you hear people like the President standing up and saying proudly, ''We are cutting the deficit,'' that is garbage.

There is an article everyone should read. It was in the Reader's Digest last year. It was called ''Budget Baloney.'' And in it they described how Members of Congress say they are cutting the deficit. They described it this way: They say let us say you have $5,000 but you want to buy a $10,000 car. All you have to say is I really want a $15,000 car, but I will settle for a $10,000 car and I have cut the deficit by $5,000.

That is the way they do things around here.

Let me suggest to you that there is going to be a come-home-to-roost time. There is going to be a time when these individuals who have habitually voted for expanded Government into our lives and are not a part of the revolution of November 8 are going to have to come back and take the consequences.

I would like to show you just two charts that we put together back when we were debating the balanced budget amendment to the Constitution.

This chart shows the characterization of those Members of the Senate who were voting for an amendment called the Right To Know Act. Now, what this was was an amendment to the balanced budget amendment to the Constitution, and it said show us exactly where you are going to cut every program. Obviously, you cannot do that 7 years in the future. But we analyzed the voting behavior of the 41 Senate cosponsors of this bill. We find that every one of them voted yes on the $16 billion President Clinton tax stimulus program which was the largest increase in spending that we have had in one bill, I believe, in the history of the Congress; that every one of the 41 who had signed on as cosponsors to this amendment was ranked by the National Taxpayers Union as either a D or an F. In other words, the people who were behind this were the people who were the big spenders in Congress.

Then the most revealing chart is the one that shows what is going to happen to a lot of these people by showing what did happen to them in the revolution of November 8.

On November 8, there were either defeated or retired in the Senate eight Senators. Of the eight Senators, all eight voted for the spending increase. This was the spending increase that put all kinds of subsidized programs in

there, supposedly to stimulate the economy. All of them voted for the tax increase. The tax increase was the 1993 tax increase that President Clinton had. It was characterized as the largest single tax increase in the history of public finance in America or any place in the world, and those are not the words of conservative Republican JIM INHOFE. Those are the words of PATRICK MOYNIHAN, who at that time was chairman of the Senate Finance Committee.

Further down here they all had either D or F ratings by the National Taxpayers Union. In other words, they were the big spenders, and those are the ones who were defeated. They are not here. Look around. They are not here.

In the House of Representatives, 66 of them went out. Almost all of the 66 voted yes on the stimulus bill, voted yes on the tax increase, and had a D or F rating by the National Taxpayers Union.

So I just suggest to you, Mr. President, that we make it abundantly clear to the liberals in Congress, the few liberals who are left, because most of them were wiped out in the November 8 revolution, there is going to be another wave coming up in 1996, and this is the opportunity for us to be fiscally responsible, for us to be able to stand up and say no to some of these useless programs that have outlived their usefulness and say yes to future generations, including my two grandchildren, Glade and Maggie Inhofe. This is what is going to work for America, and this is probably the centerfold of the revolution of November 8.

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

The PRESIDING OFFICER. The clerk will please call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. LEAHY. Mr. President, I understand that the parliamentary situation is that we are in morning business; is that correct?

The PRESIDING OFFICER. Technically speaking, the Senate is on H.R. 1158.

Mr. LEAHY. Mr. President, if no one else is seeking recognition, I ask unanimous consent to proceed as though in morning business.

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

REMOVING THE ANTITRUST EXEMPTION FROM MAJOR LEAGUE BASEBALL

Mr. LEAHY. Mr. President, yesterday the Senate Subcommittee on Antitrust, Business Rights and Competition of the Committee on the Judiciary voted out S.627, the Hatch-Thurmond-Leahy bill clarifying the application of our antitrust laws to major league baseball.

What we did was to remove the antitrust exemption given to major league baseball. I hope that the full Judiciary Committee, the Senate and the other body will take this up and pass it relatively soon.

Baseball has for decades had a special exemption from the antitrust laws, which laws apply to everything else, every other business in this country and every other professional sport. What this means is that baseball and those who own it and run it are basically above the law.

Now they have shown what this means. They have shown great disdain for the fans, for those who do not make the $1 million salaries, like the people who park the cars, that sell peanuts and beer and hot dogs and soda at the various stadiums, for the communities that have taxed their people through bond issues to build stadiums, for those who make the pennants and the T-shirts and the baseball caps, and even, in the State of Vermont, those who make the souvenir bats given out on bat day. Such people have been out of jobs over the past year because of the baseball strike.

And throughout all of this, people, some acting in extremely high-handed fashion, are able to say, ''Well, the fans be damned. Because we have this exemption from antitrust, we can act together. We can do whatever we want.''

The antitrust exemption was provided for baseball on the assumption that those who control baseball would act in the best interest of the game and the best interest of the fans, would do it responsibly and that we would have a strong commissioner. The practical matter is they have done none of this in the last few years.

I recall testimony in a hearing that Senator THURMOND and I had in which the question was asked: Let us assume baseball did not have an exemption from the antitrust laws and let us assume we saw the situation, the sorry situation, we have seen for nearly a year in baseball. If the owners came in and said, ''Oh, by the way, Congress, give us something you have not given any other business. Give us an exemption from the antitrust laws.'' Would they not be laughed off Capitol Hill? Of course, they would.

Republicans and Democrats alike, both in the Senate and the House, would say, ''We are not going to give you that. We are not going to give you this special exemption from the antitrust laws that we don't give to football or basketball or General Motors or Dow Chemical or Monsanto or Apple Computers or anybody else. We are not going to give it to you. And especially we are not going to give it to you because of the way you have been acting.''

We would not pass a statutory exemption, and I daresay, Mr. President, there would not be one Member of the U.S. Senate that would vote to give them an antitrust exemption today, yet they have it.

So, I hope, by the same token, everyone in the Senate will join with Senator THURMOND, Senator HATCH, and myself—an interesting coalition, if ever there was one—and would withdraw the antitrust exemption. It is not deserved by baseball. It should not be continued for baseball. They should be treated as anybody else.

Their behavior in the past year has shown why they should not have that special exemption, if they ever really deserved it. But whether they have deserved it or not, they have now lost it. We should take it away.

So, Mr. President, I hope that this legislation will work its way through the committee process fairly quickly, come to the floor of the Senate, and be voted upon.

I have watched some of the activities of the baseball teams, I mean things that are so petty, so petty. For example, the way they treat Little League teams.

When I was a youngster and when my children were, the idea was, if you had a Little League team, you built up some following for various teams. You proudly wore the logos of a team—the Red Sox, the Yankees, whoever else it might be.

Now they say: ''Well, we will require each one of those children to pay us $6 for the privilege of having their logo on their uniform.'' This is just penny-ante baloney.

What it does, it says, ''We expect you to be fans supporting us, but, kid, you're going to pay for it.''

I recall as a child being at Fenway Park and seeing some of the greats of baseball come by. If you held out a baseball, they would autograph it for you. And they were paid a tiny fraction of what is paid to these multimillionaires today who tell you, ''Yes, you can come in and for x number of dollars we may give you the autograph.'' This is spoiling the whole idea of baseball.

So, as I said, Mr. President, we ought to lift their antitrust exemption. They do not deserve it. They never really earned it in the first place, and they have done nothing to keep it today. Let us get rid of it. Let us treat them as the business they have become and let us stand up for the fans for a change.

I have seen a situation in the hearings where even the acting commissioner of baseball in his testimony tried to mislead the Senate; gave conflicting testimony, gave testimony that turned out not to be true; and did not move to correct his testimony. This is the kind of disdain that they show for the Congress.

Well, then let us not give them the exemption to the laws. You can have disdain for the laws, you can have disdain for the game, you can have disdain for your own responsibilities, you can have disdain for your own fans, but we are not going to give you a special

exemption under the law to carry out that disdain.

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

The PRESIDING OFFICER. The clerk will please call the roll.

The legislative clerk proceeded to call the roll.

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

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

BUDGET BALANCING IS A THREE-STEP PROCESS

Mr. KYL. Mr. President, I wanted to comment on two things, one which has just occurred and one which is about to occur, I hope. We know that last night the House of Representatives passed historic tax relief for the American people. I want to address that for a moment.

Second, we know there have been discussions between the majority and minority leader on an attempt to reach an agreement on a rescissions package which we could conclude before the Easter recess.

Mr. President, the House of Representatives adopted a rescissions package of about $17 billion and the Senate has been working on a package somewhat less than that. It is our hope between the majority and minority we can come to an agreement on a package which would represent our effort to meet the House, if not precisely their figure, at least something close to it so that as the House and Senate take the recess during the Eastertime, our constituents back home would know that both the House and Senate were serious about saving money.

Mr. President, during the last campaign, as I was running for this office, people asked me what it would take to balance the budget? I said it is a three-step process.

The first thing we can do is immediately try to save some of the money that the Congress has already appropriated. We know that every year there is money appropriated that really cannot be spent very effectively. If we could make a head start on balancing the budget by just saving some of that money for next year, it would demonstrate our commitment to a long-term goal of balancing the budget.

That is what the rescission package is about. I will come back to that in a moment. The second step, of course, is the decisions that we make throughout the year for that year's budget. The third step, of course, is the long-term balancing of the budget process which I have contended can only be done effectively through the adoption of the balanced budget amendment, because without the discipline of the constitutional requirement to balance the budget I have always felt it doubtful Congress would actually develop the willpower and the commitment to see that difficult project through.

Those are really the three steps that I articulate.

In the second step, what I had said was each month throughout the legislative year we deal with legislation that spends money. We can make the conscious decision not to spend as much, to limit Federal spending. When it comes time to appropriate the funds, we can set priorities and we can end passing appropriations bills that limit the growth in Federal spending.

Mr. President, we have heard the figures that if we adopt a tax relief plan for the American people we can still balance the Federal budget by the year 2002 if we limit growth in Federal spending to 2 percent a year. We are not talking about draconian cuts, but talking about limiting the growth in spending.

So the first step is to try to save money that we do not have to spend next year through a rescissions bill. The second step is to make the tough additions each week, each month, as this year goes by, as we pass the appropriations bills, to spend less money than we had anticipated spending.

If we do that each year for 7 years, we will have achieved a balanced budget by the year 2002, without the need for a constitutional amendment.

We know that would provide more discipline, would give the Congress a better ability to control spending, but we will deal with the issue of the constitutional amendment later this year and probably next year.

Let me go back to the first of those three steps, the rescission package, because that is what has been before the Senate for the past week.

The idea of rescissions—not a term that the American people would necessarily relate to—but the idea of rescissions is to simply not spend money that we counted on spending, because we really do not have to spend it.

Here is an example: We appropriate money to the General Services Administration to build a building. We say it will cost $2 million, so here is the money for it. GSA lets out the bids but none of the companies that would bid on it gives the GSA a bid they want to accept. The bids do not supply the right kind of construction or architect or something.

So the GSA does not let the bids for the contract, so the contract is delayed a year. That $2 million which has been appropriated for next year, really, cannot efficiently be spent next year. The construction project on which it was supposed to be spent cannot be built.

Why should we force the GSA to spend that money on something? We can rescind the money. We can call that money back, and save it for this year, and either decide to apply it to deficit reduction or apply it to some other expenditure for next year.

There are a lot of different programs that we have been talking about rescinding money in. The net result has been an agreement that somewhere between $13 or $14 billion and $17 billion, we can save the American people—taxpayers—that much money in this coming fiscal year because we really do not need to spend that money even though the money has been authorized to be spent.

Now we have had some disagreements in the Senate about whether we should agree to the House level of $17 billion. There has been some disagreement between the Democrats and Republicans as to where to save that money.

I am hopeful that within a few minutes the majority and the minority leader will announce an agreement which represents not totally a Republican view or a Democratic view but a view that both share, that we need to save as much money as possible.

While it will not get to the $17 billion level that the House of Representatives has adopted, it will be close to that. It will be in the range of $16 billion, I hope, and that we will then be able to quickly adopt that rescissions package, go into conference with the House so that as soon as we return from the Easter recess we can send to the President savings of between $16 and $17 billion.

Some people have said, why are we taking time to deal with that problem when we have a much bigger problem of developing a budget of over $1 trillion? Beginning the process of reducing Federal spending over a period of 7 years to reach a balanced budget, perhaps in the order of magnitude of $1 trillion over the 7-year period.

What is $17 billion? Well, we have all quoted Everett Dirksen, who use to speak in this Chamber, and who made famous ''A billion here and a billion there, pretty soon you are talking real money.'' To the American people, $17 billion is a lot of money, and it is a very good downpayment on the savings that we have to make in the future.

Because of the consternation I have seen expressed on the floor here about some of the savings even within the $17 billion package, it makes it clear to me that it will be a very hard process if we cannot agree to some of the things that are in the $16 or $17 billion package, how will we agree to something 10 times greater than that or 100 times greater than that?

Clearly, we have to start from the bottom up. Each program has to be prioritized, and we have to try and find savings everywhere we can. In each line of that Federal budget, there is something to be saved. When we add it all up, it adds up to big dollars.

If we only look to the big programs, then we are forced to look at things like Social Security and Medicare and defense. Frankly, most Senators understand that there is much about those programs which precludes the Senate from making the huge savings that would have to be made there if we ignore the smaller programs.

It is important to start at a level of rescissions. I am very, very hopeful that within a few minutes our leadership will indicate an agreement on a

rescissions package of $16 to $17 billion that we can adopt, and begin this process of balancing the Federal budget.

Just one more comment, since I see the Senator from Alaska is here and wishes to speak. I wanted to comment on what the House of Representatives did last night. It was historic, Mr. President. Never in the history of the country has a body as the House of Representatives in less than 100 days adopted the sweeping legislation that the House of Representatives has now adopted. Nine out of the 10 points in the Republican Contract With America were adopted, concluding last night with the historic $180 billion-plus tax cut for the American people. A tax cut which guarantees not to cost in terms of the deficit but has added to the deficit reduction planning.

In other words, the House committed to reducing the Federal budget deficit and achieving a balanced budget by the year 2002, and in addition, providing for $180 billion in tax cuts for the American people.

This is in keeping with the commitment that many made in the last election to our constituents and to the desires of the American people expressed to Members in the last election.

I want to commend the House of Representatives and all of the people there who thought it important enough not only to express the intention to balance the budget but also to allow American families to keep more of what they earn and to allow American businesses to generate the capital, to create the jobs to employ the people, to create the kind of employment that we know is necessary to bring people out of poverty and create a high standard of living for working Americans, for all of middle America.

This is an important commitment that needed to be kept. And it is up to the Senate, after we return from the Easter recess, to follow through on our part of that commitment. Our tax cut program may not be precisely what the House program was. It might be a little bit less, in terms of money. We know that there is a little bit different point of view here.

I, for one, would be happy to adopt every penny of the tax cuts adopted by the House of Representatives. To me, every one of them is justified and I will be urging that we do that here on the Senate floor. But even if it is not exactly identical, I think we can be proud and we can go back to the American people and say we kept our promises to you, we kept our commitment, if we are able to adopt a program of tax relief that is close to what the House adopted last night.

I think it is important for us in the Senate to say to our colleagues in the House, ''Job well done. You did what you promised you would do. You set the stage for us to come in behind you and to finish the job and we are committed to doing that when we return from this Easter recess.''

I think, as we prepare to go back and spend time with our constituents, much has been achieved. We should be prepared to talk about that. But most important—most important we should be prepared to listen to our constituents when we go home now, to listen for 3 weeks to what they have to tell us. Have we been doing the right thing? Do you want us to continue on this path? My guess is, when we come back, we will be energized with the spirit of our constituents telling us to carry on, keep on with that fight, balance the Federal budget, save this money in rescissions and provide tax relief for American families. I think that will be their message to us. I cannot wait to get back and hear it.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. FAIRCLOTH). The Senator from Alaska is recognized.

Mr. MURKOWSKI. Mr. President, let me commend my colleague and a number of the freshman Senators for their initiative in pursuing appropriate action relative to cutting Federal spending. While I have been around here a little longer than they have, I think their energy and commitment is to be recognized, and I think the spirit of leadership in relationship to the tough decisions that have to be made are certainly evidenced in this new group that has joined our membership.

I believe we are in morning business?

The PRESIDING OFFICER. Technically, we have before us H.R. 1158, FEMA supplemental appropriations.

Mr. MURKOWSKI. I ask that I may extend my remarks concerning an invitation to allow the President of Taiwan to visit the United States. I assume under the rescission package before us, unanimous consent would be sufficient?

The PRESIDING OFFICER. That is correct.

Mr. MURKOWSKI. Mr. President, I had intended to offer an amendment to the rescission package which would express the sense of the Congress that the President of Taiwan, Lee Teng-hui, be allowed to visit the United States.

It is my understanding it is unlikely that I will have an opportunity to offer such an amendment. But I intend, at an appropriate time in the near future to offer the amendment to another vehicle and request an up or down vote.

The amendment I intended to offer would have been identical to Senate Concurrent Resolution 9, which has 52 bipartisan cosponsors, including, I am proud to say, both the majority and minority leaders of this body. Senate Concurrent Resolution 9 passed the Foreign Relations Committee unanimously 2 weeks ago.

Specifically, that resolution calls on our President to allow President Lee of Taiwan to come to the United States, not on a state visit but on a private visit. It is an identical resolution to House Concurrent Resolution 33, which was introduced in the House by Congressmen LANTOS of California, SOLOMON of New York, and TORRICELLI of New Jersey. It passed the House International Relations Committee yesterday, I am told, by a vote of 33 to 0.

Obviously, the support is there. I hope the State Department will be sensitive to the recommendations of the Congress.

We have a rather interesting situation with regard to our relations with Taiwan, as well as China, but clearly we should not allow the People's Republic of China to dictate who can visit the United States. Again, we are not talking about an official state visit; we are talking about allowing President Lee to make a private visit. He has received two invitations that the Senator from Alaska is aware of. One is to come visit his alma mater, Cornell University, where he has been asked to make an address. Further, he has been extended an invitation to the U.S.-ROC Economic Council Conference. This is an organization whose purpose is to promote trade and commerce between Taiwan and the United States. That organization will be meeting in Anchorage, AK, my home State, in September.

In both instances, the State Department has discouraged the issuance of these invitations and implied that they would not look favorably on a request for a visa.

That is offensive to this Senator. The suggestion of the State Department is that allowing President Lee to visit the United States would upset relations with the People's Republic of China. I think we have to recognize the gigantic strides that have been made by Taiwan over the years. They ended their martial law. They have initiated free and fair elections. They have a very vocal press. Human rights have steadily improved. They have the development of a strong second party. And Taiwan ultimately is a friendly, democratic, stable, and prosperous nation. They are the 5th largest trading partner of the United States, and the world's 13th. They buy twice as much from the United States as the People's Republic of China. They are among the holders of the largest foreign reserves of any country. They contribute to international causes.

But our country continues to give a cold shoulder to the leader of Taiwan, President Lee. It went so far that last May in Hawaii when President Lee was in transit from Taiwan to Central America, the State Department refused to allow President Lee an overnight visit. The State Department continues to indicate that a private visit will not be allowed. They suggest that the United States would allow transient stops. That means perhaps the airplane can stop for refueling and President Lee would be allowed to get off and perhaps spend the night.

One of the inconsistencies I would like to bring out—and this came up on a recent trip I made to both Taiwan and Beijing—is the expanding relationship between Taiwan and the People's

Republic of China. I learned of an organization called the Association for Relations Across Taiwan Straits. That is the organization in Beijing. On the Taiwanese side, there is the organization called the Mainland Affairs Council.

Although the People's Republic of China is telling the United States not to have any relations with Taiwan because it would offend the People's Republic of China, there is a relationship between Taiwan and the People's Republic of China through these two organizations that have been established and that meet regularly. The Association for Relations Across Taiwan Straits and The Mainland Affairs Council talk about everything but politics. They talk about trade, they talk about commerce, they talk about hijacking.

I think it is fair to say the Chinese business men and women are among the best in the world. They are motivated, obviously, by the opportunity for trade and commerce. So they are discussing between them matters of interest and matters that are beneficial to both. They have even announced proposals for direct shipping from Taiwan to the southern provinces in China that would bypass Hong Kong.

Here we have a situation of inconsistency, and it is beyond this Senator to understand how the State Department can overlook that. Trade and commerce is flourishing between Taiwan and the People's Republic of China, yet the People's Republic of China dictates to us that we cannot extend a private visit to the President of Taiwan.

I have a great respect and fondness for their representatives.

I know the Ambassador. I have had the pleasure of meeting Chairman Deng. But the People's Republic of China bellows about virtually everything that we do— United States pressure at the United Nations on human rights, world trade organization membership and anything we do with regard to Taiwan. That is the litany. It is expected. We should recognize it for what it is. But we should not be dictated by the terms and conditions which they mandate.

In my opinion, in the end the People's Republic of China will make calculations about when and what to risk with regard to their philosophy of doing business and participating in our markets. We should simply do the same.

There is precedent for a visit by Lee. I will be specific. This administration has welcomed other unofficial leaders to the United States. The Dalai Lama called on Vice President Gore over the objections from the People's Republic of China. Yasser Arafat came to the White House ceremony. He was once referred to as a supporter of terrorism. Gerry Adams has been granted numerous visas over Great Britain's objection. In each case the administration, I think, made the correct choice to allow us to advance American goals. President Lee's visit would do the same.

I would also call my colleagues' attention to the extended debates we have had in this body about most-favored-nation status for China. I have supported MFN for China, and most of my colleagues have also supported it under the premise that engagement helps bring about change. We can bring about greater recognition on human rights if we establish a dialog, open trade, and commerce. So we apply it to China. But with regard to Taiwan, we will not even invite the President of the Republic of China on Taiwan for a visit to the United States. This is a private visit. We are not talking about a state visit.

By the number of supporters on the amendment, 52 bipartisan cosponsors, the State Department should get the message of the prevailing attitude in this body. As I said when I started, I am not going to have an opportunity to offer this as an amendment before this body on the rescissions package. But I intend to bring it up later for an up-down vote because that is perhaps the only way the State Department can understand the prevailing attitude.

Finally, the U.S.-ROC Economic Council conference is to be held in Anchorage in September. Visiting Alaska would not be a political statement. We consider ourselves almost another country. We are out there all by ourselves and I think it is appropriate that President Lee participate in an economic meeting. Lee's alma mater, Cornell University, as I indicated earlier, is another completely private matter.

So I call on my colleagues to vote to send a strong signal to the administration at an appropriate time when I have an opportunity to bring up the amendment.

I also ask unanimous consent that a letter be printed in the RECORD. This is a letter from David W. Tsai, President of the Center for Taiwan International Relations.

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

CENTER FOR TAIWAN
INTERNATIONAL RELATIONS,
Washington, DC, March 15, 1995.

President WILLIAM J. CLINTON,
The White House,
Washington, DC.

DEAR PRESIDENT CLINTON: I am writing to urge you to demonstrate your Administration's support for global democratization by permitting President Lee Teng-hui of Taiwan to visit the United States. In particular, you should allow President Lee, a distinguished Ph.D. alumnus of Cornell University, to visit his alma mater this summer, where he has been invited to give the prestigious Olin Lecture to over 2,000 returning Cornell alumni all over the world. He should also be permitted to address the Economic Council meeting in Alaska as an honored speaker later this year. Such visits are well-provided for within United States policy toward Taiwan. In addition, the Administration should take advantage of President Lee's visit to the U.S. by granting him an audience with yourself.

President Lee, a political reformer, has significantly advanced democracy in Taiwan. He is committed to the further democratization of the island nation—a process which has been encouraged and prodded along by the United States Congress and six different administrations. He has played a central role in the Taiwan model that so many nations are now seeking to emulate. Today Taiwan is an emerging democracy and an economic powerhouse. Yet while Taiwan has made great strides in response to the calls for reform and has achieved international economic distinction, the United States has continued to treat Taiwan like an international pariah. Many Members of Congress and the American public were outraged last May at the Administration's refusal to allow President Lee to stay overnight in Hawaii en route to a presidential inauguration in Central America. It undercuts American credibility and concern for human rights when a country like Taiwan with its strong democratization record is treated so badly.

It is in the American national interest to allow President Lee to visit. In so doing, America will reaffirm its commitment to freedom and democracy and to friendship with the people of Taiwan. We cannot continue to let China dictate U.S. policy or determine who can and cannot visit the United States. It weakens the Clinton Administration and compromises the U.S. world leadership to allow even the appearance of taking orders from Bejing or being bullied by China.

As you know, President Lee's visit has strong bipartisan support in both Houses of the U.S. Congress. Having visited Taiwan three times yourself, you undoubtedly recognize Taiwan's strategic importance to maintaining the balance of power in East Asia. Also, Taiwan is important as a friendly partner of the United States, particularly in trade, education, and diplomacy. Today Taiwan is the seventh largest trading partner of the United States and buys more than twice as many annually from the U.S. as does the People's Republic of China. Both the Taiwanese American community and the American business community will support your favorable decision to permit President Lee's visit. A visit to the U.S. by the President of Taiwan is not only in America's national interest but in line with the democratic traditional values that the United States stands for.

Congressional and grass roots support for President Lee's visit is building, and I urge you to take immediate steps to welcome President Lee to the United States.

Sincerely,

DAVID W. TSAI, Ph.D.,
President, Center for
Taiwan International Relations.

This letter is also endorsed by the following Taiwanese American organizations:

World Taiwanese Chambers of Commerce (President: Jentai Tsai), N.Y.

Taiwanese Import and Export Association (President: Wen-chu Huang), N.Y.

North America Taiwanese Medical Association (President: Bernard Tsai, M.D.), Potomac.

Taiwanese Christian Church Council of North America (Chair: Rev. David Chen), Santa Ana.

Taiwanese American Citizens League (President: David D. Tsay, Ph.D.), Houston.

Society of Taiwanese Americans (Representative: Wilbur Chen), Bethesda.

Mr. MURKOWSKI. Mr. President, I see my good friend, the Senator from West Virginia, on the floor. I would be happy to yield to him.

Mr. BYRD. Mr. President, I thank the distinguished Senator. I have no desire to have the floor. I thank the Senator.

Mr. MURKOWSKI. I wish my friend a good day and thank him.

MEXICO'S DEBT

Mr. MURKOWSKI. Mr. President, let me speak very briefly about another amendment that I was prepared to offer. But, again, because of the circumstances on the floor, it is not going to be presented. It is an issue that is ongoing. I would like to speak briefly on the merits of the issue, although, as I have said, the amendment will not be offered.

This was to be a very simple and very straightforward amendment. It would require the Government of Mexico to provide our Government with information relative to the names of the individuals or institutions that are redeeming Mexico's debt when the redemptions are made with the funds provided by the United States Government. As my friend in the chair, the Presiding Officer, will recall, this package is almost $52 billion.

It is the contention of the Senator from Alaska that is a bailout that has been crafted by the United States through the Treasury Department. It is my understanding that Mexico has already used some $13 billion to pay off the debt, of which $5 billion initially has come from the United States. Another $15 billion of American taxpayer money is at risk. That is money that came from the Exchange Stabilization Fund that was set up when we went off the gold standard.

We are all aware of the fact that the administration came to the Hill to seek support for the Mexico bailout. But they could not get our support and decided that they would find another avenue to bail out Mexico. And they came up with the $20 billion that is in the Exchange Stabilization Fund, the International Monetary Fund, the Bank for International Settlements, and others and the commitment now is some $52 billion.

It is rather interesting to reflect on that because the Senator from New York and I had a colloquy some time ago. And both our recollections are that the current debt of Mexico, as communicated by the assistant to the President of Mexico at a meeting we had, was in the area of $70 billion. The current debt is debt payable in a year. This debt is to meet an obligation issued by the Mexican Government in the form of bonds. These are bearer bonds. That means we do not know who holds them. It is like a check payable to cash.

The question my amendment attempts to address is who is being bailed out? Is it the Mexican people? Is it Mexican financial institutions? We have not been able to get a definitive answer from the Department of the Treasury. It is my opinion that the ordinary citizens of Mexico are not being bailed out. In fact, the ordinary citizen of Mexico is currently facing interest rates that are clearly out of reach, in some instances 75 and 100 percent. Mortgage rates are absolutely unrealistic. The reality of lost jobs, higher taxes, higher inflation, and when we look at the obligation of who pays this back, we find it is the citizens of Mexico. It is the economy of Mexico.

Businesses operating in Mexico are not being bailed out by this commitment, which is the first advance of some $52 billion. Mexico has already used $13 billion to pay off the debt which comes from the United States; hence, the United States taxpayer.

Companies that have put brick and mortar in the ground for new plants and employ Mexican citizens are not the beneficiaries of this money. In fact, they are suffering from the havoc caused by the interest rate explosion. They cannot borrow for inventory. They cannot borrow for expansion. American mutual fund investors—let me repeat that—American mutual fund investors whose funds invest on the Mexican Bolsa are not being bailed out. In fact, these equity investors have seen the value of their holdings drop more than 50 percent, and in some cases the loss of these stocks are even larger. So the questions are, Well, where is this money going? Who is it going to benefit?

Mr. President, you know who is being bailed out. So do I. The owners of the so-called tesobono debt. Most people do not even know what a tesobono is. In fact, this debt really did not exist a year ago. It is the Mexican debt which, when it comes due, is paid in pesos.

It is rather interesting how the financial intrigue of this adjustment occurs. However, the important thing to recognize is the amount of pesos that the debt-ridden holder receives at maturity is linked to the peso-dollar exchange rate. Mexico, unfortunately, made a decision to issue this type of debt early last year because it was finding it more and more difficult to attract more investors to finance its debt.

That sounds rather curious, does it not, that they have to have foreign investors to finance their debt? Yet that is the reality that Mexico faced. Canada has to have foreign investors to finance its debt. I noted the other day a figure which indicated that 29.6 percent of the Canadian budget was to pay interest on the debt. That is almost a third. When you get into that area, the ball game is almost over. It is almost over.

Now, the foreigners, of course, in order to invest, when they see a situation that is less than stable, demand higher interest rates, and they demanded as much as 20 percent from Mexico. Not only that, but that demanded that the debt be linked to the peso/dollar exchange rate.

These are very shrewd investors, Mr. President. They know that money goes to the highest return and the least risk. And they must have foreseen that the peso could be devalued, and they wanted to ensure that they would suffer no currency risk.

That is exactly what happened, Mr. President. The peso went from 3.5 to the dollar to 6.5 in barely 2 months, and now that this debt is due these investors are completely insulated from the financial crisis that is affecting all other sectors of the investment community and the working community in Mexico.

One asks the question why? It is because the United States Government has decided to give Mexico these billions of dollars to pay off these investors. Now, who are these investors? As I said, they are sophisticated investors. They are the investors who went out there and took a risk because the attractiveness of 20 percent interest suggested that risk was worth taking. These are not the ordinary Mexican people.

This was done because the United States Government has decided to give billions of dollars to Mexico to pay off these investors. If we had not come to the rescue, then these investors would have had to suffer the financial consequences that everyone else in Mexico must face. Why should these investors be bailed out? We do not bail out the investors who put money in Orange County bonds. Why are these investors in Mexico so very special?

One of the reasons, obviously, we do not know who they are. That makes them special. We know who the investors are who bought Orange County bonds. Who bought these tesobonos? We do not know. They could be American investors, Japanese or German investors, they could very well be some of the billionaires who live in Mexico City and are friends of the controlling PRI party.

What we do know is that whoever owns this debt is really cashing in, and they are shipping their money where? They are shipping it out of Mexico. In fact, so many tesobono owners were immediately converting their proceeds into dollars that the peso began to crash above seven to the dollar, and then the Mexican Government decided to stop paying off tesobono debt in pesos and immediately paid the debt in dollars. Where did the money come from? It came from the United States. Whose dollars are they using? They are using U.S. taxpayer dollars. We are bailing them out. Why? We are being told it is to stabilize the monetary and currency system.

That is what we are told. If you buy some shares on the New York or American Stock Exchange and lose money, we do not bail you out.

But if we had not bailed out the bond holders and the Mexican Government, what would they have done? They would have done as everybody else who runs in to credit problem. They sit down and work a deal out. You know you cannot get 100 percent back on the investment. You might get 40 percent. But that is the way the process works

in the ordinary debtor/creditor situation. Then we would know who the holders of the tesobono debt are. They would have to come forth, submit their bearer bonds through investment brokers, commercial, international banks. We would know who they are and they would sit down and work out a deal. That is what should have been done.

I believe it is important that the American taxpayers know who the recipients of this debt are. Some have said, what difference does it make who they are? I think it is important when American taxpayer money is used to provide a guarantee on a foreign government debt to a very select group of holders of debt. Not only are they going to get their principal back; they are going to get the interest back—20 percent.

You and I, where do we go to get 20 percent? I do not know. Maybe you get in line down there and buy some tesobonos. But we ought to know who the beneficiaries are because we know that it is not the Mexican economy that is the beneficiary. This is not going to do a thing for the Mexican economy. Those holders of that debt are moving that money out of Mexico. Yet, the Mexican economy, the Mexican citizens are expected to pay it back. In the conditions that exist in Mexico that is unlikely to occur.

Now, many of my colleagues make the point that we cannot indicate that we are supporting a process and then not follow it through. The problem with this sales package, Mr. President, is we did not understand it in the first place. We were told continually we were going to stabilize the Mexican economy. What we are doing is paying off the debt of sophisticated investors who bought those tesobonos who are standing in line to get United States dollars and will bail out and they are not going to put that money back in Mexico.

There are assumptions that a large portion of this debt is held by Americans, yet the Treasury Department claims that these bearer instruments are of a nature where they do not know who owns the debt.

I do not know who controls the debt. But what if we found out that $5 billion of the debt was owned by the Bank of Libya or maybe the debt was owned by an investment house operating as a front for the Government of Iraq or Iran. Would not the taxpayer be curious? Do we not have an obligation as we sign off on this money as a Congress to know who those recipients are? Is it too much to demand that when American taxpayer dollars are used by the Government of Mexico to pay off an investor or speculator the identity of that investor or speculator be known? Because again, we are being told that this has to happen to solidify the economy of Mexico. It is going to solidify the holders of those bearer notes.

What my amendment seeks to accomplish is to try to identify who those holders are. Mr. President, reality dictates that if my amendment passes and Mexico does provide the information we are seeking, we will probably never know who really holds that debt. It will probably be reported in the name of the Bank of Panama, the Bank of the Bahamas, a couple of major brokerage house firms, but I think it important that this body focus on this principle: that it was an unnecessary and unwise action taken by this administration at the expense of the U.S. taxpayer to favor the holders of an extraordinary type of foreign debt that was issued out there to make them whole when we do not do it to any other investor when their investments turn bad. But we made an exception for these investors.

The New York Times reported last Sunday:

> Most of those investors, a mix of rich Americans and other foreigners, have swept up their hefty profits and immediately transferred their money out of the country of Mexico.

Now, if that is true, Mr. President, we have not done Mexico a favor. We have put a burden on the taxpayer and the Mexican economy because they are the ones we expect to pay that back.

So that is the extent of my statement and my concern, Mr. President. And I urge my colleagues who have anguished over whether or not the Congress should take a position on this matter to recognize that we have an obligation to the U.S. taxpayer to make an accounting of the worthiness of a $20 billion commitment, and that is not what we have done.

I would feel entirely different in this matter if I felt this was an investment in the Mexican economy which would benefit the Mexican taxpayer.

It is like, if you borrow money, Mr. President—and I know you are a businessman—and you could use that money to make more money, that is a good thing. You are employing more people; you are building up inventory. But if you borrow money and you have to mortgage your income to pay it back, I may be doing you a grave disfavor.

That is the principle that I think is applicable in this particular case of bailing out this select group of investors, whom we have no knowledge of at the expense of the Mexican taxpayer.

Mr. President, I have concluded my statement. I intend to pursue this matter at a later date when the opportunity arises with an appropriate vehicle.

In the meantime, I ask my colleagues to consider the merits of my statement this morning relative to identifying who the beneficiaries are of our $20 billion commitment. This is just a part of the current Mexican debt, which will in this year require some $70 billion in order to meet the obligations of the Mexican government.

I thank the Chair and I wish the Presiding Officer a good day.

I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

STRIKER REPLACEMENT

Mr. FAIRCLOTH. Mr. President, on March 23, I introduced S. 603—a bill to nullify Executive Order 12954 which prohibits Federal contracts with any company that hires permanent replacements for striking workers. This is the companion bill to H.R. 1176 introduced by Chairman GOODLING of the Committee on Economic and Educational Opportunities. Yesterday, Mr. GOODLING's committee held a hearing on H.R. 1176, at which testimony was given concerning the fundamental flaws of this Executive order. Many of the same issues were addressed in this Chamber when the distinguished Senator from Kansas, Chairman KASSEBAUM, ably led an effort to limit funding for the implementation of the Executive order.

We lost that fight, but the opponents of this Presidential power grab will not rest until the Executive order is overturned and balance is restored to this Nation's labor policies.

Today, I would like to speak briefly about just a few of the more recent and compelling criticisms of the Executive order.

I share the opinion of those who conclude that the order is invalid because it exceeds the President's constitutional and statutory authority. The Justice Department's legal memorandum in justification of the order cites a statute which was enacted in 1949 to implement the recommendations of the Hoover Commission.

The Justice Department takes the position that this statute authorizes the President to adopt any regulation which promotes economy and efficiency in Government procurement. However, there is no Supreme Court decision that supports the Justice Department's interpretation of this statute as conferring such sweeping Presidential authority.

Moreover, the Congressional Research Service recently concluded that Executive Order 12954 ''may not survive even the most restrained judicial scrutiny.''

We must be clear about the legal foundation which restricts the President's authority to issue an Executive order regarding a central tenet of national labor policy.

The National Labor Relations Act itself authorizes the hiring of replacement workers—and by so doing, limits Presidential authority to regulate the relationship between management and striking employees. The President has

not been granted authority under any statute to alter this carefully balanced congressional design.

If this order is not overturned, just imagine the possible consequences of allowing the President to bypass Congress and issue directives on any and all matters relating to Federal contractors.

For example, President Clinton would be permitted to unilaterally impose on Federal contractors a mandate to implement the type of health care plan which he advocated last year and which was so thoroughly and soundly rejected by Congress and the American people.

In issuing Executive Order 12954, President Clinton has made a sweeping assertion of Presidential power which is completely at odds with our constitutional system of separated and enumerated powers. It should not be allowed to stand, and during the 104th Congress we should commit ourselves to reversing this ill-conceived precedent.

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

Ms. MOSELEY-BRAUN addressed the Chair.

The PRESIDING OFFICER. Will the Senator from North Carolina withhold his request? The Senator from Illinois is seeking the floor.

Mr. FAIRCLOTH. Mr. President, I am sorry. I did not see the Senator from Illinois.

I withdraw the request for a quorum call.

Ms. MOSELEY-BRAUN. I thank the Senator from North Carolina.

The PRESIDING OFFICER. The Senator from Illinois is recognized. The Chair apologizes. I was raptured by the Senator from North Carolina, and my head was turned the wrong way. I wish her a good day.

WINNERS AND LOSERS OF THE CONTRACT

Ms. MOSELEY-BRAUN. Mr. President, I would like to discuss the first 100 days of Congress, and the winners and losers of the Contract With America.

We have heard a lot from those who would compliment the leaders in the House for their speedy answers to some of this Nation's most pressing problems. Many will say that they have made history for their ability to address so many issues in a mere 100 days. I dare say, though, that if the Contract With America makes history, it will not be for its achievements, but for the reckless manner in which critical issues were considered, issues that have will have a severe negative impact on the lives of countless Americans.

At the outset, I want to say that we all know that spending must be reduced. We all know that the deficit must be brought under control. This is why I supported the balanced budget amendment. But out jobs as Members of Congress means prioritizing the needs of the American people within our fiscal constraints. What the Contract With America does is give the wealthy a higher ranking over working class families and children in this country.

I can sum up the winners in the last 100 days easily, the super wealthy and the billionaires. Unfortunately the list of losers is much longer, children, students, hard working middle-income families, and the list goes on. The losers are those who would greatly benefit our investment in the people of this great Nation, quality education for our children, job training for young people and adults, efforts calculated to help prepare this Nation for the future.

WINNERS/EXPATRIOTS

Who are some of the winners in the first 100 days? Some of the winners have been big. The big winners include 24 billionaires who escape $1.4 billion in income and estate taxes by renouncing their citizenship, the expatriots who abandon this great land that has helped them gather their wealth. Democrats tried to close that loophole in the Finance Committee we were outvoted by the Republican majority.

Our current tax laws are not neutral. To favor those that would renounce their citizenship over hard working loyal American citizens who are struggling to get by.

A few dozen ex-patriots take advantage of this loophole in Federal tax laws by removing their assets beyond the reach of U.S. taxing jurisdiction just before renouncing their U.S. citizenship, thereby avoiding taxation of the appropriated value of their assets.

While they enjoyed the benefits of U.S. citizenship—police protection, roads, schools, national security, and countless of other Government services—they looked for ways to get around paying their fair share of taxes.

Although the Senate Finance Committee voted to eliminate this loophole, the provision was restored in conference. This is nothing short of astounding. At the same time that Republican leaders in the House were proposing massive cuts to be placed on the backs of the children and families of this country, the House Republicans chose to continue granting massive benefits to billionaires.

WINNERS/HOUSE TAX PACKAGE

Among the other winners, are those that would benefit from the House tax and spending package that has been labeled the crown jewel of the Contract With America. I fail to see the glitter in this jewel.

Among the tax cuts is a provision which will give families that pay taxes eligibility for a $500 tax credit for each child under the age of 18, including families earning more than $200,000 a year.

But what this crown jewel does is reverse an original proposal which would have made the credit partially refundable, meaning that some low-income working families, who pay no income tax but who do pay substantial social security and Medicare taxes, could have received the credit. This version is now nonrefundable. And what that means is that those earning $200,000 will not be affected, but that the working poor of this country have once again lost out.

LOSERS/OPENING

And who else loses, well, these tax loopholes and tax breaks are paid for at the expense of middle Americans who will have to pay more to send their children to college or to a child care program. These breaks are also being paid for by the children in this country, thousands of kids, who are on waiting lists to attend a Head Start Program. For example, in my hometown of Chicago, only 26 percent of all poor children qualifying for Head Start are able to attend a program because of the shortage of slots available.

I would like to take a moment to talk about the many other educational programs that will suffer as a result of the past 100 days. I would also like to review, in somewhat greater detail, the consequences of these ill-considered actions to decimate programs that invest in this country's future.

Mr. President, it is an understatement to say that it is vital to the interest of our Nation that we maintain quality public education for all Americans. Education is not just a private benefit, but a public good. It is the cornerstone of a healthy democracy and as a society, we all benefit from a well educated citizenry. What quality education results in is the means by which we prepare our children to succeed, to earn a living, participate in the community and give something back to their communities.

LOSERS/EDUCATION AND THE WORKFORCE

Education is also the vehicle to understanding the technology that has reshaped our workplace. This country is experiencing a new era in economic competition. If we are to succeed and retain our competitiveness into the 21st century, there must be a renewed commitment to education in this country.

The results of a failed commitment to our educational system will have direct ramifications on this country's work force—the private sector—and this country's economy. Every day, businesses across this country are trying to cope with the fact that a great percentage of the work force is functionally illiterate. Every day, thousands of Americans are being told that they do not qualify for jobs because they lack a high school diploma, or a college degree.

Mr. President, our continued commitment to education will mean jobs for the American people.

Nonetheless, as other leaders of our countries continue to recognize the increasing importance of education, many in this country continue—and I am sorry to say, many Members of Congress—continue to wear blinders.

We must not retreat from this commitment.

HOUSE RESCISSIONS BILL

The rescissions bill sent to this chamber by the U.S. House of Representatives would cut $1.7 billion from the 1995 Department of Education budget. It enacted this legislation would cut: $481 million from the Safe and Drug Free Schools Program; $261 million from vocational education and literacy programs; $186 million from the Goals 2000 program; $113 million from chapter 1, and $50 million from bilingual education programs.

The House has also recommended rescinding critical funding for programs which advance our Nation's education technology infrastructure, which I will also address. These cuts include:

$30 million from the Educational Technology Program, a program which promotes equal access for all elementary and secondary students to the educational opportunities made available through advances in technology.

$10 million from the Star Schools—a program designed to improve instruction in math, science, foreign languages, and other subjects through telecommunications technologies. It also supports eligible telecommunications partnerships organized on a statewide or multistate basis to develop and acquire telecommunications equipment, instructional programming, and technical assistance.

$2.7 million from the Ready to Learn Program, the first national goal which states that all children should start school ready to learn. The program helps local school districts meet this goal by supporting the development and distribution of educational television programming for preschool children.

GAO REPORT

Mr. President, last year, I asked the GAO to conduct a nationwide study on the condition of our Nation's public school facilities. Earlier this week, I elaborated on the second of those reports—released this week by GAO—which focuses on our Nation's education technology infrastructure needs. I would like to just briefly comment on this critical subject again.

This GAO report concludes that our Nation's public schools are not designed or sufficiently equipped to prepare our children for the 21st century. More specifically, the GAO report found that more than half of our Nation's schools lack six or more of the technology elements necessary to reform the way teachers teach and students learn including: computers; printers; modems; cable tv; laser disc players; VCR's, and TVs.

In fact, the GAO report found that even more of our Nation's schools do not have the education infrastructure necessary to support these important audio, video, and data systems. More importantly, this second GAO report confirmed our worst fears, the availability of education technology in our Nation's public schools is directly correlated with community type, the percentage of minority students, and the percentage of economically disadvantaged students.

Mr. President, this is simply unacceptable and the proposed cuts to educational programs are also simply unacceptable. There is no reason why our Nation's children should not have equal access to the best education technology resources available.

EDUCATION INFRASTRUCTURE

Let me mention briefly the first GAO report, released in February, on the state of school facilities. This report found that our Nation's public schools need $112 billion to restore their facilities to ''good'' overall condition.

And what is the Republican response to our Nation's schoolchildren? I am sorry to report that the House rescissions bill would also slash funding for all new education initiatives, including the education infrastructure act which I introduced last April to help local school boards improve the physical conditions of our schools and ensure the health and safety of their students.

EDUCATION CUTS IMPACT ON ILLINOIS

While the Senate bill does restore some of the educational funding, it is not enough. The cuts are still deep and will have a great impact on children throughout this country. I would like to use my State of Illinois as an example. Some of the Senate-recommended cuts will result in the following loss to the children in Illinois alone: Disadvantaged Students Program, (Title I): −$3.4 million; Safe & DrugFree Schools: −$4.3 million; Goals 2000: −$2.4 million.

HIGHER EDUCATION

The contract's attack on education does not stop at the grade school and high school levels. College students and middle-income American families will also pay a higher price.

For example, the proposed elimination of four higher education programs—supplemental educational opportunity grants, Federal work study, Perkins loans, and the State student incentive grants, along with the elimination of the ''in-school interest forgiveness exemptions on student loans''—will increase the cost of college for American families by $20 billion over the next 5 years.

Eliminating the subsidy on school interest forgiveness alone would mean the following for middle-American families: 4.5 million current borrowers will accrue interest on their loans while they are still in school; a student who borrows $17,125 over 4 years would owe $3,150 or more and have his or her monthly payments increased by more than 18 percent and, in my State of Illinois, the number of students who will pay more for student loans will increase by 198,053.

AMERICORPS

The contract's attack on young people continues. Republican attempts in the House to gut the AmeriCorps Program would eliminate opportunities for thousands of students to serve their country while earning money for their own education. A promise that has been made to these thousands of young Americans; the communities they serve; the charitable groups they serve with; and, the partners who share the costs of the National Service program, will be broken. Thousands of working families who depend on the promise of college scholarships for service, will lose this valuable financial assistance.

The House rescission on AmeriCorps will mean that the almost 700 projected number of students who could take part in the program in fiscal year 1995 will be rejected.

Mr. President, I would like to use City Year Chicago—the model program that AmeriCorps is based on—as an example of some of the outstanding and desperately need work that is being done by students in the Chicago area. Some of the community service work includes: The Alter Group Team—Members work with Bethel New Life, a community development corporation in the Garfield Park neighborhood, a low-income area in Chicago. Projects include designing and piloting a computer-literacy program for adults and assisting in the renovation of both a hospital, which will become senior housing and a school, which will become transitional housing for battered women.

The First Chicago/Harris/LaSalle/Northern Trust Team—Members are running a teaching assistant program at the Brian Piccolo Elementary School in West Humboldt Park, a public elementary school serving approximately 966 African-American and Latino students. Each team member works as a teaching assistant in a classroom, tutoring children with special needs, assisting in bilingual classes, or helping to implement special art or education programs.

Mr. President, these are just two examples of what's being done under the AmeriCorps Program after only 6 full months of operation. I would like to submit for the RECORD, a complete list of the AmeriCorps Community Service Programs underway in Chicago, and ask unanimous consent that the list be printed in the RECORD following my statement.

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

(See exhibit 1.)

Ms. MOSELEY-BRAUN. Across this country, more than 20,000 AmeriCorps members have begun to serve their neighbors; children, the elderly, students, and persons with AIDS.

AmeriCorps members have taught or tutored more than 9,000 pre-school, elementary, and junior high school students in basic educational skills. They have launched after-school and summer tutoring programs for more than 4,600 kids. And they have organized hundreds of community service projects, cleaning up neighborhoods and providing food for the elderly.

CLOSING

In closing, I want to make clear what I am for and what I am not for. As I stated at the start of my remarks, a lot of what the spending process includes is prioritizing. By providing the needed and long overdue support for educational programs, job training programs, and programs for children, we invest in this country's future. Cutting these opportunities is clearly in the wrong direction. We must not retrench on our commitments to young people and American families.

Mr. President, before the celebrating of the contract and the first 100 days begins, the American people need to understand who's been invited to this party. If you are a billionaire, or part of the small percentage of the superwealthy elite in this country, your invitation has been signed, sealed, and delivered.

For the rest of American people—the children, students, or hard-working, middle-income Americans—I dare say, your invitation has been lost in the mail.

EXHIBIT 1

CITY YEAR CHICAGO—COMMUNITY SERVICE UPDATE—AS OF MARCH 1995

THE ALTER GROUP TEAM

The Alter Group Team is working with Bethel New Life, a Community Development Corporation in the Garfield Park neighborhood. In the mornings, the Alter Group Team members participate in a variety of group and individual projects under the direction of Bethel New Life staff. Corps members are designing and piloting a computer-literacy program for adults; organizing community improvement and gardening projects; helping to organize a volunteer week and other community events; and assisting in the renovation of both a hospital which will become senior housing and a school which will become transitional housing for battered women. In the afternoons, the team members tutor students in the after school program in Bethel's affiliate elementary school.

THE FIRST CHICAGO/HARRIS/LASALLE/NORTHERN TRUST BANK TEAM

The Bank Team is running a City Year in Schools Program at the Brian Piccolo Elementary School in West Humboldt Park, a public elementary school serving approximately 966 African-American and Latino students. Each team member works as a teaching assistant in a classroom, tutoring children with special needs, assisting in bilingual classes, or helping to implement special art or physical education programs. Corps members also act as role models for the young students by establishing an environment of common goals and values and promoting the City Year values of team work and inclusivity. When the school day is finished, the team continues working on a project designed to improve students' self-image and enliven the school environment through the creation of inspirational banners.

THE AMOCO TEAM

The Amoco Team also works in partnership with an elementary school: the John Spry Community School in Little Village. Spry is a pre-kindergarten through eighth grade school with approximately 1,300 students. By working individually in classrooms as teaching assistants, City Year corps members are helping to give students the confidence to excel academically. They lead small groups in math and reading, work closely with troubled students and teach lessons in English as a Second Language and art. The Team also participates in such special programs as the celebration of Young Readers Day, for which corps members rotated classrooms and read to over 700 children. The creation of perfect attendance and honor roll certificates for the entire school, and the renovation and reorganization of the Spry School Library for reopening can also be credited to the team members. The Amoco Team is currently working on a violence prevention curriculum, which the team will take to classrooms throughout the school.

THE RONALD MC DONALD CHILDREN'S CHARITIES TEAM

The Ronald McDonald Children's Charities Team is helping to run an after school club at the Chicago Youth Centers-Lower North in Cabrini Green for over 100 children. The team's service is focused on expanding the curriculum offered at the youth center and strengthening the educational components of the program. The team members not only tutor the young children in the program, but create and run after school clubs such as Arts and Crafts, No-Bake Cooking, Tumbling, Volleyball/Softball, Basketball, and Chorus. Along with their work with the After School Club, the team is succeeding in changing the face of the Youth Center. The team has painted most of the building's interior surface, repaired the outside fence, created a mural in the gymnasium, and completed many other physical service projects at the Center. When not at the Center, the Ronald McDonald Children's Charities Team works in partnership with Careers for Youth and Uptown Habitat for Humanity on the West side. They are painting and installing light fixtures in a two-flat apartment building, so that a family can move in this Spring.

THE DIGITAL EQUIPMENT CORPORATION TEAM

The Digital Equipment Corporation Team runs an after school club for approximately 80 children at the Price School in the Grand Boulevard community through Chicago's Youth and Family Resource Center. Under the supervision of the Digital Team, the children study and work on their homework for two hours tech day. Corps members give the special attention and individual tutoring that is often difficult for teachers to provide in a classroom context. Following completion of their homework, the children can participate in one of the Digital Team's After School Clubs: ''An Exploration of Culture;'' Art; Rap Session (a discussion group); Dance; Music; Reading and Writing Workshop; and Athletics. The Team also works with Habitat for Humanity/Careers for Youth doing renovation and carpentry for low cost housing on the West Side. In addition, Team members work with the Chicago Historical Society's Neighborhoods; Keepers of Culture Exhibition, a project created to collect, interpret and exhibit the histories of four Chicago neighborhoods. The entire Digital Team is also being trained as AIDS Counselors, and this Spring will begin doing AIDS/HIV outreach in the Little Village community.

(Mr. FAIRCLOTH assumed the chair.)

AFFIRMATIVE ACTION

Ms. MOSELEY-BRAUN. Mr. President, I would like to take up another subject that is probably as controversial as the Contract With America and what has happened in the last 100 days.

I recently met with a group of concerned women in Illinois to discuss the continued relevance of affirmative action. The idea of the meeting arose quite naturally. As with any other debate that is happening here in Washington, I try to reach out to those in my State who will be impacted by changes that Congress might make, in order to get the input of their collective wisdom.

The meeting was arranged when we, at last, had a few days to spend back in the State. As you know, Mr. President, we have not been able to get back home as much as we would like. So the meeting was arranged somewhat hastily; we did not have a great opportunity to plan for it. Nor were we able to provide interested parties with much in the way of advance notice.

However, as it turned out, the meeting was a resounding successful. Frankly, I do not think I could have even imagined how successful it would be, or how many people would rearrange their plans to meet with me on a moment's notice.

My office was filled with women who spanned the political and economic spectrum. There were women who had spent their lives doing grassroots political organizing, and women who had spent their lives working in corporate America. There were women who had started their own businesses from scratch, as well as women working in unions and associations. Many of the women present had also spent years exclusively as homemakers.

Despite the diversity of viewpoints and backgrounds represented at the meeting, there was a near unanimity of response. The women in that room wanted to know why Congress would choose this moment in time to turn its back on the promise of equal economic opportunity, when so much work remains yet to be done; at a time when, despite all of our efforts, a glass ceiling still works to prevent qualified women and minorities from making full use of their collective talents.

The women at the meeting wanted to know how Congress could ignore the overwhelming evidence that affirmative action benefits not only individuals, but employers and society as well. Finally, they wanted to know what they could do to help preserve this country's commitment to equality, opportunity, and fairness.

Every woman at that meeting agreed that she would have been denied opportunity in the absence of affirmative action. Every woman agreed that she had been provided with opportunities because the climate created by affirmative action helped to encourage diversity and inclusion, and helped to open up fields of endeavor that might have otherwise been closed to her. And, more importantly—or as importantly—every woman there could recall a roadblock that had been placed in her way

as she tried to become an equal participant in the marketplace.

The barriers to equal opportunity, and the roadblocks that one runs into because of gender are not subjects that most women generally discuss. Frankly, most women would prefer to meet the potholes and the ruts in the road, to confront them head on and overcome them, if possible, and then move on. Yet every woman present agreed that congressional efforts to repeal affirmative could only serve to put cement on the glass ceiling, and to make those hurdles higher. If that happens, Mr. President, these women will come out of the woodwork. Letters and phone calls will pour in from across this Nation, Mr. President, as women tell their stories. The sentiment in that room can be summed up quite simply: Women cannot, and will not, turn back.

The simple fact is that many of these women were in professions that women could not even enter 20 years ago. Many of the women in the room had been hired for jobs or had received promotions that would have been unthinkable in 1965, or even 1975. And all of them felt that the existence of affirmative action in the laws and in executive orders in this country had opened doors, had created a climate of diversity, had created an environment for their inclusion.

Finally, despite the progress they had made, all of these women felt that there were still barriers to their advancement, that the glass ceiling was all too real. They concurred that efforts by this Congress to retreat from the commitment to equal opportunity in the workplace would have the effect of putting cement on that glass ceiling, and make it much more difficult for women to participate in the economic, political and social life of this country.

Given the enthusiastic reaction at the meeting that took place in my office, I was frankly not surprised to learn 2 days ago that a Coalition for Equal Opportunity is being formed in Illinois. At a press conference on the 17th of April, more than 40 women's, civil rights, labor, religious, and business organizations will announce their intentions to work to preserve equality and fairness in Illinois and throughout the Nation. They announced their intention to begin to galvanize and work to explain to women what affirmative action really means—the truth of it.

I gave a statement on the floor the other night, Mr. President, in which I went some detail about the truth of affirmative action—what the myths are, what the realities are, and how women and minorities will be affected by efforts to repeal it.

For those who may be wondering if the reaction of that group is atypical, I can assure you, it is not. There is a tendency in Washington to get wrapped up in what is happening here on the Senate floor. Sometimes, we can lose sight of what people are saying out there in the real world, what is actually going on in communities.

It is interesting to note that there is an old expression, ''How does it play in Peoria,''—a town that is, of course, in my State of Illinois. How does it play in Peoria? This is a short-hand way to cut through the beltway issues and get to what the people out in the heart of the country think about the issue.

There was a major story that recently appeared in the Peoria Journal Star, a major newspaper in Peoria, that gives us a sense of how this issue, the affirmative action debate, is playing in Peoria.

The headline of the article is entitled, ''Toward a Middle Ground: Re-Think Affirmative Action, But Don't Kill It; Issue Demands Caution.''

I ask unanimous consent that the text of the article be printed in the RECORD following my remarks.

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

(See exhibit 1.)

Ms. MOSELEY-BRAUN. I would like to discuss a few points made by that article, because I think it is helpful for those of us in this body to be aware of how some people in America's heartland feel about the affirmative action issue.

First and foremost, the people in Peoria are echoing the conclusions reached last week by the Department of Labor's glass ceiling commission: affirmative action makes good business sense. As the article states:

> A half-dozen Peoria area employers and educators contacted over the last week said they make special efforts to promote diversity not because the Federal regulators are on their backs, but because it's in their interest. In some circumstances and with some individuals, a black cop or teacher can be more effective than a white one. A rape victim may be more willing to tell her story to a female reporter. A Hispanic salesman may be better able to reach that market. It's not just black students who benefit from attending college; whites are more fully educated—wiser if you will—for having black classmates and roommates.

Mr. President, these are businesses in Peoria, not New York or even Chicago. This is Main Street, not Pennsylvania Avenue. And these Main Streeters recognize that affirmative action is more than a private benefit; it is a public good. If we can open opportunity to a student or a job applicant who has been previously excluded from consideration, obviously, that person benefits. What is less obvious, but just as important, is that society benefits as well.

The Journal Star's article continued on to point out that, while America has made great strides in equal opportunity, there is still much work to be done. The dream of America as a color-blind society has not yet been realized even though all of us want, I think, to move in that direction. There are still entire professions, entire companies and even entire industries that remain virtually off-limits to women and minorities, particularly in the upper-levels. The glass ceiling report reached that conclusion after years of painstaking research; in reality, all people need to do is look around their boardroom or their classroom to figure out what is really going on. As Clarence Brown, personnel director at Peoria's Bradley University, stated:

> Everyone still believes the Government is forcing businesses to hire minorities—it's not. At every workshop, somebody brings that up. We say, look around you, and in most of those workshops there are no minorities at all, and most of the people there are white males.

Mr. President, as I have said before and will say again, I agree that all affirmative action programs should be subject to review. Everything that we do in Government, if the Government is to function effectively, from time to time, be subject to scrutiny and accountability. But there is a difference between review and retreat. In fact, the issue we are facing right now is that we make certain that retreat does not mean retrenchment. It is important that efforts to promote diversity are fair to everybody. It is important that the affirmative action initiatives do what they say they do and that we weed out the companies that run amuck and bureaucrats that run amuck and make a rash of regulations that are illogical.

So review in and itself can be an opportunity for improvement of affirmative action but it should never be used as an excuse for retrenchment from our commitment to fairness.

As the Peoria Journal Star article concludes:

> It would be a mistake to abandon the broad commitment to act affirmatively to make for a more inclusive America: To recruit, to recognize the value in diversity, to provide more opportunities to those, regardless of sex or color, who have too little from the moment of birth.

In other words, an absence of discrimination is not enough. The Federal Government, employers, and our universities must reach out beyond the traditional groups and ensure that all people are given the opportunity to succeed in America.

Some have argued that, even if the Federal Executive order on affirmative action is repealed, businesses will continue to seek out diversity because it is the right thing to do. It affects the bottom line in a positive way. That is possible. But I do not think promotion of diversity would proceed as rapidly in the absence of legal guidance. Indeed, it is likely to slow down and some of the evidence suggests that where the legal requirement has changed affirmative action efforts have slowed down.

The more probable scenario is described this way in the article from the Peoria paper:

> The other possibility is that ending Federal affirmative action mandates will make our workplaces and campuses look more Germanic than American. The commitment to minority recruiting will fade as time passes. Blacks shackled by poor schools and single-parent families will be more disadvantaged than they already are in competition for

spots in good colleges, necessary to put them in competition for good jobs. Minorities and women who would be otherwise competitive will run up against the good-old-boys network and the human tendency toward the familiar—to give the job to somebody who looks and things as you do.

Is that what we want from America? That scenario runs counter to the American dream, the dream of opportunity for everyone, the dream of traveling as far as your abilities will take you; or, as many parents put it to their children, the dream that any one of us could one day grow up to be the President of the United States. If that dream is to have any basis in reality, we cannot retreat from our commitment to affirmative action. To those who will easily dismiss the Peoria Journal Star observations, and my remarks on this subject, again I have already made one more detailed speech about this issue, and I intend to make others about this issue to focus in on particular parts of the debate and particular issues going to the facts of this issue, I would like to remind whoever is listening that Illinois has long been a bellwether State on the issue of equal opportunity.

As far back as 1914, a woman's organization known as the Kappa Suffrage Club realized the link between equality of women, and equality for minorities, and worked for the election of the first black alderman in the city of Chicago. The League of Women Voters was founded in Illinois in 1919 by Carrie Chapman Catt, who stated at the time that ''Winning the vote is only an opening wedge, but to learn to use it is a bigger task.''

I know that there are attempts by some to turn the affirmative action issue into a cynical debate about race. We cannot allow that to happen. There are too many problems facing this country—problems of job creation, deficit reduction, education—that need our collective energy. To divide Americans one from the other is not only counterproductive, it is irresponsible. and I submit irresponsible debate. Affirmative action is about opportunity, and affirmative action is about giving our country the ability to compete in the world economy, in this world marketplace on an equal par and with the capacity to tap the talents of 100 percent of the people of this country.

As our country is able to tap the talents of 100 percent, we grow stronger as a nation and we are better able to participate and to compete. To close that door to, put cement on the glass ceiling at this point in time, it seems to me, turns this country in the absolute wrong direction and will put us on a course that I hate frankly to imagine.

I hope that over the months as we discuss this issue that people who care about it will, one, focus in on the fact and, two, hear the voices of reason coming from the America's heartland. We all stand to gain from the wisdom of people who are out in the real world trying to make our country work as one America.

If any objective should command our complete consensus, it is ensuring that every American has a chance to succeed. And in any event, the facts will not support tagging blacks and other minorities with any failures of affirmative action programs.

Mr. President, I will close on a note of caution from the Peoria Journal Star:

There are fewer threats to the Nation's future that a wide divide between angry whites and disenfranchised blacks.

Those who would seek to enlarge that divide by using affirmative action as a racial ''wedge'' issue may score short-term political points; but they do so at the expense of America's long-term future. Before we travel down that road, I urge everyone to consider the voices of reason coming from America's heartland. We all stand to gain from their wisdom.

Thank you very much, Mr. President. I yield the floor.

EXHIBIT 1

[From the Peoria Journal Star, Mar. 12, 1995]

TOWARD A MIDDLE GROUND: RETHINK AFFIRMATIVE ACTION, BUT DON'T KILL IT; ISSUE DEMANDS CAUTION

Call it the revenge of the angry white guys.

Claiming white males denied access to a janitorial training program, the United States Justice Department last week sued Illinois State University. ISU President Thomas Wallace responded that the program has been set up to integrate a largely white, male work force. White men weren't precluded from joining, Wallace said. But the Justice Department alleges none were among the 60 people trained and hired between 1987 and 1991.

It's not often lately that the feds have gone to bat for white guys, especially those who allege they are being denied an opportunity to become janitors because of gender or skin color. Before affirmative action sought to put the power of programming behind the pledge of opportunity, most of the positions that paid Buick-buying money went to white men. Why would they mind if custodial jobs went to blacks?

We have come not quite full-circle in the 30 years since President Lyndon B. Johnson committed the country to guaranteeing black Americans ''not just equality as a right . . . but equality as a fact.'' What followed was a host of federal programs—the Library of Congress lists 160—which seek to increase the number of minorities and women in college and medical school, behind jackhammers and at the kneehole side of vice-presidential desks. That it did, though imperfectly (women benefited more fully than blacks) and with fallout.

The fallout is the growing resentment of whites. Only a few take their cases to court: the Colorado contractor who lost a federal highway job to a minority firm which submitted a lower bid and the white schoolteacher, hired on the same day as a black, who was laid off when her employer opted for diversity over a coin-toss.

More often, white males who believe they've been victimized take their cases to their buddies: They can't get hired, they can't get into law school, they don't have a shot at a promotion because they are being discriminated against. But with some notable exceptions, it's not the best case. For the work force, especially at higher reaches and in the professions, remains predominantly white and largely male.

''Everyone still believes the government is forcing businesses to hire minorities—it's not,'' says Clarence Brown, Bradley University's personnel director. ''At every workshop somebody brings that up. We say look around you, and in most of them there are no minorities at all and most of the people there are white males.''

Yet most employers and universities do make special efforts to make their offices and their student bodies look more like America.

A half-dozen area employers and educators contacted over the last week said they do so not because federal regulators are on their backs, but because it's in their interest. In some circumstances and with some individuals, a black cop or teacher can be more effective than a white one. A rape victim may be more willing to tell her story to a female reporter. A Hispanic salesman may be better able to reach that market. It's not just black students who benefit from attending Bradley; whites are more fully educated—wiser, if you will—for having black classmates and roommates.

A colorblind society, free from all discrimination, is a wonderful goal, but it's not the reality. And so most of those questioned say they'd remain committed to the wisdom of diversity, in the absence of legislation. That's one of the arguments made by those who call for dismantling federal affirmative action programs.

But it's also an argument that ends up running in circles. To wit: Race and sex should not be considered. Laws that require their consideration should be repealed. Without laws, employers and institutions will continue their voluntary efforts to attract more minorities because a diverse work force is in their interest. Hence, race and sex will be considered—and all those white guys who think that's why they failed to get hired or promoted will be angry still.

The other possibility is that ending federal affirmative action mandates will make our workplaces and campuses look more Germanic than American. The commitment to minority recruiting will fade as time passes. Blacks shackled by poor schools and single-parent families will be more disadvantaged than they already are in competition for spots in good colleges, necessary to put them in competition for good jobs. Minorities and women who would be otherwise competitive will run up against the good-old-boys network and the human tendency toward the familiar—to give the job to somebody who looks and thinks as you do. There will be fewer black doctors and business executives and teachers.

All this is a long-winded way of saying that affirmative action is an extraordinarily complex and explosive issue. It's admirable that we want to be a society free of racial or sexual bias, but we are not. What to do about that remains a huge and divisive issue.

A story in this newspaper a couple of weeks ago reported that President Clinton had decided to review all affirmative action plans to search for a middle ground: ''Affirmative action review carries a no-win risk,'' read the headline. Yet a compelling case can be made for an effort to find a middle ground on this issue.

The House began last month by repealing legislation that granted tax breaks for companies that sell broadcast stations to minorities. No sound argument could be made for filling the pockets of rich white men so blacks could get into broadcast. Minority set-asides deserve a look; so do bidding rules that result in more expensive contracts because race or gender offset a low bid.

But it would be a mistake to abandon the broad commitment to act affirmatively to make for a more inclusive America: to recruit, to recognize the value in diversity, to provide more opportunities to those, regardless of sex or color, who have too little from the moment of birth. There are fewer threats to the nation's future than a wide divide between angry whites and disenfranchised-blacks. If ever an issue demanded a middle ground, free of reckless passion, this is it.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER (Mr. COVERDELL). The Chair recognizes the Senator from Wisconsin.

Mr. FEINGOLD. I thank the Chair. I thank the Senator from Illinois. I appreciate hearing her remarks, particularly on affirmative action.

Mr. President, I ask unanimous consent that I my speak as if in morning business.

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

Mr. FEINGOLD. I thank the Chair.

ALLOWING GIFTS AND SPECIAL BENEFITS

Mr. FEINGOLD. Mr. President, I want to state first of all that, as we get to the end of the Republican contract of 100 days, it is time to take stock. Everyone is taking stock of what is in the contract, what is passed, what has not passed, what is not in the contract.

The piece I want to discuss today is something that just is not included; that is, whether we are going to ban the practice of allowing gifts and special benefits from private interests to Members of Congress.

I want to thank my colleague, the Senator from New Jersey, Senator LAUTENBERG, and the Senator from Minnesota, Senator WELLSTONE, for keeping up this fight during a series of months when in effect it appears that the effort to ban the gifts has been ruled out of order. It is not part of the contract. So we do not come out here and talk about it.

This came up in the very first week when we addressed something that Democrats have supported that was included in the Republican contract—there have not been many—namely to make sure that Members of Congress have to live by the rules that we make for everyone else. It makes sense. It passed overwhelmingly, if not unanimously, and a lot of us thought—certainly the three Senators behind the gift ban—what a perfect opportunity the first week to get rid of this outrageous practice.

So we tried to put it on the bill. We were defeated by almost a pure party line vote.

It is not very surprising in light of the fact that the new majority wanted to set the agenda. I understand that. We protested. But I certainly did not see it as outrageous given the fact that it was the first week and that there would be other opportunities. At that point, though, we received something that I think most of us perceived as an assurance that the gift ban issue would come up in a timely manner. This is not something that needs to be evaluated at length anymore such as welfare reform or the whole issue of how to cut the Federal deficit. Those are very complicated subjects. This is an easy subject. It is not the kind of thing that should wait until later this year or the end of session. It is important that the gift ban be enacted now so that the negative effect it has on this institution and the perceptions of this institution are mitigated now. But that is not what has happened.

The distinguished majority leader on January 10 said that it was his intent to try to move the bill as quickly as he could. He said:

I am not certain about any date. I am not certain it will be May 31. It could be before, maybe after May 31.

Some of us hoped at least the end of May would be a good target time to solve this problem, certainly by the Memorial Day recess.

Unfortunately, Mr. President, that is not the position now. We have received a list not too long ago of must-do items entitled, ''The must-do list for Memorial Day Recess, nonexclusive.''

Among the items listed on there are some very important items: The defense supplemental appropriations bill, the line-item veto, which we have taken care of in this House, regulatory moratorium bill, which we have moved out, product liability, the self-employed health insurance extension—we have taken care of that—FEMA supplemental, which we are dealing with now, crime bill, budget resolution, telecommunications bill, and various other items are listed as likely.

Nowhere on that list is there any suggestion either that we will be taking up the gift ban, or that we are likely to take up the gift ban before the Memorial Day recess, so I am beginning to get concerned. The majority leader had given us what I thought was a pretty strong commitment this bill would be taken up in a reasonable time but we are not getting that indication now. And I am beginning to wonder why.

Mr. President, a lot of things have not surprised me about these first 100 days of the Republican contract. That does not mean I like them, but they did not surprise me. I am not surprised that the House of Representatives, that talked so loudly about deficit reduction, yesterday passed a $200 billion step in the wrong direction in the form of tax cuts for everyone including some of the very wealthiest people in our society. I am not surprised. The Republican contract was voodoo mathematics from the beginning. It is about having your cake and eating it, too, saying you are for deficit reduction, saying you are for balancing the budget and then as fast as you can trying to make sure that everybody in the country is happy with you by giving you a tax cut that you cannot afford. I am not surprised by that.

I was not surprised but dismayed that the Republican contract does not even mention campaign finance reform. The American people want campaign finance reform, but it is very easy on that issue to confuse people, to say that if the Democrats write the bill, it is going to help out the Democrats; if the Republicans write it, it is going to help the Republicans. And it is terribly confusing because it involves so many different issues of PAC's and campaign limitations, contribution limitations. I think it is a tragedy that it was not a part of the contract and before us. But that does not surprise me. I would have expected that especially after the effort to kill the campaign finance reform bill in this body last year.

I am not surprised about the complete ignoring of the whole health care issue in the Republican contract, which everybody in the Senate said was an important issue; everybody said they wanted universal coverage somehow and acknowledged the 40 million Americans with no health care coverage. Everybody said we have to deal with it somehow, but there is no action on it. There is hardly mention of it.

Again, though, Mr. President, I am not surprised. I saw that one coming. Health care became a symbol of something that Government should not get involved in at all during the 103d Congress, and I think that is a regrettable result.

What I am surprised by, Mr. President, is that the folks running the Republican contract believe that it is just fine to not include the gift ban and not take it up in a timely manner. It is not important enough apparently to be handled in the first 100 days. I thought it was just too obviously inconsistent with the tone and the spirit of the Republican contract and the November 8 elections to ignore the fact that the gift ban is one of the greatest symbols of the corruption that exists in this town. That is what I would have thought. After eliminating the free gym, the free health care, the special stationery, and all the little perks that certainly should go—and I am glad they are gone—I would have thought it was just incredible that either party felt safe and secure not trying to get rid of the use of gift giving to Members of Congress. It seems like just offering up raw meat to the folks who do the ''Prime Time'' television show, begging them to come and photograph Members of Congress on tennis trips paid for by special interests.

That is what I would have thought. But that is not the perception. That is not the approach. The approach is to stonewall the gift ban issue. And why would Members of Congress continue to allow that perception to exist? Well, I guess the conclusion I have come to is because the giving of gifts to Members of Congress by private interests, by special interests—not by the Government—is not any old perk given by the Government like the haircuts and

other things that have been discovered here and, I hope, changed. It is something different.

The practice of gift giving and special interest influence behind closed doors is a key link in a chain of influence, Mr. President, a circle of influence that operates in this town to create a culture of special interest influence. Among the links in this chain are the practice of the revolving door—Members of Congress and staff members working a while here and then finding a nice job downtown and finding out that they can, in effect, trade on their experience here to get a job lobbying later on. That is one link.

Another major link, of course, is the horrible problem of the way our campaign financing system works—the news today in the Washington Post of the incredible numbers of new contributions coming into the national Republican committee now that they are in charge of both Houses. You can mention the book deals. You can mention the piece of legislation that is before us in the Senate Judiciary Committee today, the so-called regulatory reform bill.

Mr. President, in that bill it is seriously proposed and apparently is going to be passed that the review of these regulations, when they get to the highest level, will not be done by a disinterested group but will include a so-called peer review panel that will include the very interests that have a financial interest in the outcome of what happens with those rules.

That is a link in this chain. And so is the practice of giving gifts and free trips by lobbyists to Members of Congress.

The gift giving practice is the piece of the chain of special influence that has to do with feeding and pampering Members of Congress, and it is part of a system that tears the people of this country away from the people they thought they elected to represent them.

It is no wonder that the Republican contract does not mention the gift ban. It is no accident that the 104th Congress blocked action on that issue so far. Is it not interesting, if you listen to the talk show hosts, the rather conservative talk show hosts that talk about all the perks in Congress, they will talk about the pension problems here and the fact that the pension system needs reform, which I agree with, they will talk about anything that has to do with a Government perk but they seem to not talk about this practice of meals and gifts and special benefits, personal benefits to Members of Congress. The only time I have ever heard it discussed on one of those shows was on the Jim Hightower show. He was interested in pointing out what happened the first week of Congress. But basically it is not mentioned.

I can tell you the failure to mention it is not because it is something very difficult to enact or follow. A gift ban works very, very well. I have said many times in the Chamber—I guess I will be saying it many more times—we have had a law basically banning all these kinds of gifts in Wisconsin for 20 years. It has worked extremely well. Although we certainly have problems with special interest influence in our Government as well, it is a very different culture in Wisconsin government because of the Wisconsin gift ban. The type of thing that happened that was described in the Washington Post this week could not happen.

In an article in the ''In The Loop'' section a couple of days ago, entitled ''Hospitality Sweet,'' a recent fact finding trip was described as follows:

> Some House Republicans have come up with a neat way to fulfill their promise of slashing the cost of Congress. When members of the Resources Committee recently held field hearings on endangered species and wetlands in Louisiana, the trip included dinner at Armand's in the French Quarter.
>
> Who picked up the tab? The not-so-disinterested Louisiana Farm Bureau Federation, Midcontinent Oil and Gas Association, American Sugar Cane League and Louisiana Land and Exploration company.

And then:

> A week later, it was dinner in San Antonio, sponsored and paid for groups like the Texas Cattle Feeders Association, Texas Sheep and Goat Raisers, San Antonio Farm and Ranch Real Estate Board and Texas Association of Builders.

Mr. President, there was a rather lame response from one of the staff members of the House Members trying to explain why there was no problem with this.

Mr. Johnson said:

> We just consider this to be local hospitality. It's an opportunity for Members to discuss issues with people from Louisiana.* * * We didn't solicit any of these companies. I feel confident if any environmental groups had come forward and offered to have a luncheon or media opportunity we would have tried to accommodate them.

Mr. President, if they try to accommodate all these meals, they are going to have to go to a weight-loss clinic pretty soon.

In Wisconsin, you cannot do this. If you want to meet with constituents and sit down with them at a meal, that is fine, but you have to pay your own way. Sometimes the waiter or the waitress is a little irritated because they have to write out separate checks. But that is the worst thing that happens. You pay your own way. You do not do the kind of stuff that was done just recently by the House Republicans who said they felt they had to do this in order to investigate concerns in their State.

Mr. President, the problem is not that we cannot enact a gift ban or comply with one. It is just too darn simple to get rid of this horrible practice.

Mr. President, let me just be clear. I consider this gift ban issue to be very, very important. But I do consider it to be sort of the kid brother to the bigger issue, which I consider to be campaign finance reform.

I am not suggesting in any way that getting rid of gift-giving would solve the problem of special interests and the problem of lobbying. I think the answer there is to limit the amount of money, total amount of money, that can be spent, or at least make sure that those who abide by the limits get an advantage to make up for the loss of advantages of the greater spending.

I also think you ought to get a majority of your campaign contributions from your own home State, something many Republicans have proposed. I think that would really dilute and limit the influence of special interests and lobbyists in the campaign finance context.

But this is different. This is about personal enrichment. This is about, in effect, having an opportunity to subtly buy the time, the precious time, of Members of Congress. This is about creating a feeling of personal, not professional, obligation between one individual and another, one who happens to be a Member of Congress, one who happens to be a lobbyist for a special interest. This is about the opportunity to use gift giving and buying dinners and giving trips to achieve undue access to Members of Congress.

It is part of a chain, as I have had said, it is part of a circle of influence that I think has broken down the trust between the American people and their elected representatives.

Mr. DORGAN. Will the Senator from Wisconsin yield for a question?

Mr. FEINGOLD Yes, I yield for a question.

Mr. DORGAN. Mr. President, I was listening to the Senator from Wisconsin talk about gifts. I had come over to speak about something else, but in many respects it relates to the issue of gifts. I thought I would ask the Senator a question about it.

Last evening, the House of Representatives passed a tax cut bill, about $190 billion lost in revenue for the Federal Government in the 5-year period, about $630 billion lost in revenue during the next 10 years.

The same people who were the loudest proponents of changing the Constitution to require a balanced budget now have taken a bunch of polls and have found out if they offered a tax cut, it would be very popular. So they pass a tax cut bill.

It is the wrong way to balance the budget. The first step is to cut Federal spending and to use the money to cut the Federal deficit. Then we should turn our attention to the Tax Code and try to promote some fairness in the Tax Code.

But I find it interesting looking at the numbers in this bill passed by the House last evening. Last night they talked about this being a tax cut for families; this is a family-friendly tax cut to kind of help out working families. This morning I looked at the numbers. If you added it all up together—the child credit, capital gains cuts, eliminating the alternative minimum tax for corporations and a whole series of other things—and figure out who

benefits, here is what the numbers show. It shows that if you are an American with over $200,000 in income, you get an $11,200 cut in your tax bill. If you are an American who has an average income of less than $30,000, your tax cut under the House bill was a whole $124. In other words, if you are earning above $200,000, you can expect to get a check in the mail for $11,200. That is a pretty good gift.

These folks say this is for working families. Well, working families that make over $200,000 a year get an $11,200 tax cut—at a time when we have debt up to our neck trying to figure out how we try to deal with this Federal deficit—and then the working families earning $30,000 or less get an $124 tax cut.

It is the old cake-and-crumbs approach. Give the cake to the very rich and the crumbs to the rest and say, ''Everybody benefits.''

We are told that broad capital gains tax cuts help everybody. That is kind of like saying, OK, you take 40,000 people and put them over in Camden Yards; fill every seat. And then say, ''I'm going to pass out $100 million to these folks.'' And you pass out $1 to 39,999 people and to the other person you give all the rest of the money. And then you go outside and crow that everybody in that place got some money. Yes, they did—but one person got almost all of it and all the rest of them got just a little. So you can make the claim that everybody benefits, but the fact is one person got most of the benefits.

So that is the circumstance of the tax cut. At a time when we should be dealing with the deficit honestly, we have people taking polls and cutting taxes that promote enormously beneficial gifts to the very wealthy in this country.

Has the Senator had a chance to take a look at what happened last evening and what I think is essentially gifting to the wealthiest Americans in this generous tax cut proposed by the majority party in the House?

Mr. FEINGOLD. I am happy to respond to the Senator from North Dakota.

I did not want to see that headline this morning, but I did. And I did have a chance to take a look at it.

Let me say, first of all, to the Senator from North Dakota that long before I had the honor of being elected to this body, I admired the Senator from North Dakota when he was in the other body as one of the true leaders in the Congress on the issue of tax reform and tax fairness. He knows this stuff.

And so when he speaks about what this is all about, and what the tax cut for all Americans supposedly, but especially for wealthy Americans, is all about, he knows exactly what he is talking about. He was a key force for the positive aspects of the 1986 tax reform, parts of which I think are at least an example of when Washington got some things right. So I think his comment is very appropriate.

What I want to say in response, since I know the Senator wants to speak at more length about the tax cut, is that there is a common thread between the various parts of the contract. There is a connection between the fact that the gift ban is not mentioned in the contract and campaign finance is not mentioned in the contract, but the tax cuts are there for the wealthy, the so-called regulatory reform is included for the very interests that probably still do need some regulation. The common thread is this:

If you have a lot of resources and you have a lot of lobbyists here in Washington, you are not going to get nicked by the Republican contract. You just are not. If you are on welfare, you are going to get nicked. If you have a lunch coming to you at school, you are going to get nicked. But if you have any kind of serious interest supporting you on this Republican contract, you are not going to get nicked.

It is worse than that. This giant $190 billion piece of legislation that the House passed makes a complete farce out of the notion that the contract has anything to do with deficit reduction. Everyone knows it.

I have to say to the Senator from North Dakota and the Chair, I was the first Member of Congress—I am proud of this—of 535 Members of Congress, I was the first one to say ''No tax cuts.'' I said it the day after the November 8 election and I said it the day after the President proposed his tax cut. The Los Angeles Times said there was one lone voice that thinks this should not happen.

It is not nice to say, ''I told you so.'' I do not get to say it very often. On this one, it feels good to say it; that the people of this country know better than the people in this town and the people in this town are beginning to wake up, especially in the Senate, that it is a total fraud on the American people to say you are for balancing the budget and then start handing out $200 billion or $700 billion in tax cuts, tax gifts. The sad thing is, it is the repeating gift after gift after gift after gift to the same people.

Mr. DORGAN. Will the Senator yield for one additional question?

Mr. FEINGOLD. Yes.

Mr. DORGAN. The Congress in 1986 changed the tax law. And maybe it did not do such a great job. But it really tried to eliminate all the artificial things in the tax laws that promoted artificial investments and tried to let the marketplace make the decisions about where the investments would go.

Prior to that time, we had a circumstance in this country where you could pick out some of the biggest names in American corporate life and find out that they made billions of dollars in profits, and what did they pay in taxes? Zero. Nothing.

So in 1986, we put in place an alternative minimum tax that worked, and we said, ''You can't make billions of dollars in profits and end up paying nothing.'' The folks who work for a living pay taxes. They cannot get by without paying taxes. So we constructed an alternative minimum tax that worked.

The legislation they passed last night in the House of Representatives says, ''Let's get rid of the alternative minimum tax for corporations''—with 2,000 corporations benefiting to the tune of washing away $4 billion in revenue annually. The way I calculate it, that is about a $2 million a corporation every year. Talk about gifts? There is a gift. I bet there was not much debate about that.

Mr. FEINGOLD. Mr. President, if I may respond briefly, I am very glad the Senator mentioned some of the specifics of the 1986 bill, because as he was speaking, I realized, in 1986, we had a Republican President and, I believe, we still had a majority of Republicans in the Senate. Although that bill had flaws, there were changes in accelerated depreciation, and limits to the practice of using tax loss farming, which was something of great concern to farmers in Wisconsin. There were limits on some of the most visible aspects of tax deductions that seemed to be unfair.

What is ironic, Mr. President, is that here we have now, again, the majority of the Republican Party in the U.S. Senate—as well as the other body—and they are doing just the reverse.

There was a book written about the success of the 1986 bill called ''Showdown at Gucci Gulch.'' Gucci Gulch, of course, is where all the lobbyists were with their Gucci shoes, and it was a Republican, the Senator from Oregon, who I believe chaired that famous meeting. Tax loopholes were limited. Here we are, again, many years later with just the reverse happening: The restoration of some of these special deals at a time when the deficit is far worse than it was in 1986.

So let me simply conclude, Mr. President, by saying what I have told my constituents back home regrettably. They say, ''How is it going out there in Washington? How is the Republican contract working out? Are you cleaning things up?'' And I have to tell them the truth, and the truth is that the lobbyists in Washington have never had bigger smiles on their faces than they do now. This is the happiest time for lobbyists in America in many, many years, because they are running the show.

And as a final example, there was a rather disturbing occurrence in front of the Senate Judiciary Committee recently where our staff members were told to come to a staff briefing by the Republican majority staff on the regulatory reform bill.

As I understand it, although I have not been here for very long, it is normal practice for majority staff folks to brief the minority staff on what is going to be proposed by the Chair. But

they were not briefed really by the majority staff. They were briefed by a couple of attorneys. And when they were asked who they were they said, ''We're the folks who represent 12 to 15 corporations that basically wrote this thing.'' Apparently, several times, when questions were asked about details of the document, the Republican majority staff was even overruled by these attorneys, lobbyists from downtown Washington.

I think that is another symbol, another link in the chain of special influence that I am afraid has infected this town more this year than at any time in recent history.

So, Mr. President it is time to pass the gift ban. It is time to clean that up on the bipartisan basis that I thought we were going to do last time with an overwhelming 93-to-4 vote.

I am very delighted to yield in order to allow further discussion of what I consider to be an even more important issue: The need to let the Senate do its job by getting rid of this foolish tax cut at a time when all available dollars have to be devoted to eliminating the Federal deficit.

I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Dakota.

Mr. DORGAN. Mr. President, I appreciate the presentation of my colleague from Wisconsin. I note the Senator from Arkansas, Senator BUMPERS, is on the floor, I think intending to speak a bit about the tax-cut bill that was passed by the House of Representatives last evening.

Might I ask about the order of the Senate. Are we in morning business?

The PRESIDING OFFICER. No, the Senate is on the supplemental appropriations bill. As the Senator will note from the remarks that we have heard before the Senate, it would be in order to ask unanimous consent.

Mr. DORGAN. I ask unanimous consent to speak as in morning business for 7 minutes.

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

IT MAY BE POPULAR, BUT IT IS NOT RIGHT

Mr. DORGAN. Mr. President, I will not take a great amount of time because I made some points here already. I did want to come and speak briefly about the action last evening with respect to one portion of the Contract With America in the House of Representatives.

As almost everyone understands, the Contract With America is a document that resulted from substantial polling of focus groups that the Republican Party did all across this country. They were polling to try to understand what is popular, what do people want, what do people think we should do, how will they react positively to words and phrases and ideas, and they put that together in a contract.

It is not surprising to me that one would discover the answer to a question, ''Would you like lower taxes,'' that the answer ''yes'' would be the popular answer. ''Yes, of course, we'd like to have lower taxes. We'd like to have a tax cut.'' I understand that. I understand any poll in this country would achieve that result.

But there are times when we have to choose between what is right and what is popular. Although I think it may be popular for them to be talking about tax cuts, I am convinced it is right only for us to talk about how to get this country's fiscal policy under some control. We are up to our neck in debt. We are choking on fiscal policy debt, budget debt and trade debt, and we must straighten it out.

Not more than a month or two ago, we had people on the floor of this Senate trying to change the U.S. Constitution in order to require a balanced budget. Among those who bellowed the loudest about changing the U.S. Constitution are some of the same ones who now say what we want to do is not balance the budget, we want to cut taxes. This is a stew that we have tasted before. This recipe was concocted in 1981, and it resulted not in a balanced budget, as was promised by 1984. In fact it resulted in staggering massive public debt over the last decade and a half. Mr. President, nearly $4 trillion ago in debt we learned the lessons of this dilemma.

Our job is very simple. It is to aggressively cut spending and to use the money to cut the Federal deficit. And even to start paying down on the national debt and then turn our attention to finding out how we can change the tax system; yes, then to give some relief, but especially to give relief to middle-income working families who had to bear the burden of this Tax Code over all these years.

But to decide now at a time when we have this staggering debt, to decide now that what we need to do is the popular thing to simply propose a tax cut of $200 billion or in the next 10 years nearly three-quarters of a trillion dollars loss of revenue is preposterous. It may be popular, but it is not right.

I had not spoken about the specifics of the tax cut yesterday because it will not surprise anybody to learn the specifics. It is the same old Republican philosophy: Call it a tax cut for the rest, and give a big tax cut to the rich. Call it a tax cut for families, and give a big tax cut to rich families.

Class warfare? No, it is not class warfare to talk about that. It is talking about who gets what check in the mail as a result of these tax reductions.

If you are a family that has over $200,000 in income, the bill that passed last evening in the House of Representatives is going to give you an $11,200 a year average tax cut. If you are a family with less than $30,000 in income, you are going to get all of $124 and, in fact, a whole lot of folks are going to get nothing. If you make $15,000 a year and have three kids, that child tax credit means nothing to you. Zero. There is no $500 a child. You get zero.

The fact is, this tax bill is the same old thing from the same old boys that have always proposed this kind of remedy: It gives a very large tax cut to the very, very wealthy and gives a few crumbs to the rest.

Why? They believe if we pour in a lot of money at the top that somehow the magnificence of the top will spend this in a way that will help the rest.

I happen to think that the American economic engine runs and works best when we give working families something to work with. If we give a tax cut—and I do not think we ought to until we have solved the deficit problem in this country—we ought to provide real tax relief to real working families.

It is interesting to me as I have said, that the very same people who have fought the hardest to change the Constitution because they say we must balance the Federal budget are the first ones out of the chute who say now that we have had this debate about politics and polls over the Constitution, we will have another debate about politics and polls about our favorite subject: Cutting taxes, or cutting tax now, which we know exacerbates the deficit.

It does not reduce the Federal budget deficit, but expands and explodes the Federal budget deficit. Only those who do not care about this country's deficit could be proposing something that irresponsible at this point in this country's history.

Yes, I said I know it might be popular but it is not right. We all ought to put our shoulder to the wheel and do what is right. We know what is right—cut spending and use the money to cut the deficit.

Those who are off trying to suggest we should give tax cuts to the rich when we are choking on Federal debt in this country do no service to this country or its future or its children.

We are seeing a bill come out of the House of Representatives that has the same old proposals. I mentioned to the Senator from Wisconsin a proposal to eliminate the alternative minimum tax. I could bring names of companies—I will not, but I could bring names of companies to the floor—that every single American would recognize immediately, companies that made $1 billion, $500 million, $3 billion, $6 billion, and paid zero in Federal income taxes. Paid less money in Federal income taxes than some person out there working for $14,000 a year, struggling, working 10 hours a day, working hard all year, and they end up paying a tax.

An enterprise making $6 billion over a few years ends up paying zero. So we change that and said, ''You cannot end up paying zero any more. You have to pay an alternative minimum tax at the very least.''

It is called fairness. What did the House of Representatives do? They passed a bill that says we do not care about fairness. We will abolish alternative minimum tax and go back to the good old days of zero tax obligation for some of the biggest special interests in this country.

At the same time, they are saying, ''Let's give away the store in those circumstances,'' and just that provision—the one provision on the alternative minimum tax—gives away $4 billion to 2,000 companies. Mr. President, $4 billion washed away to 2,000 companies. That is $2 million a company.

I do not know how that is justifiable in the circumstances of the fiscal policy problems and deficit dilemma problem we have in our country. How is it justifiable? How will the proponents justify coming to the floor of the Senate and saying, ''We don't have enough money anymore to provide an entitlement to a school hot lunch to a poor kid. We will eliminate the entitlement status to a hot school lunch,'' because we frankly cannot afford it.

But we can afford to give somebody with a $400,000 or $200,000 annual income a check for $11,200 a year and say, ''Partner you are lucky. Here is a big tax break for you.''

We are running this big deficit and we have to cut back on dozens of programs dealing with issues of nutrition, issues of child abuse on Indian reservations, just name it, cutting back all of them, because we cannot afford it.

They say, ''But we can afford to hand over a very large tax refund to some of the biggest economic special interests in this country.''

I know when I finish speaking, and when the Senator from Arkansas finishes speaking, there will be people who say, ''Well, it is the same old complaint: Class warfare.'' You should not stand up and talk about who actually gets the benefit. Because if we talk about who gets the benefit, and you describe someone with $200,000 income getting an $11,200 check, and someone with $30,000 income getting $124, somehow you are being unfair.

It is unfair to point that out to the American people. That is not class warfare. That is a discussion of what is real about the proposals to change our revenue system.

I will support substantial changes in our whole revenue base when we are through this process of honestly trying to get this budget deficit under control.

Frankly, our revenue system does not work as well as it should. Our revenue system ought to be changed in a wholesale way to encourage savings. Our revenue system ought to be changed in a substantial way to tax more consumption than we tax and to encourage savings.

We ought not keep taxing work every chance we get. We hang every social good on a payroll tax. Frankly, our payroll taxes are too heavy. I bow to no one to my interest and desire to try and change our tax system. I do not believe it is right at this time, given the problems our country faces, to propose as a matter of public policy, very large tax cuts to very big special economic interests, and then come to the floor of the Senate and the House and crow about how Members want to change the Constitution to eliminate the Federal budget deficit.

Anybody who wants to eliminate the Federal budget deficit can do it honestly. The honest way is to aggressively reduce Federal spending in areas where we ought to reduce Federal spending, and continue to make investments where we ought to make investments, especially in the lives of children and then use the savings from reducing Federal spending to reduce the Federal budget deficit.

When we have set this country on a course in a constructive path to solve that problem, we ought to turn to the Tax Code. When we turn to the Tax Code, we should not have middle-income families turn out to be the losers.

Every single time somebody monkeys with the Tax Code, especially the majority party, somehow middle-income families end up getting less or end up paying the bill to provide tax cuts and big tax rebates and big generous refunds to the wealthiest Americans.

We ought to have learned in the last 50 years what works and what does not work. What works is to give working families something to work with. The biggest advantage we can provide working families in this country today is to reduce the Federal budget deficit.

We do that by cutting spending and using the savings to reduce the deficit. When we finish that job, then I think we can turn to the Tax Code. And I think we will do a substantially different job than was done over in the House of Representatives for fair tax cuts, for a fair tax system, for those people in this country who work hard and who have borne the cost of Government for far too many years.

Mr. President, I will have more to say about this subject along with some charts tomorrow. I notice my friend from Arkansas, a man noted for charts, has brought charts to the floor, so I am anxious to hear what he has to say. I yield the floor.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arkansas.

Mr. BUMPERS. Mr. President, I ask unanimous consent I be permitted to proceed for up to 10 minutes as in morning business

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

TAX FAIRNESS

Mr. BUMPERS. Mr. President, I cannot add or detract from what the Senator from North Dakota has just eloquently said.

I do have some charts that perhaps are a little more graphic, but I also want to say that one of the things that my wealthier friends not only back home but across the country say to me is, ''The thing I do not like about Democrats is they promote class warfare.''

The Senator from North Dakota alluded to that. I do not believe in class warfare. I believe in fairness, justice, and the judicial system, as well as in our economy.

What happened in the House last evening is one of the most bizarre things I have witnessed in my 20 years in the U.S. Senate. A tax cut—a tax cut—of about $180 billion over the next 5 years but which balloons to about $600 to $700 billion for the 10-year period.

In other words, $180 billion for the first 5 years, and between $400 and $500 billion for the next 5 years.

They say they will identify cuts to pay for it. We see in the House they can do that because they only have to project 5 years out. Our budget in the Senate requires the Senate to come up with a 10-year projection.

To get on with the story, I do not like class warfare but how do we say to the American people that the tax bill that passed last evening provides a tax cut for people who make over $200,000 a year, provides them a tax cut of $11,266—and that is per year—and provides an average for those who make zero to $30,000 a year, gives them $124 a year.

Mr. President, for the people who make less than $30,000 a year, the tax cut last night will not even buy a 13-inch pizza for the family to enjoy on Friday nights. Are we engaging in class warfare to bring up this fact? Is it class warfare to point out the unbelievable unfairness of this situation? I ask the American people and my colleagues, if you are going to provide a tax cut, how do you say to the American people that those who make over $200,000 a year are going to get a $11,000 tax cut and people who make $30,000 or less get a $124 tax cut? Class warfare? It is utterly the most bizarre thing I have ever seen.

Who do you think needs the tax cut most, the guy making $200,000 a year or the guy with a wife and two kids making $30,000 a year?

Let's discuss the capital gains part of the tax bill. Capital gains occur when you buy and sell stocks or other property. I agree with Felix Rohatyn, who I watched on CNBC yesterday, who said, ''I have never understood what economic benefit this country derives when somebody sells General Electric and uses the money and buys DuPont stock.'' What does that do for the economy, except fatten some broker's fees?

But look at this chart showing who benefits from the capital gains tax cut. Who benefits from it? You guessed it. Those who make $100,000 a year or more are going to get 76 percent of the benefit of this capital gains tax cut. What does this poor stiff get who makes only $30,000 a year? Only 6.4 percent of the capital gains tax cut. Class

warfare? Who believes that is fair, Mr. President? Who believes that the people making $100,000 a year or more—which includes every single Member of Congress—who believes we ought to be getting 76 percent of this tax cut. How can I believe that this is fair while the people of my State—where the median family income is less than $30,000 a year—will get only 6.4 percent of the cut?

Mr. President, here is a USA Today poll. It points out what I have been saying for months around here. I never lost a friend voting for a tax cut. It is so wonderful to be able to vote for a tax cut and go back home and say, ''Look what we did,'' and beat our chests. I get letters from people who want their taxes cut. But I get more letters from people who want the deficit reduced. People who are making $30,000 a year or less would gladly give up that $124 tax cut in return for a balanced budget. Do you know why? Because if we balance the budget, it will hold down inflation and interest rates. Mortgage interest will be less, interest on car loans will be less, the economy will be more stable, the dollar will stabilize. Why in the name of God are we considering this tax cut when polls like this one indicate that 70 percent of the people in this country say they want the deficit reduced before they want a tax cut? Only 24 percent of the people in this poll said, ''I want the tax cut over deficit reduction.''

Do you know who the House agreed with when they passed the tax cut last night? Not with the 70 percent of the people who say, ''Deficit reduction first.'' And, actually, not with the 24 percent of people who say they want a tax cut more than they want deficit reduction. No, the House agreed with this 5 percent of people who say, ''We want both.'' That is what the House is saying. ''We are going to cut your taxes and balance the budget, too.'' Think about it—5 percent of the people in this country saying we want both—and that is where the House comes down.

We tried that $3.5 trillion ago in 1981. Here is a graph that shows pointedly and precisely what happened. In 1981—and I remember it well—Ronald Reagan's press conference, after Congress passed his tax cut plan. He said, ''You have given me the tools. Now I will do the job. We will balance the budget by 1984 and with a little luck we will balance it in 1983.'' Those were Ronald Reagan's words.

Well, it did not happen. Instead the deficit shot up to record levels. I want it put on my epitaph that I was 1 of the 11 U.S. Senators who voted against those 1981 tax cuts. I said, ''You will create deficits big enough to choke a mule.'' They turned out to be big enough to choke an elephant.

Look at this chart. Here was our deficit in 1981 and here is how the Reagan administration said they would reduce the deficit. That was the promise. That was the siren song that an irresponsible Congress bought into.

But what happened? The deficit did not go down as promised. Look where it went. By the time we were supposed to have a balanced budget in 1983, we had $200 billion deficits and we have never had one less than that since.

Ironically, I can remember the last year Jimmy Carter was President, the deficit was $65 billion and people were threatening to impeach him. Unthinkable.

No, Mr. President, I am not voting for a tax cut. I am going to vote the way 70 percent of the people of this country want me to vote. When it comes to fairness, the tax cut, even if desirable, is hopelessly inequitable and unfair. The greatness of this Nation, the greatness of the Constitution, is it says each one of us counts. We are all somebody.

Whether you like Jesse Jackson or not, I always like it when he has those kids say, ''I am somebody.'' The soul of America is that each one of us counts. And no one of us should count for $12,000 or $11,000 a year more than the people who did not happen to be born quite so wealthy.

This chart shows where the deficit has been going since Bill Clinton became President. There it is in 1995. Here are his projections for the outyears and here is the projection the American people want. They want that deficit to continue going down. They do not expect miracles, but they do expect a responsible, thoughtful Congress to give this Nation a chance. Give our children a chance. You are not ever going to achieve the greatness of this Nation by cutting student loans, or AmeriCorps, where people can pay off their student loans.

When the families of America sit around the dinner table in the evening and talk about what they love most, it is not the tax cut. It is not that Mercedes out in the driveway. It is not that nice big split-level home. It is not the farm out back or that posh office downtown. What they talk about most is loving their children. In light of that, what do you think the ordinary American person with a family believes—that he or she should get a few dollars more in spendable income or that this Nation ought to start living within its means so that those children have a real opportunity, not a saran-wrapped opportunity, but a real one.

I come down on the side of all of those American families. My children are all grown. I have two grandchildren. They deserve better than they are going to get if we do not reverse our overspending ways; if we do not show the kind of responsibility they have a right to expect of us.

Mr. President, I believe the Senate will show a great deal more discretion in dealing with this, and if we do not, if we do not, the chart you saw a moment ago of what happened from 1980 to 1995 will just be compounded.

Mr. President, I have taken more time than I really intended to take. I feel very strongly about it and will speak again on the subject and again and again. My side may lose just as 11 of us lost in 1981. But I am absolutely certain without intending to be arrogant or self-serving that it will be one of the greatest travesties ever to befall this Nation.

Mr. President, I yield the floor.

EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT

The Senate continued with the consideration of the bill.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. DOLE. Mr. President, we had hoped that we might have an agreement reached on the rescissions bill. But apparently that will not be possible. So there will be a cloture vote at 2 o'clock. We will file cloture again today for a vote on Saturday because we intend to finish this bill before we leave for the Easter recess; spring recess.

I would hope that our colleagues on the other side would understand that we, this Senator and the Democratic leader, worked in good faith most of yesterday into the evening until 9 or 10 o'clock. So did other Members on our side of the aisle, the Senator from Pennsylvania, and both Senators from Arizona. And we believe we gave up a great deal to get an agreement. I thought there was an agreement until I read it in the morning paper.

So I was surprised when I later learned that our colleagues on the other side did not agree to the agreement we thought we had agreed to.

Having said that, I hope we can invoke cloture. If we do that, a lot of these amendments will disappear. I do not know how we can deal with 100-and-some amendments that are out there. But if cloture is obtained, that will shorten the process a great deal.

I do not know where the hot buttons are on the other side. I maybe know of one or two of them. But it seems to me many of the so-called ''cuts'' were in effect funny money and many of the add-ons are not going to be spent either. But if both sides felt they had a good position, I fail to understand what may have derailed the whole process.

But there will be a cloture vote at 2 o'clock. The second-degree amendments must have been filed by 1 o'clock. So it is too late to file second-degree amendments.

It is still my hope that Senator DASCHLE and I can bring everybody together here. I think we are pretty much together on this side. What we want is an agreement with no amendments. We do not want an agreement and then have everybody say we have 10 amendments here and 10 amendments there. If you have an agreement, you have an agreement. Right now we do not have an agreement.

So I just urge my colleagues to be patient, to take two aspirins, take a nap, whatever. If we finish this today, we

will finish some conference reports, and hopefully we will be in session tomorrow but no votes. If we do not finish today, we will be in session tomorrow with votes and we will be in session on Saturday with votes.

Mr. BUMPERS. Will the majority leader yield for a question?

Mr. DOLE. Certainly. I yield.

Mr. BUMPERS. The announced consent agreement has not been propounded yet has it?

Mr. DOLE. Only with respect to the adoption of the Jordan amendment.

Mr. BUMPERS. How many amendments do you anticipate would be allowed under an agreement?

Mr. DOLE. We thought we had narrowed it down to about four on each side. We thought some of those were acceptable. Some who had problems with the CPB, said, ''Well, give us $20 million somewhere else in spending restraints.'' So they have to be ''this or nothing.''

I think, as has been the attitude certainly of the Democratic leader, Senator DASCHLE, as we both know, it can still come together, and I hope it would because we could finish late afternoon and that would be probably the last vote until we come back from recess.

Mr. BUMPERS. I thank the leader.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER (Mr. THOMPSON). The Senator from Pennsylvania.

Mr. SANTORUM. Thank you, Mr. President.

Mr. President, I am incredibly disappointed at the outcome of this negotiation. I had hoped that the good-faith effort of the majority leader who stayed here late last night and worked on this bill late, and diligently, and I think more than bent over backward to accommodate leadership on the Democratic side to help them restore some of the money that they felt was so desperately needed for programs that they have long fostered and supported in this institution.

We have been working with the majority leader, several members of the freshmen class, Senator KYL from Arizona, Senator ASHCROFT from Missouri, Senator MCCAIN from Arizona, and myself have been working to try to craft an amendment that recognizes the concerns of the minority and at the same time preserve some of the objections that we had to the bill. Frankly, we thought we were pretty generous.

The minority leader came in and asked in the original amendment, the amendment that was pending, for almost $1.3 billion in more spending, more spending on almost all social programs; just more social program spending. These were not, just so you understand, the bill that came to the floor of the House—the Hatfield substitute was not—had increases in these programs. Every one of these programs that the minority leader asked for already had an increase from last year. They already had an increase, and in many cases huge amounts of increases. But they cut back a little bit on the rate of the increase with the Hatfield substitute.

The Democratic leader did not like that. So he jacked it back up. OK. We said, fine. You want to jack up some programs and put them back to the level that they were before, which was a dramatic increase over where we were last year, you think those are the most important, we understand the sensitivity you have, we are willing to work on that.

As Senator DOLE, and other freshmen, came forward with an amendment, we said we believe we should offset these expenditures not with money from a year or two down the road—which is what the minority leader, the Democratic leader—they pulled back money out that was funny money from years down the road. You want to spend money this year, let us take money out this year. That is the way we should do things around here, not spend more money this year and find funny money down the road to pay for it. We have been doing that a long time around here. Let us get serious.

And so we got serious. We made a serious compromise. And we thought we had a serious compromise agreement that would have accomplished three major things. No. 1, it would have given the minority leader, Senator DASCHLE, and folks on his side almost all of what they wanted in this increase in social spending—almost. Instead of $1.3 billion, we give $800 million in more spending—$800 million in more spending on many programs that are not exactly well received on this side of the aisle, like the AmeriCorps Program. We gave them an increase in the AmeriCorps Program from what the Appropriations Committee had suggested. We allowed an increase of $100 million in a program that in our amendment we wanted to cut by $200 million.

So from where we started, we gave them a $300 million increase. That was not good enough. We gave them all the money they wanted in WIC, school-to-work, child care, Head Start, $60 million of the $67 million they wanted for Goals 2000, title I, impact aid, safe and drug-free schools, Indian housing, housing modernization, community development banks—every social program, all the way down, they got almost all of what they wanted. We took some of their cuts. Some of the things they used in the original Daschle amendment to pay for this bill we accepted, we accepted as ways to pay for this.

And we said, OK, in exchange for not getting all that you wanted, we will not take all that we wanted. We will get rid of a lot of the proposed reductions that we wanted. And we put on the table some pretty minor things, folks—reducing the foreign operations, foreign aid by $25 million—$25 million; libraries by $10 million—and by the way, the libraries money was the President's rescission; that is the President's suggestion to us to take this money out, said it was not needed—Federal administrative travel, something that they agreed to, that they suggested we increase, we increased to a cut of $225 million. By the way, that is out of a $107 billion budget we are taking out $225 million for Federal travel, hardly something that the public is concerned about, that we are not traveling enough around here; water infrastructure; and, oh, the sticking point. We took out of their sacred little cow $21 million of $312 million. We took $21 million out of the Corporation for Public Broadcasting.

In the end, we would have had savings of $1.6 billion. They had additional spending of $800 million which would get us a net deficit reduction out of this amendment of $800 million. So we both win. They get $800 million more spending, we get $800 million in deficit reduction, so everybody sort of stands even.

I always thought that is what compromises were all about. And so I am hopeful that in the next 45 minutes, the other members of the Democratic caucus who seem to be holding up this compromise take a look at this and realize it is in the best interests of this body and this Congress and this country to move forward with this compromise piece of legislation and get this enacted.

Mr. President, I ask unanimous consent that a paper entitled ''Possible Compromise'' be printed in the RECORD.

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

Possible Compromise

[Dollars in millions]

	Cost
Add-Backs:	
Women, Infants, Children	$35.0
School to Work	25.0
Child Care	8.4
Head Start	42.0
Goals: 2000	60.0
Title I Education	72.5
Impact Aid	16.3
Safe and Drug-free Schools	100.0
Indian Housing	80.0
Housing Modernization	220.0
Americorps	105.0
Community Development Banks	36.0
Total	800.2

	Savings
Offset:	
Foreign Operations	$25.0
HUD Section 8 Project Reserves	500.0
Airport Improvement	700.0
Libraries	10.0
Federal Admin. and Travel	225.0
Water Infrastructure	62.0
IRS	50.0
Corp. for Public Broadcasting	[1] 21.6
Total	1597.0
Deficit Reduction	796.8
Addendum: Items in Dole amendment used in Defense Conference:	
Foreign Ops	$40.0
Legal services	15.0

[1] $3.4 million in 1997.

Mr. SANTORUM. I yield the floor.

APOLOGY FOR RADIO REMARKS

Mr. D'AMATO. Mr. President, two mornings ago I gave a radio interview on the Imus talk show program.

I am here on the Senate floor to give a statement as it relates to that episode.

It was a sorry episode.

Mr. President, as an Italian-American, I have a special responsibility to be sensitive to ethnic stereotyping. I fully recognize the insensitivity of my remarks about Judge Ito. My remarks were totally wrong and inappropriate. I know better. What I did was a poor attempt at humor. I am deeply sorry for the pain I have caused Judge Ito and others. I offer my sincere apologies.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GRASSLEY. 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. GRASSLEY. Mr. President, I ask unanimous consent to speak as if in morning business for 7 minutes.

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

REPORT OF THE BUREAU OF JUSTICE STATISTICS ON TORT CASE FILINGS

Mr. GRASSLEY. Mr. President, today I want to discuss a Bureau of Justice Statistics special report that is supposed to be released in the very near future. I am very disturbed about what I consider to be the political manipulation of a Government report.

This draft report concerns tort cases in State courts. One of the so-called findings of what is, undoubtedly, a flawed report, is that tort case filings have remained steady and that there is no tort litigation explosion.

I believe this document by the Bureau of Justice Statistics was clearly prepared for political reasons. This is underscored by the fact that the study conveniently omits any study of the cost of torts; it omits all Federal liability suits; and it is a scientifically flawed telephone-based survey on only a fraction of the counties in the United States. In addition, the report does not even address many of the important issues regarding tort reform.

Included in this report are some of the results from a study of tort cases in State courts. The study claims that the basis of this report is a representative sampling of the courts in which half of all tort cases nationwide are adjudicated. I disagree with that, Mr. President.

First of all, the report only involves 16 States and a total of 75 counties out of our more than 3,000 counties, but there is nothing scientific about their selection. They are simply the 75 most populous counties, and even if they were selected randomly, the results would not have been much better. Filings are not random occurrences; the number of filings in any set of counties cannot possibly represent anything but the counties that are being surveyed.

Worse, this study does not even involve the use of the most rudimentary sampling techniques. It relies on only the 75 largest counties and further stratified them so that only samples of the data in some of the counties were used.

After reading over this study, you will find that there is a lack of rational sampling methodology in selecting which counties would be used. There is absolutely no evidence contained in this Bureau of Justice Statistics special report that the counties selected are in any way representative of the entire United States.

However, once the counties were selected, only a few of those were used to select various kinds of data. The counties were divided into four strata, although it is not clear how the strata were defined. In the first strata, all 14 counties were selected for the first stage of the study; in the second strata, only 12 of 15; in the third, only 10 of 20; and in the fourth, only 9 of 26. In the second phase, the study relied on interval or random samples. It seems unusual to use more than one sampling method as they have here.

In this study, it reads:

Contrary to the belief that there has been an explosion of tort litigation, tort case filings have remained stable since 1986 according to multi-State data.

Now, there is no rational way to identify whether there has been an explosion in tort filings or not from this study, since the data is limited to 1990 for the first phase of the study and for a 1-year period from mid-1991 to mid-1992. It should also be pointed out that the study was based on phone interviews in only 45 of the 75 largest counties.

Now, to determine whether there was an explosion in tort filings, it seems to me that you would need to start with data at least as far back as 1970, or maybe as late as 1980, and run a longitudinal analysis to see what happened. The study simply declares out of thin air that ''multi-State data'' since 1986 proves that there has not been any such explosion. Another concern I had was the fact that no financial data of any kind was shown anywhere in the report. Let me stress that again. In this whole study of tort liability explosion, there is no financial data of any kind involved in the report.

This means that there is no way to identify the most important of all indicators. The report simply omits any discussion of whether the size of tort awards had changed over the years.

Because there are no financial data, there is no way to see if venue shopping is real or not. For example, we know that awards in certain counties in Texas are extreme. However, you would not know that from this report.

The report also conveniently fails to provide any information on the effect of large tort awards on settlements. In other words, one could ask, are settlements made more often now without regard to the merits of the case because of the threat of an expensive suit? This study does not answer that question, and it does not do it, of course, because it also conveniently failed to include any data on award amounts.

Lastly, this report does not limit itself to the torts with which we are most concerned, those that affect products, like product liability, those that affect premises liability and medical malpractice. It does not include any of those. Instead, it includes auto torts, which make up more than 60 percent of all tort cases considered. This seems to make every other tort look minor, even though auto torts are very common. Generally, they are very quickly settled and, generally, they involve only one or two parties and relatively small amounts of money. By adding auto torts, the average time for the disposition of all torts falls to about 19 months, whereas the auto torts average less than 17 months.

Yet, all other torts average more like 2 years, involve more parties and they involve much larger amounts of money.

These are just a few of the criticisms that can be leveled at this flawed and ill-conceived report. But the more telling criticism has to do with the timing of its release. I am concerned about the possible political manipulation behind the report. We all know that President Clinton, and one of the most powerful special-interest supporters, the Trial Lawyers Association, opposes tort reform. Apparently, the original plan was to have the report out before the House considered tort reform. The goal now seems to be to release it before the Senate takes up tort reform. The Bureau of Justice Statistics claims the study has been in the system for several years. If this is so and they, indeed, had several years to compile this study, why is it so limited and so conveniently timed?

I strongly believe that this document by the Bureau of Justice Statistics was clearly prepared for political reasons. Once again, this is underscored by the fact that the study conveniently omits any study of the cost of tort, no study of the cost of torts. It omits all Federal liability suits and is a scientifically flawed telephone-based survey of only a fraction of the counties in the United States.

In addition, the report does not address the real issues, such as what effect do large awards have on settlements, and is there extensive venue shopping for those counties which consistently make the most outrageous awards?

You could hypothesize about the answers to these questions. That is why

our civil justice system is in need of reform, and studies like this, I think, cloud the issue. If this report comes out as written, the Justice Department should be embarrassed, the people in the Bureau of Justice Statistics should be ashamed that they allowed themselves to be used for political purposes, and I hope the Justice Department will try to reestablish some credibility and integrity by refusing to release this report or at least require it to meet minimum scientific standards.

I also hope and even challenge the media to look into this matter and shine some light on the political maneuvering that is going on over at the Justice Department.

The Assistant Attorney General, or Associate Attorney General, Mr. Schmidt, will be briefed on this tomorrow. He has an opportunity to make sure this study, if it is going to be used as a basis, is done in a more scientific and intellectually honest way and, most importantly, it seems to me, since this study has been supposedly going on for a long period of time, that we do not let it come out at just about this time that the Senate is going to discuss the issue of tort reform.

There has to be the integrity of an agency, as the Justice Department, particularly under this Attorney General, seems to have a great deal of independence and integrity, to make sure that there is not this sort of manipulation that is going to undercut the principal approach to running the Department that our Attorney General has assumed.

I hope that my speaking at this point will encourage another look-see at this report, and I hope that the report that I have seen will not be the one that comes out. I think there are plenty of checks and balances within our system to see that it does not, and I hope those checks and balances will work in this instance. I yield the floor.

EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT

The Senate continued with the consideration of the bill.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Mr. President, last night, the majority leader and I announced that we had a tentative agreement with regard to the pending legislation. We had hoped that as a result of our negotiations, which have been conducted in good faith on both sides, it would lead, hopefully, to an opportunity to come to some closure in the not-too-distant future on this important matter.

Unfortunately, as a result of differences on both sides of the aisle with regard to the agreement, amendments are likely which would significantly alter the result of the negotiations that have been ongoing.

As a result, the real prospect that the agreement could be successfully concluded in debate on the floor this afternoon becomes increasingly unlikely. I am disappointed because I feel it was an effort made on the part of many Senators—Republicans and Democrats—to bridge our differences to accomplish what we all want.

The amendment that I have had pending has now been pending for a week. Unfortunately, we have not had the opportunity during these negotiations to vote on it or on any other Democratic amendment. We have been hopeful that over the course of the last several days, we could have come to some conclusion about the agreement or about at least a time limit relating to the amendments, and come to some conclusion this week in one way or the other. That now does not look possible.

But the fact is, because we have not been given an opportunity to have votes on these amendments, we will come to the cloture vote this afternoon not having had one vote on one Democratic amendment. As a result, I urge my colleagues to protect our right to offer these amendments. I urge my colleagues to recall how important it is that the amendments that we have offered over the course of the last couple of weeks dealing directly with the concerns that have been raised on this floor now for more than 7 days, that we have the opportunity to have good debates about those issues prior to the time we come to closure on this vote.

As I have said on several occasions, we really have three goals here:

The first goal is to ensure the Federal Emergency Management Administration is adequately funded.

The second goal is to ensure that we provide the necessary deficit reduction that this rescissions package will allow, and we are now at a point of $15 billion in the total deficit reduction package.

And the third goal was one that all of us on this side of the aisle feel especially strongly about.

That is, if we are going to do it, we should do it right. If we are going to do it, we should ensure that we do not eat the seed corn. We should ensure that as we remember our priorities, we remember our kids and working families who are struggling to ensure that they can be productive citizens in this country.

Those are the three goals. Our whole effort, the amendment that we have pending, is designed to accomplish those three goals. Without that amendment, unfortunately, all we do is accomplish the first two goals. We provide adequate funding for FEMA. We provide for necessary deficit reduction, but we do it at the expense of kids. We do it at the expense of people who are counting on these investments so they can be the productive, working people that they want to be.

That is what this debate was about. So this cloture vote is very important. It is a cloture vote that will allow Members the opportunity to accomplish all three goals. Without defeating cloture we will not have that protection.

I want to emphasize as loudly and as plainly as I possibly can, our desire is not to hold up this bill. Our hope is that we do not have to hold up this bill. Our hope is that before we leave here, Democrats and Republicans can come to time agreements on amendments. We will have up-or-down votes on the amendments that are proposed on this side and do so in a way that will allow Members to get our business accomplished.

We will finish, we will have final passage, and we can all go home satisfied, however the votes may fall. We only hope we will be given the opportunity to have up-or-down votes on these issues because that is critical to the degree of enthusiasm, the degree of support that we ultimately will have for the bill itself.

I think it is very clear that for a lot of different reasons, we have not been given a right today to offer those amendments, and it is equally as clear that, unless we block cloture this afternoon, we will not have that right after 2 o'clock today.

So, Mr. President, I come to the floor to express regret. In good faith we have not been able to accomplish what I sincerely had hoped we could accomplish. Having said that, we now must accomplish what our original intent was, which was try to protect all three goals as we move toward final passage of this legislation.

I urge my colleagues to weigh carefully their decision on this cloture motion. I hope that we can defeat it, not in the interest of extending debate, not in the interest of prolonging this issue any longer than we have to, but in the interest of accomplishing the three goals and protecting our rights to offer amendments and improve legislation as these occasions arise.

So, Mr. President, to accommodate my colleagues who have amendments to the bill, it is important at this point, from a parliamentary procedure motion only, to withdraw my amendment to allow others to offer the amendments that they will so offer. I will certainly come back at a later time and describe, as we intend to, the importance of the amendments that will make in the composite what our amendment was originally designed to do as it was laid down last Friday. We will do that at a date or at a time later, perhaps today.

AMENDMENT NO. 445 WITHDRAWN

Mr. DASCHLE. Mr. President, at this time I withdraw my amendment.

I yield the floor.

The PRESIDING OFFICER. The minority leader has that right. Amendment No. 445 is withdrawn.

The amendment (No. 445) was withdrawn.

The PRESIDING OFFICER. As a result, the second-degree amendment No. 446, which was pending thereto, falls.

Mr. PRYOR. Mr. President, may I ask the Chair if we are in morning business at this time?

The PRESIDING OFFICER. The pending business is H.R. 1158.

Mr. PRYOR. Mr. President, I ask unanimous consent that I may speak as in morning business.

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

Mr. PRYOR. Mr. President, I thank the Chair.

(The remarks of Mr. PRYOR pertaining to the introduction of S. 687 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. LOTT. Mr. President, I just rise to really express my great disappointment that, after working for over a week, no agreement has been reached on this legislation. Now we will be going to a cloture vote at 2 o'clock. I certainly hope that cloture will be invoked. I remind my colleagues if that is done, we still will have lots of time to debate—30 hours, I believe. Germane amendments would still be in order. I think most of the key amendments that colleagues on that side of the aisle have been interested in would be germane.

But as it stands right now, I believe there are some 72 amendments on one side pending and a number on the other side. We still have 100 amendments at the desk. Many of them are obviously not germane and really nobody ever intended for them to actually be voted on, I suspect.

But after a week of negotiations, we basically came up emptyhanded. I know there was a lot of good-faith effort. I thought a reasonable agreement had been worked out between the Daschle amendment and the Dole amendment that was pending, with an understanding there would still be a few amendments that would be offered on both sides—two, three, four, five, whatever—but that we would find a way to bring it to conclusion.

Here we are Thursday afternoon. Presumably, we are going to go out tonight or tomorrow or Saturday or sometime for the Easter recess period. I just have to raise this specter. Are we now going to just let this die off, go off into the night with no results? No Department of Defense supplemental appropriations? No Jordan aid? No rescissions package? Is this the total white flag of our effort to begin to seriously deal with the needs for supplemental appropriations, commitments that have already been made and paid for in the Department of Defense, in disaster aid? And the first opening effort, the first shot to begin to deal with the deficit? Are we not going to be able to do any of that? Just collapse in a puddle of nothingness here in the Senate?

I cannot believe my colleagues would want to allow this to happen. We need to find a way to begin to make some savings. This bill provides some savings. The distinguished Democratic leader just said he would like to see this bill passed. The President has said he would like to see this legislation passed. We want it passed. Everybody wants it, but we do not seem to be able to get it.

I really think we need to work——

Mr. KENNEDY. Will the Senator yield on that point?

Mr. LOTT. To be able to find an agreement to bring all these issues to conclusion, one that I think would be basically satisfactory to both sides. Sure, we disagree on how we should get there. But maybe we should have just started voting, taking up issues and voting on them a week ago. But there was a feeling that we could reach an agreement, and that negotiating started I think last Thursday, and here we are a week later, emptyhanded.

So I really urge my colleagues here this afternoon to vote for this cloture motion so we can limit the list of amendments to somewhat of a reasonable number, at least germane amendments, and begin to get some limit on the time so we can bring all these issues to a conclusion. That is all we are asking for. That is all we were seeking yesterday.

I think it would certainly serve us well if we would invoke cloture here and then go forward.

Failing that, let us see if we cannot enter into some time agreements, some understanding about the limit of amendments. There has been no reduction really in the number of amendments that are pending out there. So I will be glad to yield to the Senator from Massachusetts, if he would like for me to yield. We are going to have to vote here in a minute.

Does the Senator want me to yield? I yield to the Senator from Arkansas.

Mr. PRYOR. Does the Senator from Mississippi yield for a question?

Mr. LOTT. Sure.

Mr. PRYOR. I cannot figure out for the life of me who over here is slowing down the defense supplemental appropriations bill. Could you name anyone who is slowing down that particular bill over here?

Mr. LOTT. They are all related, if I might respond to the Senator.

Mr. PRYOR. We have been overly anxious to get that bill out and get it sent to the President. We are anxious to get this bill acted upon. All last week, we were involved basically with an amendment offered by a Republican Senator, our friend Senator D'AMATO, from New York, relative to Mexican aid. We have been trying our very best to start voting on some amendments offered on this side, and we have yet to have been afforded that opportunity.

Mr. LOTT. I will respond to the Senator, there has been an effort going on to try to work out a process where we could vote on the related amendments, a number of amendments, and bring it all to a conclusion. We have not had the Mexican amendment really before us for quite some time. That was set aside last week so we could move on to other issues. We are about 3 degrees down the line past that amendment.

But in an effort to move this legislation, I think an agreement had been worked out that would have dealt with that and a number of other issues so we could bring it all to a vote. But they are related. All of these are related. We have to decide what we are going to do with the Jordan aid, where is it going to go? Of course, it is on this bill but it is not on the DOD appropriations bill, as I understand it, right now. So we are trying to get all these to positions where we can complete all this legislation.

Several Senators addressed the Chair.

Mr. SANTORUM. Will the Senator yield? I just wanted to follow up on a comment you made, which is the——

Mr. FORD. May I say to the Senator that you go through the Chair.

Mr. SANTORUM. Mr. President, of the 72——

The PRESIDING OFFICER. The Senator from Mississippi has the floor.

Mr. LOTT. Mr. President, I yield for a comment to the Senator from Pennsylvania; for a question to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, is it not true, I ask the Senator from Mississippi, that 41 of the 72 Democratic amendments would be germane after this cloture vote? So 41 of the amendments that have been filed—41 is hardly a paltry sum—would be germane after this cloture vote would have been acted upon?

Mr. LOTT. I might respond, Mr. President, that is my understanding. I think most all of the portions of the pending Daschle amendment, with maybe one exception, could be offered under this cloture vote.

Mr. SANTORUM. My second question would be, of the Daschle amendment add-backs that we have debated here for several days, is it not also the Senator's understanding that every single one of those add-backs would be eligible to be added back after cloture, with the exception of the Goals 2000 provision which is neither in the House nor the Senate bill?

Mr. LOTT. Mr. President, I might respond, I have not looked at every one of them on that list to make sure or find out if that would be true, but I understand there is—maybe the Goals 2000 would be the only one not open to be offered after the cloture vote.

Mr. SANTORUM. I thank the Senator for yielding.

Mr. LOTT. Mr. President, I yield the floor, in view of the time, for the cloture vote.

The PRESIDING OFFICER (Mr. THOMAS). The Senator from Kentucky.

Mr. FORD. Mr. President, I hear all this blame put on us. In the last 2 years, all the blame has been the other way. I wish some of the leadership on the other side would give me an hour

so they could explain to me how they provided for gridlock in the last session so I would be better at gridlock this session.

You are now 6 days late on the budget. In the last 2 years, we have had the budget on time. It was due April 1. It is due out here, by both Houses, on April 15. We hear all this moaning and groaning and crocodile tears as it relates to we will not do that; we want to start saving; we want to start saving—but we have a budget that is due to put us on the track to 2002 and you are 5 days late, and we are not going to get it probably until May.

I say to my friend, let us get a budget out here. Let us really start doing things.

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

Mr. DOLE. Mr. President, if I could proceed for 1 moment—1 minute?

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

Mr. DOLE. Mr. President, I still hope we can work this out. We were about that close, or closer. The Democratic leader and the Republican leader worked throughout the day with other Senators on both sides. We thought we had an agreement.

We thought we had an agreement. I still hope it is possible to get the agreement. If that happens, we could finish our work very quickly today and there would be no votes tomorrow or Saturday. But if not, then I do not think we have any other choice other than to try to complete this bill tonight with or without cloture.

So I still think there is a genesis of an agreement here. I would say to the White House, I hope that you will help us reach an agreement, because, until there is an agreement, there will not be any defense supplemental taken up in this body.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, the hour of 2 p.m. having arrived, the clerk will report the motion to invoke cloture.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXI of the Standing Rules of the Senate, hereby move to bring to a close debate on the Hatfield amendment No. 420, to H.R. 1158, the supplemental appropriations bill, signed by 17 Senators as follows:

Senators Mark, Hatfield, Pete Domenici, Rick Santorum, Larry Pressler, Mitch McConnell, Slade Gorton, Rod Grams, Ben Nighthorse Campbell, Conrad Burns, Mike DeWine, Nancy Kassebaum, Ted Stevens, Jesse Helms, Robert F. Bennett, Spencer Abraham, Dirk Kempthorne, and Fred Thompson.

CALL OF THE ROLL

The PRESIDING OFFICER. By unanimous consent, the quorum call has been waived.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that the debate on the Hatfield amendment number 420 to H.R. 1158, the supplemental appropriations bill, shall be brought to a close?

The yeas and nays are required. The clerk will call the roll.

The legislative clerk called the roll.

The yeas and nays resulted—yeas 56, nays 44, as follows:

[Rollcall Vote No. 127 Leg.]

YEAS—56

Abraham	Gorton	Moynihan
Ashcroft	Gramm	Murkowski
Bennett	Grams	Nickles
Bond	Grassley	Packwood
Brown	Gregg	Pell
Burns	Hatch	Pressler
Campbell	Hatfield	Roth
Chafee	Helms	Santorum
Coats	Hutchison	Shelby
Cochran	Inhofe	Simpson
Cohen	Jeffords	Smith
Coverdell	Kassebaum	Snowe
Craig	Kempthorne	Specter
D'Amato	Kyl	Stevens
DeWine	Lott	Thomas
Dole	Lugar	Thompson
Domenici	Mack	Thurmond
Faircloth	McCain	Warner
Frist	McConnell	

NAYS—44

Akaka	Feingold	Leahy
Baucus	Feinstein	Levin
Biden	Ford	Lieberman
Bingaman	Glenn	Mikulski
Boxer	Graham	Moseley-Braun
Bradley	Harkin	Murray
Breaux	Heflin	Nunn
Bryan	Hollings	Pryor
Bumpers	Inouye	Reid
Byrd	Johnston	Robb
Conrad	Kennedy	Rockefeller
Daschle	Kerrey	Sarbanes
Dodd	Kerry	Simon
Dorgan	Kohl	Wellstone
Exon	Lautenberg	

The PRESIDING OFFICER. On this vote, the yeas are 56, the nays are 44. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

CLOTURE MOTION

Mr. DOLE. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The clerk will report.

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 do hereby move to bring to a close debate on the Hatfield amendment No. 420 to H.R. 1158, the supplemental appropriations bill:

Bob Dole, Fred Thompson, Rick Santorum, Alfonse D'Amato, Chuck Grassley, Trent Lott, Larry Craig, Connie Mack, Craig Thomas, Jesse Helms, John H. Chafee, Thad Cochran, Mark Hatfield, Pete Domenici, Dan Coats, and Judd Gregg.

Mr. DOLE. Mr. President, let me indicate to the distinguished Democratic leader, who is on the floor, it is still my hope that we can reach some agreement. It seems to me we are not that far apart. We ought to be able to do it.

I am certainly prepared to sit down with the Democratic leader, or anyone else, if there is a problem. But, just in case we cannot work it out, then I have filed a cloture motion, because I do think it is important that we finish this bill so we can take up the defense supplemental bill and some other things after that.

But I am prepared and I think the Democratic leader is prepared and, hopefully, our colleagues are prepared. It seems to me we have one of two choices. Either we try to finish this tonight with no votes tomorrow, or we will be here tonight and tomorrow and maybe Saturday. But, that is up to our colleagues. I cannot believe any of these amendments are so critical they cannot wait until the next supplemental or until the appropriations bills start arriving.

I think there was a lot of give and take on each side in good faith. I thought we were almost there. But if we make an agreement and everybody says, ''Well, I will make the agreement but I want to go back and offer an amendment to try to undo the agreement,'' then we do not have an agreement. Either we have an agreement or we do not have an agreement.

I can agree, if you let me have 25 chances to improve on what I have already agreed upon, but I do not think that is an agreement.

I hope that we can resolve everything so that, when it comes to the floor, I can persuade the Senator from New York to withdraw the amendment with reference to Mexico. He has not done that yet. We have the Jordan aid in this package that I know the administration is very concerned about.

So I hope there would be some way to bring it together in the next, say, 45 minutes to an hour.

I also remind my colleagues on this side of the aisle, there is a Republican conference in progress in S. 207 which will end, hopefully, at 3 o'clock.

I am happy to yield the floor or yield to my colleague from South Dakota.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Mr. President, as I said before the vote, it was not our desire to hold up this bill. I will reiterate my sincere desire to work with the majority leader in finding an agreement.

What I hope we might be able to do, perhaps, is to maybe run two tracks, get some debate and offer some of these amendments. We could maybe work out some short time agreements and have a good debate, rather than just putting the Senate in a quorum call,

and then work simultaneously to see if we might not be able to address some of these concerns.

I agree with the majority leader. We are close and perhaps we can find a way to accommodate many of the concerns raised on both sides of the aisle.

But perhaps at the same time we might be able to accommodate some Senators who have been waiting patiently to be able to offer amendments. If we could do that, perhaps that might even accelerate our progress.

I reiterate my sincere desire, and I think the desire on this side, to work in earnest and try to accommodate everyone and successfully complete this bill.

I yield the floor.

Mr. DOLE. Will the Senator yield? We are prepared to vote on the amendment of the Senator from Massachusetts. I do not think we need any additional debate on that. I am for it, not that it makes any difference.

Mr. KENNEDY. We are quite prepared to vote. I do not think we need additional time. We wanted to do that at the earliest possible convenience. We welcome the opportunity to have a rollcall vote.

Mr. DASCHLE. I think the distinguished Senator from New York will be interested in speaking to the amendment prior to the time we vote, but I am sure there could be some relatively brief time agreement that we could work out to accommodate him, and others, who may yet want to speak. But I do not think it will take that long. I suggest we do that.

Mr. DOLE. Why do we not agree to have the time between now and 3 o'clock equally divided and then vote at 3 o'clock? I think the Senator from West Virginia also wants to speak on some other issue.

Mr. BYRD. I can wait.

Mr. DOLE. Is that satisfactory?

Mr. DASCHLE. If the majority leader will let me consult with the distinguished Senator from New York, Senator MOYNIHAN, to see how much time he may require, we can resolve this matter very soon.

Mr. DOLE. While the minority leader is checking, 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. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

FIRST 100 DAYS OF SO-CALLED REVOLUTION

Mr. BYRD. I thank the Chair.

Mr. President, tomorrow we will hear about the first 100 days of the so-called revolution, and about the success of the misnamed contract with America. I call the contract misnamed because so many Senators on both sides of the aisle claim never to have signed it, and many Americans have no idea what it is, much less any idea of its various provisions. The term ''contract'' is usually reserved for binding documents which two or more parties have agreed to and signed. But, not so with this so-called contract with America. It is simply the wish list of the extreme faction of one political party, packaged to sell better by giving it the legitimacy of the word ''contract.'' It is clever, essentially meaningless ad-man lingo, probably conjured up by some pollster.

But, in any event, the Nation will, no doubt—at least part of the Nation—be glued to the TV sets on Friday evening to hear the 100-day report on the progress of the so-called contract, as promised. But everything about this made-for-TV drama will be somewhat of a fantasy.

First, as I have already indicated, the contract is merely a made-up device. Second, the so-called 100-day report is not occurring after 100 days. Friday, April 7, will only be the 94th day since the convening of the 104th Congress. The real 100th day will occur on Thursday, April 13th, smack in the first week of the April congressional recess. So we will be getting the report on the so-called contract, which is not really a contract, on the so-designated 100th day, which is really only day 94. But, then of what import are messy details when one is busy manufacturing nonnews while conducting a pseudo revolution?

We will undoubtedly hear of the wild success of the so-called contract when, in fact, only two of its provisions have been enacted into law, and these two were relatively noncontroversial. In reality, two of the contract's major tenets, the balanced budget amendment and the term limits proposals have gone down to defeat, while a third, a misnamed proposal being loosely called line-item veto which, by the way, may be found to be unconstitutional, may be stuck in a House/Senate conference for perhaps a long time. Only in Washington would this type of report card be touted as successful. Rather than a 100-day report on the progress of the contract, this coming performance might be better billed as a 94-day alibi for the failure of an extremist agenda.

The truth of the matter is that the so-called contract is pretty much of a flop. And just like a bad play in the theatre, a bomb is a bomb. You can punch up the dance numbers, spice up the dialog and gussy up the costumes a little bit, but in the end a flawed script will flop and nothing on God's green earth will save it.

Likewise, at the end of this particularly bad show this so-called contract will also be judged a flop and a failure. That will happen because the contract is a giant gimmick comprised of other lesser gimmicks, and it does not address real problems in our Nation. It merely packages several old canards which are holdovers from the last popular Republican administration and calls them reform. It reruns a lot of 1980's political bumper sticker slogans and calls them a program for change. The Revolution has come to Washington! Rejoice all mad-as-hell citizens! Well, if this is a revolution, it must certainly be called the retread revolution. Term limits, balanced budget amendment, line item veto, enhanced rescission, separate enrollment, tax cuts—there is a tough one; there is a tough one—all of these old bald tires have been around for years.

And what about those tax cuts? Mr. President, earlier this year the House of Representatives passed the balanced budget constitutional amendment in just 2 days—2 days. A similar measure failed to pass the Senate by only two votes. During the debate on these proposals, Republicans nearly drowned the American people in a sea of rhetoric proclaiming the need for such an amendment.

Deficit reduction, it was claimed, was the most pressing issue facing Congress today. We heard a lot about our responsibility to future generations, about the need for fiscal discipline, and about the need to make tough choices. The American people were told that there would be shared sacrifice among all for the good of the Nation. Everyone was going to do his fair share to beat back the economic dragon of deficit spending.

For weeks we heard lofty speeches in this body over the need to reduce deficits. Now, for the House to come right along behind that debate and enact a huge tax cut financed by cuts in general spending makes a mockery of all the hot air we heard in this body about deficit reduction. To suggest squandering our budget savings on tax favors for the well to do and for big corporations is just plain crazy. For the House of Representatives to pass a tax cut giveaway which will cost the American people $189 billion over 5 years and approximately $700 billion over 10 years is clearly walking away from any serious attempt to reduce the deficit.

We will hear a lot of talk about the winners and the losers under the so-called contract in the coming days. But, in my view, there are no winners when what should be a serious attempt to address the Nation's problems is replaced with glitzy media shows, overblown rhetoric, one-line solutions, and junk legislation enacted in a rush to meet a phoney deadline, and huge tax cuts designed to benefit the well to do. We all lose. We all lose when that kind of superficial excuse for leadership is offered to the people as a substitute for the real thing.

The truth is that Barnum and Bailey's is not the only show in town this week. All of this touting of a revolution and praising of a nonexistent contract with America is nothing more than a less entertaining version of the same sort of circus.

This contract is a sham and it will ultimately be judged a failure because the American people will never choose

the so-called contract over the Constitution, the Constitution of the United States of America. It will fail because it is mostly form devoid of substance. It will fail because it opts out of trying to find solutions to real problems, and instead tries to rig the game and rearrange our cherished checks and balances in order to further a misguided political agenda. And it will fail because it plays on people's fears and anger, instead of nourishing their hopes and their dreams.

It will also fail, I believe because of the genius of the Framers in their crafting of a U.S. Senate, designed to slow things down, educate the public and talk things through in extended debate.

For my part, I only wish that tomorrow night, instead of the touting of some made-up, fabricated so-called Contract With America in a partisan attempt to manufacture fervor for a political agenda, the American people will hear a detailed explanation of how the last 94 days have once again demonstrated the innate wisdom, power, and grandeur of the only contract ever agreed to by the people of America and sworn to by all of the Members of the Senate and the House. That contract is the Constitution of the United States of America.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The minority leader is recognized.

Mr. DASCHLE. Mr. President, I have consulted with colleagues on this side and I think as a result of our discussions in recent minutes that we will be able to enter into a fairly short-time agreement on this particular amendment.

Whatever length of time the distinguished Senator from Massachusetts would like to speak I think will be all the time required on this side. We would be prepared to vote.

Mr. KENNEDY. Mr. President, could we have 15 minutes, evenly divided? I will be glad, as I had previously indicated to the leadership, make a brief presentation. And I am glad to accommodate the timeframe. I could complete my statement in a shorter period, or take a few extra minutes.

I will be glad to begin, and when the leaders work out a time agreement, I will accommodate it.

Mr. DASCHLE. Mr. President, I suggest the Senator begin his remarks, and in the meantime we will try to work out an agreement.

AMENDMENT NO. 448 TO AMENDMENT NO. 420

(Purpose: To state the sense of the Senate regarding tax avoidance by certain former citizens of the United States)

Mr. KENNEDY. Mr. President, in a few moments, we will consider the amendment numbered 448. To again familiarize the Members of the Senate of its intent, I will read it. It is a brief amendment.

This amendment states that it is the sense of the Senate that Congress should act as quickly as possible to amend the Internal Revenue Code of 1986 to provide for taxation of accrued gains at the time that a person relinquishes U.S. citizenship; and it is the sense of the Senate that the amendment referred to should take effect as if enacted February 6, 1995.

This is defined as the billionaires' amendment.

Just to review the amendment very quickly, Mr. President, it was part of the small business health care deduction bill to permit the self-employed to deduct 25 percent of their premiums.

It had been included by the Finance Committee, and was a part of the legislation which we passed. This provision addressed a serious loophole in the Internal Revenue Code.

That loophole can be explained as follows: An individual can accumulate massive sources of wealth, owe their fair share of taxes to the Internal Revenue Code, renounce their American citizenship, become what I consider to be a Benedict Arnold, change their residency to another country, and effectively avoid and evade any responsibility to pay their fair share of taxes on all unrealized gains.

It has been estimated that the cost of this tax avoidance is $3.6 billion, including both American citizens and permanent resident aliens.

It is important to note that the measure reported out of the Finance Committee related only to American citizens. I am hopeful that the Finance Committee and the Ways and Means Committee, when they revisit this issue, will consider the administration's proposal, which would include both American citizens and permanent resident aliens.

This provision only affects about 25 Americans a year. But the cumulative loss to the Federal Treasury is $1.5 billion over a 5-year period and $3.6 billion over a 10-year period.

This matter is of major importance, Mr. President, because the Senate is now debating the rescissions legislation, rescissions meaning cuts in a number of different programs. These are programs that the Congress has authorized, and for which we have made appropriations. The President has signed these measures into law, and now Congress is revisiting these commitments and deciding how to cut the various programs.

The Daschle amendment that is before the Senate would restore funding for some of these programs: the voluntary community service program called AmeriCorps; the drug-free schools program, which assists parents, schoolteachers, and school boards with the problems of substance abuse and violence in the schools; the chapter 1 education program, which assists disadvantaged children; the Goals 2000 Program, which would provide sufficient funding for 1,300 school districts around the country for needed reforms and improvements in academic achievement; the well-known Head Start Program, that has been extended to 0- to 4-year-olds, so that intervention can take place to help children, particularly toddlers, as defined by the Carnegie Commission report; the Program for Women, Infants, and Children [WIC], which provides expectant mothers with high-quality nutrition; the School-To-Work Program, that is being reviewed now before our Human Resources Committee and will provide one-stop shopping for youth trainees; and the child care program, which is so essential for working families to ensure that their children are adequately cared for.

The amendment restores approximately $700 million in these programs. Other programs in the amendment for training and housing total $700 million. That requires a restoration of $1.4 billion, and we have spent days debating this amendment. By and large, most members of the Senate have voted in favor of these programs. A handful have not, but by and large it has been a bipartisan effort.

At the same time, we are not recovering the $1.4 billion from those Americans who are renouncing their citizenship and turning their backs on America. If they were not renouncing their citizenship, they would owe that money to the Federal Treasury. We have not recaptured that money. It was dropped in the conference committee on the small business legislation. The small business legislation with the appropriate language, which had been accepted in the Finance Committee, accepted on the floor of the Senate, and went to the conference, came back without the necessary language.

With this amendment, we are saying that the membership feels that this loophole must and should be closed, and will be closed at the first opportunity. And the date will be made retroactive to the date of original introduction by President Clinton, who has taken a personal interest in closing this loophole.

The majority leader has indicated that he will support it. The chairman of the Finance Committee has said that he will support it. The Senator from New York, Senator MOYNIHAN, as well as Senator BRADLEY and other members of the Finance Committee, have all expressed their support.

The vote is important because we want to make sure that the Senate's hand is strengthened when the measure goes to conference. Hopefully, this will be a unanimous vote, which will further strengthen the hand of the Senate. It will be a clear indication that the Senate of the United States wants this loophole closed, and that the renunciation of citizenship, after an individual has taken advantage of the American free enterprise system, and the avoidance of the responsibility to pay a fair share of taxes, is unacceptable.

An individual has every right to renounce his or her citizenship and leave America, and we have some 800 every year who do so. We are not saying that they cannot leave. We are saying that

if they decide to leave, they should pay their taxes prior to their leaving.

Mr. DORGAN. Mr. President, I wonder if the Senator will yield for a question?

Mr. KENNEDY. Yes. Let me finish with one thought.

This provision is not a new concept. The concept itself is already included in the Internal Revenue Code but is drafted such that it does not protect against this egregious loophole. This new provision will close the loophole.

I am glad to yield.

Mr. DORGAN. I appreciate the Senator yielding. I know he has been waiting for a week to offer this sense-of-the-Senate amendment. I know also this was dropped from a previous piece of legislation that has been through this Chamber and I cannot conceive of anyone in this Chamber who would vote against this proposition.

As I understand the current tax law—and I might ask the Senator to confirm this—that if you have accumulated substantial assets and wealth in this country and have substantial gains on those assets and then decide to renounce your citizenship and leave the country, we'll give you a special deal. You do not have to pay tax on the way out on your gains.

I am going to bring something to the floor later this session on another perverse tax incentive that says, ''Close your manufacturing plant in America and move it overseas and we will give you a tax break for that as well.''

As I understand it, what the Senator is offering is a sense-of-the-Senate amendment saying let's close the loophole by which people can renounce their citizenship and leave this country with substantial amounts of accumulated gains in income and end up paying no taxes. Is that the current tax circumstance?

Mr. KENNEDY. The Senator has stated it accurately and correctly. It is a provision that is probably as inoffensive to all fair-minded Americans as any other before this body. As we debate our priorities on the floor, we have an opportunity to reduce the deficit or invest these resources in our children and our educational system.

We can give a clear, resounding message to our members of the Finance Committee so that this egregious loophole will be closed at the next possible opportunity.

Mr. DOLE. Is the Senator prepared to vote at, say 5 after 3?

Mr. KENNEDY. I will be glad to vote at 5 after 3.

Mr. DOLE. Up or down on the amendment?

Mr. KENNEDY. I appreciate that.

Mr. President, I call up amendment 448.

The PRESIDING OFFICER. Without objection the pending amendments will be set aside.

The clerk will report this amendment.

The bill clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] proposes an amendment (No. 448) to amendment No. 420.

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

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

The amendment is as follows:

At the appropriate place in the amendment, insert the following:

SEC. . SENSE OF THE SENATE REGARDING TAX AVOIDANCE.

(A) IN GENERAL.—It is the sense of the Senate that Congress should act as quickly as possible to amend the Internal Revenue Code of 1986, to eliminate the ability of persons to avoid taxes by relinquishing their United States citizenship.

(b) EFFECTIVE DATE.—It is the sense of the Senate that the amendment referred to in subsection (a) should take effect as if enacted on February 6, 1995.

Mr. DOLE. Did we get the yeas and nays?

The PRESIDING OFFICER. We have not gotten the yeas and nays.

Mr. KENNEDY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays are ordered, vote at 5 after 3.

Mr. KENNEDY. Mr. President, I will be glad to yield the floor if others want to address the issue. I will just take a few moments to mention one or two other facts.

The question was raised about this provision's constitutionality. I will place more complete statements in the RECORD, but I will now note the opinions of three very thoughtful international law experts. Prof. Andreas Lowenfeld of NYU said:

I am confident that neither adoption nor enforcement of the provision in question would violate any obligation of the United States or any applicable principles of international law.

Prof. Detlev Vagts of the Harvard Law School said:

The proposed tax does not amount to such a burden upon the right of repatriation as to constitute a violation of either international law or American constitutional law. It merely equalizes over the long run certain tax structures.

And Michael Matheson, a legal advisor at the State Department, said:

This provision does not conflict with international human rights laws concerning an individual's right to freely emigrate from his or her country of citizenship . . . . These are comparable taxes to those which U.S. citizens or permanent residents would have to pay were they in the United States at the time they disposed of the assets or at their death.

The overwhelming international law opinion on this measure is that it in no way restricts the constitutional right of exit or of renunciation of one's citizenship.

These international law experts understand this measure, and recognize that these individuals have accumulated this wealth through the American economic system, and have a responsibility to pay their fair share of taxes. As they understand it, the amendment would only recover what is owed to the Internal Revenue Service, which is part of one's responsibilities of citizenship.

Mr. President, we have appreciated the strong support that we have received on this measure.

This matter was brought to the attention of the President of the United States a number of months ago, and he personally pursued it with the appropriate committees and the Treasury Department. Through his individual oversight, the matter was spotted and will be corrected.

With the vote today, we are telling our good friends in the House of Representatives that we are serious about this measure, and that it is a significant issue of justice. The renunciation of one's citizenship is deplorable, but it is a right that we respect. But the renunciation of citizenship by individuals so that they do not have to pay their fair share of taxes is wholly unacceptable. It is sufficiently compelling to generate a resounding vote.

Mr. President, I would just take another moment of the Senate's time. We were questioned earlier about the revenue estimates. It is interesting that the figures of both the Senate Finance Committee and the administration are very similar. The administration's proposal estimated a cost of $1.5 billion, and the Finance Committee estimated a cost of $1.359 billion. Those figures are remarkably close. The Finance Committee's estimate was less than the President's figures because the Finance Committee estimated the cost for only American citizens, not permanent resident aliens. If we included permanent resident aliens, the committee estimate would perhaps exceed the President's estimate. Nonetheless, we have two solid estimates approaching $1.5 billion.

The President's proposal estimates a cost of $3.6 billion over a 10-year period. That is a very substantial amount, which, if not collected, will either add to the Federal deficit or deny us the opportunity to invest in our first order of priorities, our children and our education system, through the Head Start Program, the chapter 1 program, child care programs, job training programs, the student loan program, and our School-To-Work program. All of these programs reach out to the youngest of our citizens to make certain that they are going to get a healthy start, an even start, and a fair start in life, and be able to provide for themselves and for their own children in the future.

Mr. President, I ask unanimous consent that a November 21, 1994, article from Forbes magazine that explains this egregious tax loophole be printed in the RECORD.

I look forward to the vote itself.

I yield the floor.

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

[From, Forbes, Nov. 21, 1994]

THE NEW REFUGEES

(By Robert Lenzner and Philippe Mao)

''Over and over again courts have said that there is nothing sinister in so arranging one's affairs as to keep taxes as low as possible. Everybody does so, rich or poor, and all do right, for nobody owes any public duty to pay more than the law demands: taxes are enforced exactions, not voluntary contributions. To demand more in the name of morals as mere cant''—Judge Learned Hand.

''I talk to a new client interested in expatriating every week. Many people can't pay the federal tax rate and live in the style they want.'' So said Francis Mirabello, the head of the personal law department at the Philadelphia office of Morgan, Lewis & Bockius, speaking at a Bermuda conference on offshore money early this fall.

Expatriating? Give up U.S. citizenship? Who in his right mind would give up his U.S. citizenship? Lots of people. You could practically fill a Boeing 747 with well-heeled U.S. citizens who have taken of foreign citizenship rather than submit to what Learned Hand called ''enforced exactions'' at a level that amounts to virtual confiscation. The exodus may speed up under an Administration that campaigned for office on a tax-the-rich platform.

In 1981 Ronald Reagan lowered taxes. The following year not a single American gave up his citizenship. In 1993 the expatriate community grew by 306 names.

The expatriates of recent years have included:

Michael Dingman, chairman of Abex, and a Ford Motor director. Dingman is now a citizen of the Bahamas and lives there.

Billionaire John (Ippy) Dorrance III, an heir to the Campbell Soup fortune. Dorrance is now a citizen of Ireland and lives there as well as in the Bahamas and Devil's Tower, Wyo.

J. Mark Mobius, one of the most successful emerging market investment managers. Born a U.S. citizen, Mobius has the German citizenship of his ancestors and lives in Hong Kong and Singapore.

Kenneth Dart, an heir to Dart Container and his family's $1 billion fortune. He is a citizen of Belize and works in the Cayman Islands.

Ted Arison, founder of Carnival Cruise Lines. He kept Israeli citizenship and now lives there.

These newer emigrants join others of longer standing, including Robert Miller, the co-owner of Duty Free Shoppers International Ltd. Miller has a British passport obtained in Hong Kong, though he was raised in Quincy, Mass.

The U.S. is virtually the only country in the world that imposes significant income and death taxes on the worldwide income and assets of every citizen, even if the citizen is domiciled elsewhere. Even Canada, semisocialist, did away with estate taxes.

''Expatriation has been called the ultimate estate plan,'' says William Zabel, senior partner of Schulte Roth & Zabel, one of the nation's foremost authorities on trusts and estates, and author of the upcoming book The Rich Die Richer—And You Can Too.

The arithmetic is simple and brutal. A very rich Bahamian citizen pays zero estate tax; rich Americans—anyone with an estate worth $3 million or more—pay 55%. A fairly stiff 37% marginal rate kicks in for Americans leaving as little as $600,000 to their children. The marginal rate—what you pay on an additional dollar of assets—ranges upward from there to 60%. You get a credit for some or all of your state inheritance taxes, but your combined rate will still be in this range, or higher.

There are huge potential income tax savings, too, in giving up U.S. citizenship. St. Kitts-Nevis and the Cayman Islands, among others, levy no income taxes. Little wonder so many of the expatriate Americans have gone to the Caribbean for a year-round suntan.

Not that living in the Bahamas is any great sacrifice. Michael Dingman is building a 15,000-square-foot home at the exclusive Lyford Cay club in Nassau that will include a dock for his personal yacht. Cost: more than $10 million, but—who knows?—he might save more than that much in taxes.

The heirs of John (Ippy) Dorrance III, the Campbell Soup heir, won't have to pay Uncle Sam the maximum bite of 55% of the 26.7 million shares of Campbell Soup that make up most of his $1-billion-plus fortune. His new fatherland, Ireland, levies a 2% estate, or probate, tax. In any event, Dorrance doesn't escape the full federal income taxes. There's a U.S. withholding tax of 30% on the $30 million he gets in dividends every year from Campbell.

Many of these expatriates agonize over the decision, however. ''I have serious reservations about expatriation for patriotic and practical reasons,'' says tax expert Zabel. ''It is extraordinarily difficult for Americans to get back their citizenship once it is given up. To get it back you have to start like any other nonresident alien, with a green card, and go through the naturalization process.

''Before expatriating I make my clients consider all the limitations on loss of citizenship—like giving up the ability to travel to the U.S. more than 120 days a year.''

But losing that American passport isn't as hazardous as it once was. Profligate government policies are steadily eroding the value of the U.S. dollar, making overseas investments increasingly preferable for the wealthy. Investments in emerging markets look increasingly attractive. The end of the cold war means wealthy Americans can live in many developing nations safely. Global communication and jet travel facilitate an offshore lifestyle. What with computers and cable TV, you can be as well informed, and as quickly, living in Antigua as in New York City.

It certainly seems that way to Frederick Krieble, a director and former treasurer of Loctite Corp., the Rocky Hill, Conn. manufacturer of sealants and adhesives. Krieble, whose father, Robert, was formerly Loctite chairman, moved to Turks and Caicos Islands, where he runs an investment company. Krieble owns almost 1 million shares of Loctite, worth over $43 million.

''It's 85 degrees, but the market's down 35 points,'' Krieble told Forbes recently. When he heard we wanted to discuss the subject of expatriation, Krieble clammed up. ''I don't wish to discuss that. Have to run now.''

Yes, it's a bit embarrassing, but consider the consequences: decimation of your estate and huge reductions in your aftertax income.

Thus many money managers, senior executives and self-made entrepreneurs are on the phone quizzing their lawyers and accountants about how to leave the high-tax U.S.

Jane Siebels-Kilnes, a vice-president of Templeton, Galbraith & Hansberger, in Nassau, told Forbes she was ''following in the footsteps of Sir John Templeton,'' who gave up his U.S. citizenship in 1962 and moved to Nassau. Thus when Templeton sold his mutual fund management company in October 1992, he may have saved more than $100 million in capital gains taxes. Templeton, an extremely generous and public-spirited man, gives most of his money away. Apparently he wants to decide who gets the benefits rather than letting Donna Shalala or Mario Cuomo decide.

Siebels-Kilnes became a Norwegian citizen this year and moved her residence from Fort Lauderdale, Fla. to Nassau. ''I've spoken to a number of hedge fund managers who are thinking of giving up their citizenship. It may be better to be offshore running offshore money before American authorities clamp down on the advantages,'' says Siebels-Kilnes.

A hot spot: St. Kitts-Nevis. All it requires is owning $150,000 worth of local real estate and paying $50,000 in fees, and presto. St. Kitts-Nevis levies neither a personal income tax nor an estate tax.

Top executives of midwestern industrial companies nearing retirement are considering expatriation as a way to ensure a high standard of living in a comfortable environment.

Is it greed alone that impels these citizenship changes? Not necessarily.

''These people love to challenge all the rules, even recognizing they may isolate themselves,'' says Carol Caruthers, a partner of Price Waterhouse in St. Louis. ''We are doing preliminary planning for a few of them.''

Expatriation is a fairly easy choice for many wealthy Americans who hold dual citizenship—as Mobius already did—and whose wealth is heavily concentrated abroad anyhow.

''Since they may inherit these assets, a planning opportunity might be to give up U.S. citizenship in order to avoid taxation on assets and income that have no connection to the U.S.,'' says Robert C. Lawrence III, a Cadwalader Wickersham & Taft partner in New York who is advising on several such expatriations.

You'll need an ace attorney. If the Internal Revenue Service suspects you are renouncing your citizenship to avoid taxes, it will try to tax your holdings for another ten years, no matter where you live. All the IRS need establish is that it is reasonable to believe you gave up citizenship to avoid taxes. Then, the burden of proving the move was not for tax reasons falls on the former citizen.

But whatever the drawbacks, many nations put out the welcome mat for tax-averse Americans.

Lawyer Mirabello, who is working on six expatriations, is changing citizenship for a superwealthy Chinese-American whose headquarters is in Hong Kong. He has never set foot in the U.S. and wants to avoid estate taxes when he passes the empire to his children.

Some of Mirabello's clients are considering becoming Irish citizens. What does that require? Certainly no hardship, given what a pleasant place Ireland is for those with money. They need only buy a home there and reside there at least part of the year.

Why Ireland? An Irish passport lets its holder travel hassle-free in any member of the European Union. It also has more panache than a passport from Belize or St. Kitts, two small tropical outposts. And, Dublin is being developed as a global money center with tax advantages for individual and corporate investors.

How do you get an Irish passport? It should be fairly easy for the rich. New regulations will probably require a $1.6 million investment in a job-producing operation like the reforestation of an area or modernization of a shipbuilding concern. This is the so-called business migration scheme, administered in Dublin by the Department of Justice. Its guidelines are currently being reexamined for political reasons.

Another attractive destination is Switzerland. ''You can pretty well negotiate your

own private agreement with a Swiss canton about your annual income taxes,'' asserts Lawrence.

Can an affluent American keep the politicians at bay without sacrificing citizenship? It's not easy. Wealthy people hold over $2 trillion in offshore accounts from Zurich to the Cayman Islands. No doubt some of these accounts are held by Americans who—illegally—omit mention of them on their tax returns.

Merrill Lynch, like all major investment firms, has a piece of this business. Merrill will not accept offshore accounts from U.S. citizens, but it is eager to service foreigners.

''Offshore money is growing faster than any other part of the financial services industry. It's multiplying at a double-digit rate of growth,'' says Nassos Michas, head of Merrill Lynch's private banking division. Merrill's trust bank in the Caymans, with assets growing at over $100 million a month, has almost $5 billion of wealthy individuals' holdings.

Actually, the Caymans trust is just a file for legal purposes. Merrill's banks in Geneva, New York and London hold the securities. The accounting is done in Singapore, the administration is done on the Isle of Man, famed for its trust business.

Wealthy Europeans, Latin Americans, Asians and Middle Easterners are Merrill's principal clients here. They want to buffer their fortunes against expropriation, political unrest, economic instability, angry first wives, kidnapping, family members, creditors and potential litigants.

Wealthy Europeans have expatriated their money to safety ever since the French Revolution, when they began hiding it in Switzerland.

When the Germans occupied the Netherlands in 1940, this activated a trust instrument transferring ownership from the homeland to a trust at a U.S. bank. In Europe, where the pounding of marching feet and air raid warnings are of recent memory, use of such trusts was common, at least up until the collapse of the Soviet Union.

Today many wealthy Kuwaitis have trusts offshore to protect their fortunes from Saddam Hussein. The rich in Latin America, Southeast Asia and the Middle East remember that it was only yesterday that their countries were ruled by thieving populists or arbitrary soldiers.

What is new is that Americans are beginning to feel the same sort of residual uncertainty about their posessions. They see courts eroding property rights. They read about bureaucrats who talk about ''tax expenditures'' when referring to that part of your earnings that they permit you to keep. They are subjected to retroactive taxation under the Clinton ''deficit reduction bill.'' They live in a society that changes the tax rules so frequently that long-term planning is almost impossible.

So they consult legal experts like Cadwalader's Lawrence, who is an authority on generational and international planning, including the use of trusts, and taxation. ''They want to sequester, organize and protect the privacy and maintenance of their wealth, plus the freedom to transfer it as they wish,'' says Lawrence.

But how, short of leaving for some sand dune in the Caribbean?

There are several clever strategies you can use to minimize the future tax bite on your estate, but the fact is that Congress has done a very thorough job of plugging chinks in the tax code. Parking assets abroad or setting up holding companies will not get you out of the U.S., steep income and estate tax rates. You really have to give up citizenship to get a big tax savings.

It's easier for foreigners who have property in the U.S. to avoid the worst of American taxation, but even for them there are pitfalls. They must pay U.S. estate taxes on assets held in the U.S. unless they safeguard them by means of an offshore legal structure. Only certain fixed-income investments are immune from the IRS.

A foreigner can shelter his U.S. assets in the following way: Set up a trust outside the U.S. in some tax-advantaged locale, such as Bermuda, the Cayman Islands or the British Virgin Islands. ''The foreign trust must own an underlying holding company, called a private investment company (pic),'' Lawrence says.

''The pic opens an investment account in the U.S. Otherwise, a foreign individual who has a stocks-and-bonds portfolio of U.S. companies would be subject to U.S. estate tax. If the securities are owned by a true foreign corporation, the individual is not subject to the estate tax. The foreign corporation acts like a shield to the estate tax.''

The IRS can't be happy about these paper shuffling arrangements. Indeed, Lawrence is afraid it may crack down on them. But before you cheer at the prospect of making them furriners pay up, remember this: The U.S. needs foreign capital because we don't save enough. We must compete for that capital with lots of other places. Treat the capital shabbily and it can go elsewhere.

''I'm afraid that foreign capital may be scared away from the U.S. because of taxes and the complexity of our regulation,'' Lawrence warns.

It could happen, Lawrence insists. He points to the Foreign Investment in Real Property Tax Act, passed in 1980, which forces foreigners to pay a capital gains tax when the sell real estate in the U.S. We shudder to think what would happen to the U.S. stock and bond markets if foreign paper holdings were similarly taxed.

It will come as a shock to many people to learn about the growing band of expatriates. But it is not unpatriotic to remind Americans that ours is no longer the only show in town as a place to invest. At a time when we urge developing countries to cut taxes and make capital more secure, a lot is happening to make it less secure and more heavily taxed at home. Those who give up their citizenship to escape Clintonomics and wealth redistribution are only the extreme part of a worrisome trend.

AVOIDING CONFISCATION

Short of renouncing citizenship, how do you protect the family fortune from confiscation by the tax code writers in Congress and in the U.S. Treasury?

The first, and easiest, tax-saving maneuver is to give money away while alive. If the heirs are young or irresponsible, you can put the gift in a trust and get the same tax advantages.

There are two advantages to gifts over bequests. One is that the first $10,000—per year, per recipient, per donor—is free from gift tax. If both you and your spouse give for a long time and you have many heirs, that exclusion can make a serious dent in your estate. With five heirs, two donors and 20 years to make the transfers, you can get $2 million out of your estate scot-free.

The other advantage is that the gift tax is somewhat lower than the estate tax. The two taxes use the same rate schedule, but the gift tax is calculated in a way more favorable to the tax-payer. Say you give $1 million to a grandchild when you are in the 60% bracket for federal gift tax. (That rate applies when your cumulative gifts, after the exclusion, are between $10 million and $21 million.)

The total cost of the gift will be $1.6 million—$1 million to the grandchild, $600,000 to the IRS. But at your death, that $1.6 million would be divided $960,000 (60% of $1.6 million) to the IRS, only $640,000 to the grandchild.

Caution. If you die within three years of making a gift, your taxes will be recalculated to negate the advantage of giving over bequeathing.

Another defensive maneuver is the grantor retained annuity trust (FORBES, Jan. 31). You transfer your business to a trust whose beneficiaries are your heirs. Out of the trust you carve yourself an annuity. The trust pays your annuity out of business earnings.

You figure the discounted present value of the annuity you retained, and subtract this amount from the value of the business in order to arrive at the value of the gift. The annuity gives you income while keeping your tax able gift to a minimum.

Business owners are also availing themselves of the ''minority discount'' rule (FORBES. Mar. 1, 1993) For example, your software firm is worth $10 million. Carve it up into ten shares and give one share each to ten heirs. Each share may be worth only $700,000 on a gift tax return, because no outside investor would want to be a minority owner in a family business.

If the family heirloom is a house, a variation on the GRAT may work well. You give your residence to your heirs, retaining the right to live in it for a specific period (Forbes, June 24, 1991). Again, the carve-out reduces the value of the gift.

Another innovation is the dynasty trust. Each grandparent puts $1 million worth of property in a trust in South Dakota for the benefit of grandchildren and great-grandchildren. Why South Dakota? Because it permits trusts to last in perpetuity; most states allow them to last no more than 21 years after the death of anyone now living. Why only $1 million? Because if you transfer more than that you will get hit with a punitive ''generation skipping tax.''

Note that a dynasty trust doesn't relieve you of the usual gift tax. It might, however, let you keep an asset in the family for a long, long time. The asset is hit with a transfer tax only once, when you set up the trust, rather than again and again as each generation passed on.

''There's no one device to solve all the problems. It's a combination of solutions,'' says Richard Covey, a partner at Carter, Ledyard & Milburn in New York. ''I find most wealthy people outside of New York don't know about these tricks.''

What about life insurance? The inside buildup of assets gets passed on to your heirs tax-free, but the premiums you pay must be reported as gifts. Life insurance is somewhat overtouted as an estate tool but it does have its advantages, especially if you die before your time.

You also can buy a tax-deferred annuity from a foreign life insurance company, typically German or Swiss. If the annuity is fixed rate and denominated in deutsche marks or Swiss francs, it may protect your nest egg from a deteriorating dollar (Forbes, June 20). You may also opt for a variable policy that is invested in stocks or mutual funds.

But you won't save taxes unless your estate administrator is willing to commit a felony by omitting it. So the main legal benefit of these overseas insurance policies appears to be that they may—repeat, may—be beyond the reach of creditors.

For a while the very wealthy were able to defer tax on portfolio profits by investing in overseas funds that had a majority of shares held by foreigners. But the 1986 tax put a stop to this game.

After the 1986 crackdown, the main thing that offshore funds can do for you is give your fund manager more flexibility in trading. Domestic funds must be diversified, must avoid getting too much of their profits from short term trading, and have limits on leverage. Foreign funds escape these rules, says Joel Adler, a partner in Sutherland, Asbill & Brennan in New York.

The bottom line is that there isn't much that wealthy Americans can do to protect their assets from a covetous state. Which explains, if it doesn't excuse, the drastic step taken by more and more people of giving up their U.S. citizenship. R.L. and P.M.

TAXATION OF EXPATRIATES

Mr. MOYNIHAN. Mr. President, I wish to speak to the matter raised by the distinguished Senator from Massachusetts. We should not countenance the evasion of taxes by those who renounce their citizenship. The Senate should act to address this problem expeditiously.

A genuine abuse exists. Although the current Tax Code contains provisions, dating back to 1966, designed to address tax-motivated relinquishment of citizenship, these provisions have proven difficult to enforce and are easily evaded. One international tax expert described avoiding them as ''child's play.'' Individuals with substantial wealth can, by renouncing U.S. citizenship, avoid paying taxes on gains that accrued during the period that they acquired their wealth and were afforded the myriad advantages of U.S. citizenship. Moreover, even after renunciation, these individuals can maintain substantial connections with the United States, such as keeping a residence and residing in the United States for up to 120 days a year without incurring U.S. tax obligations. Indeed, reports indicate that certain wealthy individuals have renounced their U.S. citizenship and avoided their tax obligations while still maintaining their families and homes in the United States, being careful merely to avoid being present in this country for more than 120 days each year.

Meanwhile, the rest of Americans who remain citizens pay taxes on their gains when assets are sold or when an estate tax becomes due at death.

It was this Senator who made the first proposal in the Senate to deal with the expatriation tax abuse. On February 6, the President announced a proposal to address the problem in his fiscal year 1996 budget submission. Three weeks ago, on March 15, during Finance Committee consideration of the bill to restore the health insurance deduction for the self-employed, I offered a modified version of the administration's expatriation tax provision as an amendment to the bill. My amendment would have substituted the expatriation proposal for the repeal of minority broadcast tax preferences as a funding source for the bill. The amendment failed when every Republican member of the Committee voted against it. Subsequently, Senator BRADLEY offered the expatriation provision as a freestanding amendment, with the $3.6 billion in revenue that it raised to be dedicated to deficit reduction. Senator BRADLEY's amendment passed by voice vote. That is how the expatriation tax provision was added to the bill that came before the Senate.

After the Finance Committee reported the bill, but before full Senate action and conference with the House, the Finance Committee held a hearing to further review the issues raised by the expatriation provision. Tax legislation routinely gets polished in its technical aspects as it moves through floor action and conference. At the Finance hearing, we heard criticisms of some technical aspects in the operation of the provision, as well as testimony raising the issue of whether the provision comported with article 12 of the International Covenant on Civil and Political Rights, which the United States ratified in 1992. Section 2 of article 12 states: ''Everyone shall be free to leave any country, including his own.'' Robert F. Turner, a professor of international law at the U.S. Naval War College, argued that the expatriation provision was problematic under the covenant. The State Department's legal experts disagreed, as did two other outside experts whose letters were before the committee. I refer to Prof. Paul B. Stephan III, a specialist in both international law and tax law at the University of Virginia School of Law; and Mr. Stephen E. Shay, who served as International Tax Counsel at Treasury under the Reagan administration.

Mr. President, I ask unanimous consent that the written testimony of Professor Turner, the written testimony of the Department of State, and the letters of Professor Stephan and Mr. Shay be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. MOYNIHAN. Mr. President, although there was considerable support for the legality of the provision, I thought it best to proceed with caution in these circumstances. These are matters of human rights under international law, on which we have rightly lectured others, and involve our solemn obligations under treaties. I sought the views of other experts. Letters concluding that the expatriation provision did not raise any problems under international law were received from Prof. Detlev Vagts of Harvard Law School and Prof. Andreas F. Lowenfeld of New York University School of Law. The State Department issued a lengthier analysis upholding the legality of the provision, and the American Law Division of the Congressional Research Service reached a like conclusion. However, there were dissenting views, most notably Prof. Hurst Hannum of the Fletcher School of Law and Diplomacy at Tufts University, who first wrote to me on March 24.

Mr. President, I ask unanimous consent that the letters of Professors Vaghts, Lowenfeld, and Hannum, and the memoranda from the American Law Division of CRS and the Department of State, be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 2.)

Mr. MOYNIHAN. Mr. President, this is where things stood when the House-Senate conference met on March 28. The weight of authority appeared to be on the side of legality under international law, but there was some question, and the bill had to move at great speed. As my colleagues well know, the legislation restoring the self-employeds' health insurance deduction, for calendar year 1994, needed to be passed and signed into law well in advance of this year's April 17 tax filing deadline, so that the self-employed would have time to prepare and file their 1994 tax returns. The decision regarding the expatriation provision had to be made without further opportunity of deliberation. I opted not to risk making the wrong decision with respect to international law and human rights.

The decision to drop the expatriation tax provision from the final conference version of the bill has been the subject of much debate over the last week. I certainly don't presume to speak for the other conferees. But for myself I repeat as I have said on two occasions on this floor over the past week: We should proceed with care when we are dealing with human rights issues, particularly when the group involved is a despised group—that is, millionaires who renounce their citizenship for money.

As the Senator who first proposed the expatriation tax provision, I will see this matter through to a conclusion. We are getting more clarity on the human rights issue, and it appears that a consensus is developing to the effect that the provision does not conflict with our obligations under international law. In particular, it is worth noting that Professor Hannum, who first wrote me on March 24 expressing his concern that the expatriation provision was a problem under international law, has, after receiving additional and more specific information about the expatriation tax, now written a second letter of March 31 stating that he is ''convinced that neither its intention nor its effect would violate present U.S. obligations under international law.'' This is the growing consensus, although it is not unanimous.

Mr. President, I would further ask unanimous consent that Professor Hannum's March 31 letter be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 3.)

Mr. MOYNIHAN. Mr. President, as for criticism of the technical difficulties of the original proposal, I believe

they can be satisfied. Indeed, I would venture that if some of those criticizing the provision's technical aspects had put even half as much effort into devising solutions as in highlighting shortcomings, we would already be much further along toward a satisfactory statute.

One final point, of utmost importance. As we take the time to write this law carefully, billionaires are not slipping through some loophole and escaping tax by renouncing their citizenship. The President announced the original proposal on February 6, and made it effective for taxpayers who initiate a renunciation of citizenship on or after that date. This was an entirely appropriate way to put an end to an abusive practice under current law. Both the proposal that I initiated, and the one that was ultimately adopted by the Finance Committee, also used February 6, 1995, as the effective date of the new provision preventing tax evasion through expatriation. The House conferees had proposed slipping the effective date to March 15, 1995—the date of Senate Finance Committee action on the provision. The two chairman of the tax-writing committees ultimately—and wisely—resisted that overture, and have issued a joint statement giving notice that February 6 ''may'' be the effective date of any legislation affecting the tax treatment of those who relinquish citizenship. Given the potential for abuse under current law, I believe that February 6 must be the effective date for a new rule. In any event, given the President's announcement in the budget, the Finance Committee action, and the joint statement of the two chairman of the tax-writing committees, individuals who are contemplating renunciation of their U.S. citizenship are on fair notice of the February 6, 1995, effective date.

To repeat, as the Senator who first offered the proposal to end the expatriation tax abuse, I will do everything I can to see that this matter gets resolved. We will do it this session. Fundamental justice to all taxpaying Americans requires no less.

In an effort to advance that goal, I will shortly introduce legislation embodying a revised expatriation tax proposal. I do so in the interest of ensuring that the issues that have been raised are addressed satisfactorily, and in a timely manner. This revised proposal represents a serious effort to address the criticisms that have been raised, and I believe it will be a major step forward.

Mr. President, we will end this abuse, and promptly, but in a careful and orderly way, as we should do in matters of this importance.

EXHIBIT 1.—INTERNATIONAL LAW AND THE ''EXIT TAX'': DOES SECTION 203 OF THE TAX COMPLIANCE ACT OF 1995 VIOLATE THE ''RIGHT TO EMIGRATE'' RECOGNIZED IN THE U.N. COVENANT ON CIVIL AND POLITICAL RIGHTS AND OTHER U.S. AND INTERNATIONAL LEGAL INSTRUMENTS?

(By Robert F. Turner)

Mr. Chairman, it is an honor and a pleasure to appear before the subcommittee this morning to explore the human rights ramifications of the so-called ''exit tax'' contained in Title II of H.R. 981, the ''Tax Compliance Act of 1995.''[1]

Before turning to the merits of the issue, I would like to make three caveats in connection with my appearance here today.

First of all, I am testifying in my personal capacity as a scholar interested in the subject of International Law; and, although I currently occupy the Charles H. Stockton Chair of International Law at the Naval War College while on leave of absence from the University of Virginia's Center for National Security Law, my appearance is unconnected with either of those relationships. Any similarities between the views I express and those of the War College, the Navy, the University of Virginia, or any other institution or organization, is purely coincidental.

Secondly, I want to stress the start that I have absolutely no expertise on the substantive issue of tax law. I will therefore have to pass on any questions you might wish to raise predicated upon such a knowledge.

Finally, since my invitation to testify was not extended until late Friday afternoon (four days ago)—and because of prior commitments and travel requirements, I had less than one day to work seriously on my testimony—my prepared statement is not as detailed as I might otherwise have preferred. The basic human rights issue is, of course, not new to me—ironically, I believe I first looked at the ''right of emigration'' professionally more than two decades ago when the Jackson-Vanik Amendment came before the Senate while I was on the staff of Senator Robert P. Griffin of Michigan—and I don't believe the pressures of time have prevented me from accurately setting forth the basic legal rules by which this statutory provision should be judged. I have not had a great deal of time for serious analysis, however; and while I venture some very tentative conclusions, I suspect that each of you will be able to apply the legal rules to the proposed new statute at least as well as I have been able to do in the limited time available. Candidly, I have gone back and forth on the issue—I don't find it to be a clear cut case.

Thus, I do not appear before you this morning for the purpose of either supporting or opposing the so-called ''exit tax'' provision of the tax bill. I do believe that upholding the rule of law is important, and I do believe that this provision may raise a sufficiently serious question under International Law that it warrants additional consideration before making a final decision on Section 201. To that end, I commend you for scheduling this hearing.

Even if in the end you conclude that the provision does not, in reality, violate the Nation's solemn human rights treaty commitments, if there is even a colorable claim to the contrary that might be raised to undermine future US efforts to enforce human rights laws, it might be wise to avoid even the appearance of violating these laws. In the end it may come down to balancing the importance of the tax code provision against the potential harm that might result if we are perceived as having violated these important rules of international human rights law.

As an aside, I also have a professional interest in issues of US Constitutional Law—indeed, I have testified before at least half-a-dozen congressional committees on issues of Constitutional Law in the past few years—and I have the impression that this provision may also raise issues in that area.[2] However, considerations of time, and my understanding of the scope of my invitation this morning, led me to refrain from examining those issues in sufficient depth to make a meaningful contribution today on that issue.

THE GROWTH OF A LEGAL RIGHT TO EMIGRATE

Today the right of citizens to renounce their citizenship and leave their own country is almost universally recognized as a fundamental civil right, but its widespread recognition as creating international obligations is of relatively recent origin. The origin of the right can arguably be traced back nearly 2500 years, to the famous Dialogues of Plato, in which Socrates says to Crito: [H]aving brought you into the world, and nurtured and educated you, and given you and every other citizen a share in every good which we had to give, we further proclaim to any Athenian by the liberty which we allow him, that if he does not like us when he has become of age and has been the ways of the city, and made our acquaintance, he may go where he pleases and take his goods with him. None of . . . [our] laws will forbid him or interfere with him. Any one who does not like us and the city, and who wants to emigrate to a colony or to any other city, may go where he likes, retaining his property.[3]

The 42nd paragraph of the original 1215 version of the Magna Carta issued by King John at Runnymede guaranteed the right of ''any one to go out from our kingdom, and to return, safely and securely, by land and by water, saving their fidelity to us''; but this ''right to travel'' was omitted from the forty-six subsequent versions—including the one issued by Henry III in 1225 usually associated with the term ''Magna Carta''—on the grounds that such a right seemed ''weighty and doubtful.''[4] Nor, for that matter, is it clear that the right to ''travel'' included a right to emigrate—a right far more easily sustained now that people have changed from ''subjects'' of the King to ''citizens'' of the State.

In 1791, the French Declaration of the Rights of Man affirmed the right ''to come and to go'' from the State as a ''natural'' right.[5] By 1868 the U.S. Congress was on record by statute that: [T]he right of expatriation is a natural and inherent right of all people, indispensable to the enjoyment of the rights of life, liberty, and the pursuit of happiness. . . . Therefore, . . . any declaration, instruction, opinion, order, or decision of any officers of this government which denies, restricts, impairs, or questions the right of expatriation, is declared inconsistent with the fundamental principles of this government.[6]

More recently, Section 349(a) of the Immigration and Nationality Act recognizes a right of every citizen to relinquish US citizenship.[7] Just a decade ago, the US Court of Appeals for the Ninth Circuit observed that ''expatriation has long been recognized as a right of United States citizens,'' and noted that ''the Supreme Court [has] placed the right of voluntary expatriation solidly on a constitutional footing.''[8]

The proposed ''exit tax,'' of course, does not expressly challenge this well-established right to emigrate—it merely provides that a few very wealthy citizens will be forced to pay a 35% tax on appreciated assets should they wish to exercise this constitutional

[1] Footnotes at end of article.

right. The issue you have invited me to address is whether such a tax would bring the United States into noncompliance with any binding rules of International Law. I am not sufficiently versed on issues of tax law to answer that question with any real confidence, but perhaps I can be of assistance by at least summarizing the existing international law binding upon the United States concerning the human right to emigrate.

INTERNATIONAL LAW AND CONSTRAINTS ON THE RIGHT TO EMIGRATE

Mr. Chairman, perhaps it would be most helpful if I began by briefly setting forth the status of the right to emigrate under International Law. I will first consider the relevant conventional (treaty) law binding upon the United States, followed by a look at some ''nonbinding'' international documents which may shed light on these issues, and finally I will discuss the very important area of customary international law (which, under the Statute of the International Court of Justice, is considered as equal in authority to conventional law[9]).

CONVENTIONAL INTERNATIONAL LAW

The effort to codify international human rights law is of quite recent origin, essentially coming in the wake of World War II and the establishment of the United Nations. Article 55 of the UN Charter establishes as a goal the promotion of ''universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion.'' In Article 56, ''All Members pledge[d] themselves to take joint and separate action in co-operation with the Organization for the achievement of the purposes set forth in Article 55.''

An important first step was the unanimous adoption (with eight abstentions, including the Soviet Union and several other Communist States) on 10 November 1948 of the ''Universal Declaration of Human Rights'' as a UN General Assembly Resolution. Such resolutions do not have legal effect,[10] and the Declaration was clearly viewed as aspirational at the time—indeed, the United States delegate expressly stated that the resolution ''is not and does not purport to be a statement of law or of legal obligation.''[11] However, there is a very strong consensus today that the Declaration is legally binding by virtue of reflecting customary international law. It will be discussed below under customary law.

THE INTERNATIONAL COVENANT ON CIVIL AND POLITICAL RIGHTS

In an effort to follow up the Declaration with a series of binding treaties, in 1966 the United Nations General Assembly unanimously approved the International Covenant on Civil and Political Rights, which entered into force on 23 March 1976. The following year, it was signed by the Carter Administration and on 23 February 1978, it was submitted to the Senate for its advice and consent.

In 1991, President Bush asked the Senate to consider the treaty, and hearings were held late that year in the Foreign Relations Committee, which recommended approval of the treaty by a unanimous vote (19–0). On 2 April 1992, the Senate consented to the ratification of the treaty with a variety of proposed reservations, understandings, and declarations[12]; and the instrument of ratification was deposited with the United Nations on 8 June of that year with the recommended additions—none of which apply directly to the issue at hand.[13] The United States thus joined more than 100 other States in assuming a solemn international legal obligation to abide by the terms of the Covenant.

It is perhaps worth noting that the unanimous report of the Foreign Relations Committee on this treaty categorized the ''rights enumerated in the Covenant'' as being ''the cornerstone of a democratic society.''[14]

The Covenant was designed to be a legally-binding international treaty setting forth ''inalienable rights'' which were ''derive[d] from the inherent dignity of the human person.''[15] Article 12 of the Covenant provides:

Article 12

1. Everyone lawfully within the territory of a State shall, within that territory, have the right to liberty of movement and freedom to choose his residence.

2. Everyone shall be free to leave any country, including his own.

3. *The above mentioned rights shall not be subject to any restrictions except those which are provided by law, are necessary to protect national security, public order (ordre public), public health or morals or the rights and freedoms of others,* and are consistent with the other rights recognized in the present Covenant.

4. No one shall be arbitrarily deprived of the right to enter his own country. [Italic emphasis added.][16]

The American Society of International Law commissioned an excellent study of The Movement of Persons Across Borders, edited by two of the nation's foremost scholars in this area (Professors Louis B. Sohn and Thomas Buergenthal), which provides important background on the interpretation of the Article 12 of the Covenant. Among other things, the authors note that one of the reasons Article 12 was written was that, ''[n]otwithstanding Article 13(2) of the . . . [*Declaration*], some countries prevent their nationals from leaving, prescribe *unreasonable conditions such as exacting taxes or confiscating property* . . . [emphasis added]''[17]

While Article 12 embodies a ''fundamental right,'' it is not an ''absolute right'' in the sense that a State may not legitimately place some reasonable restrictions by law on the right of emigration. In addition to preventing individuals accused of serious crimes from leaving,[18] for example, it is clear that a State may require a citizen to pay any normal tax obligations or other public debts.[19] However, people who wish to emigrate may not lawfully be required to surrender their ''personal property,'' and ''Property or the proceeds thereof which cannot be taken out of the country shall remain vested in the departing owner, who shall be free to dispose of such property or proceeds within the country.''[20]

It seems to me that a key issue with respect to the proposed US ''exit tax'' is whether or not it represents a normal tax obligation applicable to all citizens irrespective of their wish to emigrate. To the extent that it constitutes a special requirement on individuals because of their desire to emigrate, then the Government would presumably have the burden under the Covenant of establishing that the law is ''necessary to protect national security, public order (ordre public), public health or morals or the rights and freedoms of others. . . .''[21]

It may be relevant that efforts were made during the drafting of Article 12 to broaden this list of permissible exceptions to include such concepts as promoting a State's ''general welfare'' and ''economic and social well-being,'' and these were rejected as being ''too far-reaching.''[22] Restrictions on freedom of movement were only to be permitted in ''exceptional'' circumstances.[23] Professor Louis Henkin, of Columbia Law School, has noted that: The Covenant . . . is not to be read like a technical commercial instrument, but ''as an instrument of constitutional dimension which elevates the protection of the individual to a fundamental principle of international public policy.'' Rights are to be read broadly, and limitations on rights should be read narrowly, to accord with that design.[24]

This view is widely shared by other experts in the field.[25] Discussing Article 12 in a lengthy 1987 article in the *Hofsta Law Review,* a group of four attorneys from the New York firm of White & Case concluded: Although it is accepted that there may be restrictions imposed on the right to emigrate, these restrictions are of an exceptional character and must be strictly and narrowly construed. The right to emigrate is primary; the restrictions on that right are subordinate and may not be so construed as to destroy the right itself.[26]

For the record, the United States is now also to the *International Convention on the Elimination of All Forms of Racial Discrimination,* which prohibits barring freedom of movement (and many other enumerated rights) on the basis of ''race, colour, or national or ethnic origin''[27]—however, this treaty does not appear to be relevant to the issue at hand. There are several other international conventions which guarantee the right to emigrate, including regional agreements underlying the European, African, and Inter-American human rights systems. However, the United States is not a Party to these, so in the interest of time I have not addressed their specifics. (While they do serve as evidence of customary legal obligations, in this area the statutory language of the Jackson-Vanik Amendment [discussed *infra*] assures that the United States is bound by customary law in this area.)

OTHER INTERNATIONAL INSTRUMENTS OF RELEVANCE

As already noted, the Universal Declaration of Human Rights was intended to be aspirational and not legally binding upon the 48 States that voted to approve it. Because it reflects customary law, it will be discussed under that heading—but it also stands as an important non-treaty human rights document.

Another very important international document clearly not intended to create binding legal rights was the Final Act of the Conference on Security and Cooperation in Europe (Helsinki Accords), which expressly incorporated the *Declaration.*[28] Time has precluded me from addressing these types of instruments further, but they are probably not critical to a resolution of the issue.

CUSTOMARY INTERNATIONAL LAW

Perhaps the most important written source of customary international law[29] is the *Universal Declaration of Human Rights,* approved as a UN General Assembly Resolution on 10 November 1948 and already noted above. The *Declaration* provides:

Article 13

1. Everyone has the right to freedom of movement and residence within the borders of each State.

2. Everyone has the right to leave any country, including his own, and to return to his country.[30]

During the debate on the Jackson-Vanik Amendment in 1974 (discussed infra), this document was occasionally portrayed as an international treaty designed to create legal rights.[31] In reality, its only ''legal'' value is as evidence of binding customary law. This may be important background for the discussion which follows, because the Soviet Union voted against Article 13 during the drafting process and did not vote in favor of the Declaration itself in the General Assembly. With a few exceptions, which are not relevant to the issue at hand,[32] rules of International Law are established by the consent of States. This can be done explicitly by ratifying a treaty or other international agreement, or

it may be done implicitly by taking part in the development of a consistent and general practice accepted as law. But—again, with some exceptions[33]—a State is not considered bound by customary legal rules against which it clearly protested during formation. Thus, it is at least arguable[34] that the Soviet Union was not bound by the Declaration as customary law in 1974.

THE 1974 JACKSON-VANIK AMENDMENT

Mr. Chairman, it may be worth noting this Committee, and the United States Congress, have played a prominent role in the affirmation of customary international law governing the right of citizens to emigrate without having to pay burdensome special taxes. I believe that Chairman Packwood, Majority Leader Dole, and Senator Roth are the only current members of the Finance Committee who served in the Senate during the Ninety-Third Congress, so it may be useful to review the history of the ''Jackson-Vanik'' Amendment—also known as the ''Freedom of Emigration'' Amendment[35]—briefly at this time. I remember it reasonably clearly, for, as I mentioned, I was serving at the time on the staff of Senator Bob Griffin and I followed the Amendment closely.

As reported out of this committee, Section 402 of the Trade Act of 1974 (H.R. 10710) included the House-passed ''Vanik Amendment''[36] which prohibited the President from granting ''nondiscriminatory tariff treatment'' to any ''non-market economy country'' which ''imposes more than a nominal tax, levy, fine, fee or other charge on any citizen as a consequence of the desire of such citizen to emigrate to the country of his choice.''[37] In its accompanying report, this Committee referred to the ''right to emigrate'' as a ''basic human right. . . .''[38]

When the trade bill reached the Senate floor in mid-December 1974, this provision was strengthened by the enactment of the famous ''Jackson Amendment'' (with the final language affirming the right of emigration thus widely referred to as the ''Jackson-Vanik Amendment''). Although strongly opposed by the Ford Administration as an impediment to détente with the Soviet Union, and Jackson Amendment was introduced in the Senate with 78 co-sponsors.[39] Significantly, it received a unanimous vote after a lengthy (if entirely one-sided) floor debate.[40] The three current members of this Committee who served in the Senate at the time were co-sponsors of the Jackson Amendment[41] and voted for its passage.[42]

In testimony before this committee, the legendary Hans J. Morgenthau, at the time Leonard Davis Distinguished Professor of Political Science at the City University of New York, characterized the right of emigration as ''one of the tests of civilized government.''[43] Senator Dole termed it a ''fundamental freedom,'' and described the Soviet requirement that citizens seeking to emigrate first pay a ''diploma tax'' to reimburse the State for its investment in their education as being in conflict with ''America's traditional concern for the rights of individuals.''[44] Addressing the Senate following passage of his amendment, Senator Jackson noted that the ''fundamental human right to emigrate'' was guaranteed ''in the Universal Declaration of Human Rights which was adopted unanimously 26 years ago this week.''[45] As enacted into law (19 U.S.C.A. §2432), the provision provides in part: §2432. Freedom of emigration in East-West trade. . . . (a) To assure the continued dedication of the United States to fundamental human rights, and notwithstanding any other provision of law, on or after . . . January 3, 1995, products from any nonmarket economy country shall not be eligible to receive nondiscriminatory treatment (most-favored-nation treatment), such country shall not participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, directly, or indirectly, and the President of the United States shall not conclude any commercial agreement with any such country, during the period beginning with the date on which the President determines that such country—

(1) denies its citizens the right or opportunity to emigrate;

(2) imposes more than a nominal tax on emigration or on the visas or other documents required for emigration, for any purpose or cause whatsoever, or

(3) imposes more than a nominal tax, levy, fine, fee, or other charge on any citizen as a consequence of the desire of such citizen to emigrate to the country of his choice,

and ending on the date on which the President determines that such country is no longer in violation of paragraph (1), (2), or (3).[46]

Even if you conclude that the proposed exit tax is not in conflict with the terms of the Covenant on Civil and Political Rights, it strikes me that—given in particular this Committee's and the Senate's unanimous support for the Jackson-Vanik Amendment—careful consideration ought to be given to whether this proposal complies with that standard as well.

RECONCILING THE PROPOSED US ''EXIT TAX'' WITH JACKSON-VANIK

Subjectively, of course, all of us can presumably agree that there is a substantial difference in the motivation behind the proposed US ''exit tax'' and the impediments placed in the path of Soviet Jews (and others) in the early 1970s designed clearly to discourage emigration (especially by dissident Jews to Israel). The United States understandably does not wish to lose the substantial sums in tax revenues which the Treasury Department projects could be lost if especially wealthy US citizens elect to renounce their citizenship and emigrate to foreign points.

While one might normally view this as a ''political'' problem for Congress to factor in to the drafting of the tax laws—how to extract maximum tax revenues from the wealthy without exceeding the point that the ''geese that lay the golden eggs'' will fly off to find a more hospitable environment in which to do business[47]—there are obvious political attractions to the exit tax approach. Presumably few constituents will be directly affected by this legislation (and ''soaking the rich'' is not all that unpopular with many Americans of more ordinary means in these troubled times), and in order to be subject to the special ''tax'' an individual will have to renounce his or her American citizenship—in the process surrendering their right to vote in any case. One can see how this might have appeared to be a virtually cost-free (from a political standpoint) way to raise a couple of billion additional dollars over the next five or six years.[48]

From the standpoint of International Law, however, it may be more difficult to make the distinction between the old Soviet practice of charging a special ''diploma tax'' to compel citizens who wish to emigrate to compensate the State for its investment in their education, and the proposed US ''exit tax'' designed to compel citizens who wish to emigrate to compensate the State for income taxes they would likely eventually owe if they remained citizens. (It would not be illegal under these rules of International Law for the United States to tax unrealized capital gains annually, or for the Soviets to charge a fee for providing an education—the legal issue arises when people who seek to emigrate are treated less favorably than others because of their decision to exercise their legal right to emigrate.)

To be sure, we can probably agree that the old Soviet regime was made up of ''bad guys,'' and our own government is much ''nicer.'' Even as many of us search around for professional assistance in reducing our own tax liabilities, it is probably true that most Americans have a visceral antipathy for ''tax dodgers.'' Nor do many of us identify very closely with individuals who would voluntarily renounce their American citizenship as a means of reducing tax liability. While it may be in part that our relatively more limited liability makes their decision difficult to comprehend, I like to think that most of us view our status as American citizens as among our most cherished rights. Many of us still recall Sir Walter Scott's moving words, as we read them in high school in Hale's ''A Man Without a Country'':

Breathes there the man, with soul so dead,
Who never to himself hath said,
This is my own, my native land!
Whose heart hath ne'er within him burn'd
As home his footsteps he hath turn'd
from wandering on a foreign strand!
If such there breathe, go, mark him well;
For him no Minstrel raptures swell;
High though his titles, proud his name,
Boundless his wealth as a wish can claim;
Despite those titles, power, and pelf,
the wretch, concentered all in self,
Living, shall forfeit fair renown,
And, doubly dying, shall go down
to the vile dust, from whence he sprung,
Unwept, unhonor'd, and unsung.[49]

I suspect that the outcry from your constituents over the proposed exit tax—even if it is perceived as nothing more than an effort to ''stick it to rich expatriates''—is not likely to be very considerable.

CONGRESS MAY BY STATUTE VIOLATE INTERNATIONAL LAW

Perhaps I should make one additional point. The United States belongs to the dualist school and views municipal and international law as being separate, if often interrelated,[50] legal systems. United States courts will thus first attempt to reconcile the language of apparently inconsistent statutes and treaties, but if that proves unreasonable, they will apply the ''later in time'' doctrine (lex posterior derogat priori) and give legal effect to the instrument of most recent date.[51] The theory underlying this policy is that treaties and statutes have a co-equal standing as ''supreme law of the land,''[52] and the lawmaking authority—be it the two chambers of the Legislative Branch acting with the approval (or over the veto) of the Executive,[53] or the Executive acting with the consent of two-thirds of those Senators present and voting[54]—is presumed to know the existing law when it acts and to intend the logical consequences of its actions. Thus, if the Congress enacts the provision in question and it is subsequently challenged as contrary to the nation's solemn treaty commitments, American courts will not strike down the statute because of the treaty. Similarly, while some scholars quarrel with the rationale,[55] the oft-cited 1900 Supreme Court case of The Paquete Habana held that customary international law (''the customs and usages of civilized nations'') is part of US law ''where there is no treaty and no controlling executive or legislative act or judicial decision. . . .''[56] Furthermore, while the recently ratified Covenant clearly creates a solemn legal obligation upon the United States under International Law, it is not self-executing[57] and thus will not be implemented by US courts in the absence of independent legislative authority.[58]

However, this is not to say that Congress has the legal power to relieve the United States from its solemn treaty obligations under International Law. On the contrary, no such right exists (unless the relevant treaty provides for termination by act of a national legislature), and if the Congress elects to approve a statute that is contrary to the Covenant it will make the United States a lawbreaker.

To be sure, Congress in the past has on occasion enacted legislation which placed the Nation in such a status.[59] Such a decision has consequences, however. Not only might other treaty Parties have available meaningful remedies under International Law,[60] but violations of International Law by the United States contributes to a lack of respect for the rule of law in general and greatly undermines the ability of the United States to pressure other States to comply with such rules. Thus, in particular when the issue involves solemn undertakings in the area of international human rights, one would hope that legislators would be careful to avoid even the appearance of breaching provisions of a treaty.

CONCLUSION

Mr. Chairman, as I indicated when I began, I did not come here this morning with the intention of taking a definitive position on this legislation on the merit. Because the invitation to take part in the hearing came with such short notice, I have not been able to analyze the issue to the extent I might have wished. The comments which follow are offered with more than a little hesitation and uncertainty.

I have primarily tried to set forth the basic international legal rules in my testimony, and I suspect that honorable men and women might reach different conclusions when applying those rules to this bill. I came into the hearing with some reservations, but it may be that after I have heard other perspectives I will be less concerned about the compatibility of the ''exit tax'' with Article 12 of the Universal Covenant on Civil and Political Rights.

Even if that occurs, however, it still leaves us with the perhaps more difficult problem of reconciling this tax with the spirit and language of the 1974 Jackson-Vanik Amendment. I'm not going to pre-judge that issue for you, either, other than to say that I personally find it somewhat more troubling. If this were merely a statute providing that citizens must ''pay their lawful taxes'' before they may renounce their citizenship and move to a foreign State they find more attractive, I think it could pass legal muster with little difficult.[61] But I'm not sure that's the situation. You understand the tax system for better than I do, and I will defer to your expertise in the final analysis.

As I stressed at the beginning, I am not even arguably an authority on the tax code; but it is my initial impression that the proposed ''exit tax'' is designed to impose an immediate and substantial financial burden upon citizens—on the specific and expressed grounds that they have elected to renounce their citizenship and emigrate—and that this is a burden that would not be imposed upon otherwise identically situated citizens who elected to remain American citizens (and did not elect to sell or dispose of their property or take other action that would realize capital gains liability).

If that is true, in all candor, I think I would want my money ''upon front'' if I were asked to argue before an international tribunal that the proposed US exit tax complies with the spirit of the Jackson-Vanik Amendment—which no less an authority that the United States Congress argued reflected the minimal requirements of International Law two decades ago. (I think I would base my Jackson-Vanik case upon the technicality that the United States is not covered because it does not have a ''non-market economy''—but the underlying rule of customary international law is not so qualified and could not be evaded by that consideration. Trying to argue that international human rights standards have declined since 1974 would clearly not pass the ''straight face'' test.)

I have not had time to research the issue, but my recollection is that in the recent past, Congress—or at least many members of Congress—have pressured the Executive to apply the Jackson-Vanik principle to trade with the People's Republic of China. Certainly many members continue to feel passionately about human rights issues, and to urge the President to identify and put pressure on other States who fail to comply with fundamental treaty norms in this important area. Unless someone can do a better job that I have in distinguishing an exit tax targeted at ''rich Americans'' from one aimed at ''educated Jews,'' however, you may find as a practical matter that you will need to make a choice between enacting this provision and attempting in the years ahead to uphold the Jackson-Vanik Amendment and similar human rights norms. If this provision is enacted into law, I believe the odds are good that future US protests calling upon China, Iraq (which last month imposed an exit tax of its own to curtain the flow of capital), Iran, and other flagrant human rights violators to comply with the provisions of the Covenant on Civil and Political Rights will receive in reply a reference to American ''violations'' of Article 12.

Mr. Chairman, that concludes my prepared statement. I will be happy to attempt to answer any questions you or your colleagues might have.

FOOTNOTES

[1] Inter alia, this provision would amend the Internal Revenue Code by adding this language: If any United States citizen relinquishes his citizenship during a taxable year, all property held by such citizen at the time immediately before such relinquishment shall be treated as sold at such time for its fair market value and any gain or loss shall be taken into account for such taxable year.

That the ''exit'' is designed to affect a relatively small portion of the population is clear from the fact that the first $600,000 of gross income is excluded from this provision. According to the State Department 697 US citizens expatriated in 1993 and 858 the following year. ''It is not yet known how many of these former citizens, if any, will be subjected to tax under section 877.'' Joint Committee on Taxation, Description of Revenue Provisions Contained in the President's Fiscal Year 1996 Budget Proposal 17 n.6 (Feb. 17, 1995). The fact that the Treasury Department anticipates more than $2 billion in additional revenues from this provision by FY 2000 suggests either that many expatriates will be covered or that the few covered will be hit with rather substantial additional tax bills under this provision. See infra, note 48.

[2] See, e.g., Eisner v. Macomber, 252 U.S. 189, 214–15 (1920).

[3] The Dialogues of Plato 217 (7 Britanica Great Books of the Western World, 1952). See also, Jeffrey Barist et al., Who May Leave, 15 Hofstral L. Rev. 381, 384 (1987).

[4] By coincidence, I discussed this issue in my prepared testimony before the Senate Judiciary Committee Subcommittee on the Constitution on 5 October 1994 (page 2–3 of original text), which has not yet, to my knowledge, been published.

[5] Id. at 4, and Barist et al., Who May Leave, 15 Hofstral L. Rev. at 384.

[6] Expatriation Act of 1868, 15 Stat. 223 (1868).

[7] 8 U.S.C. §1481, quoted in 87 Am. J. Int'l L. 601 (1993).

[8] Richards v. Secretary of State, 752 F.2d 1413 at 1422 (1985).

[9] Statute of the International Court of Justice, Art. 38. While customary law may over time replace a rule established by treaty, and the general goal is to ascertain the most recent expression of the consent of the parties (thus a more recent customary practice accepted as law (opinio juris) may prevail over a prior treaty), it is probably accurate to observe that, where a relevant treaty exists between the parties to a dispute, the terms of the treaty will provide at least the starting point for resolution of the dispute. However, the principle that ''the specific prevails over the general'' (lex specialis derogat generali) may well lead to a narrow customary practice prevailing over a more general treaty obligation.

[10] However, a UNGA resolution expressing legal principles approved by an overwhelming vote of Member States may serve as powerful evidence of the existence of a legally-binding international custom.

[11] 19 Dep't State Bull. 751 (1948).

[12] Report of the Senate Committee on Foreign Relations on the International Covenant on Civil and Political Rights, reprinted in 31 Int'l Leg. Mats. 645 (1992).

[13] A possible exception is the first Declaration specifying that the Covenant is Non-Self-Executing. Id. at 651.

[14] Report of the Senate Committee on Foreign Relations on the International Covenant on Civil and Political Rights, supra at 649 (p. 3 of OT).

[15] Preamble, 6 Int'l Leg. Mats. 368 (1967).

[16] Art. 12, id. at 372.

[17] The Movement of Persons Across Borders 76 (Louis B. Sohn & Thomas Buergenthal, eds.

[18] *Id.* at 79.

[19] *Id.* at 82.

[20] *Id.* at 81, quoting Article 6 of the 1989 Strasbourg Declaration on the Right to Leave and Return (prepared by a group of international experts under the auspices of the International Institute of Human Rights).

[21] International Covenant on Civil and Political Rights, Art. 12.

[22] Barist *et al., Who May Leave,* 15 Hofstra L. Rev. at 389.

[23] *Id.* at 389, 394.

[24] The International Bill of Rights: The Covenant on Civil and Political Rights 24 (Louis Henkin, ed. 1981), *quoted in* Barist *et al., Who May Leave,* 15 Hofstra L. Rev. at 395.

[25] Barist *et al., Who May Leave,* 15 Hofstra L. Rev. at 396.

[26] *Id.* at 406.

[27] 660 U.N.T. S. 194.

[28] 14 Intl'L Leg. Mats. 1292 (1975).

[29] To constitute binding international customary law, a rule must reflect ''a general practice'' that has been ''accepted as law'' (*opinio juris*). *See* Statute of the International Court of Justice, Art. 38 (1)(b).

[30] UNGA Res. 217 A (III), 3 UNGAOR 71, UN Doc. A/810 (10 Nov. 1948).

[31] Note to follow.

[32] Some rules of International Law are of such fundamental importance that they are considered ''peremptory norms'' *(jus cogens)* and bind all States irrespective of consent. A thorough discussion of this issue is precluded by the short time available to prepare this testimony. Some human rights principles have this status—it is doubtful that this is one of them. The issue is of only academic interest given the strong statement of the right to emigrate as constituting binding International Law contained in the Jackson-Vanik Amendment to the 1974 Trade Act (discussed below). Thus, the United States could hardly protest that it is not bound by this rule and claim to have protested against its creation.

[33] *Jus congens* rules (discussed *supra*) bind all States, and newly-formed States are bound by all rules of customary law in existence when they are created.

[34] In reality, a strong case can be made that the Soviet Union was bound by this provision of the *Declaration* in 1974. Among other things, abstention in the General Assembly does not constitute an adequate ''protest'' to protect against being bound (although it does not constitute ''consent'' either). The following year the issue was arguably resolved when Moscow signed the Helsinki Accords (which, as discussed *supra,* incorporated the text of the *Declaration.)* While the Helsinki Accords were not designed to be legally binding in themselves, Moscow's acceptance of the principles of the *Declaration* would undercut any Soviet claim that it objected to these principles as *customary* law.

[35] *See, e.g.,* Senate Report No. 93–1298 (Committee on Finance), *reprinted in* 4 U.S. Code Congressional & Admin. News 7338 (93d Cong., 2d Sess., 1974) (hereinafter cited as Finance Committee Report).

[36] This amendment, introduced by Representative Charles Vanik, was approved on the House floor on 11 December 1974 by a vote of 319–80. *See* 120 Cong. Rec. 39782 (1974).

[37] Finance Committee Report at 7213.

[38] *Id.* at 7338.

[39] 120 Cong. Rec. 39782 (1974).
[40] *Id*. 39806. The final vote was 88–0, with 12 Senators absent. All but two or three of the absent Senators were co-sponsors of the amendment.
[41] *Id*. at 39782.
[42] *Id*. at 39806
[43] 120 Cong. Rec. 39787.
[44] *Id*. at 39802.
[45] *Id*. at 39806.
[46] Trade Act of 1974, 19 U.S.C.A. §2432 (emphasis added).
[47] While I claim no special expertise on matters of finance or tax policy, I was impressed with Forbes magazine editor James W. Michaels' observation that ''It's not that legislators sympathize with rich tax dodgers. It's that they realize it's time to worry less about soaking the rich and more about changing the tax code to make the country more hospitable to the capital that produces jobs and economic growth.'' James W. Michaels, ''You can't take it (all) with you,'' Forbes, 13 March 1995, p. 10.
[48] The Treasury Department estimates that this provision will produce $2.2 billion in additional tax revenues between FY 1995 and FY 2000. Department of the Treasury, General Explanations of the Administration's Revenue Proposals 17 (Feb. 1995).
[49] Sir Walter Scott, The Lay of the Last Minstrel, canto VI, st. 1.
[50] As will be discussed, treaties are a part of the ''supreme law of the land'' and customary international law ''is part of our law'' too. The monist school views international law to be superior to municipal law in a single legal system.
[51] See, e.g., Whitney v. Robertson, 124 U.S. 190 (1888).
[52] US Const. Art. VII
[53] Id. Art. I, Sec. 7.
[54] Id. Art. II, Sec. 2.
[55] See, e.g., Louis Henkin, The Constitution and United States Sovereignty, 100 HARV. L. REV. 853 (1987).
[56] Note to follow.
[57] For a discussion by Chief Justice Marshall of the distinction between self-executing and non-self-executing treaties, see Foster and Elam v. Neilson, 27 U.S. (2 Pet.) 253 (1829).
[58] Note to follow.
[59] This sometimes occurs inadvertently when legislation is considered by members who are simply unaware of a conflicting treaty provision (as may be the case in this Committee's approval of the statute being considered in this hearing), but it also occurs occasionally even after the conflict with a treaty has been identified. An example of this that comes readily to mind was S-961, the ''Magnuson Fisheries and Conservation Act,'' passed around 1976. See the minority views of my former employer, Senator Robert P. Griffin, included in the Foreign Relations Committee's report on this bill for a discussion of this problem.
[60] These may range from judicial settlement to reciprocal breach or simply the ''horizontal enforcement'' of retorsionary behavior to pressure our Country to observe its solemn international legal obligations (pacta sunt servanda).
[61] The Department of State, for example, has warned that ''Persons considering renunciation [of US citizenship] should also be aware that the fact that they have renounced U.S. nationality may have no effect whatsoever on their U.S. tax or military service obligations.'' 87 AM. J. INT'L L. 602 (1993).

PREPARED STATEMENT OF JAMISON S. BOREK

Thank you Mr. Chairman and Members of the Committee. I am here today to address the question whether section 5 of H.R. 831 as reported by the Senate Committee on Finance raises legal questions concerning international human rights.

The proposal in section 5 would effectively require payment of taxes by U.S. citizens on gains, if they have such gains, if they elect to renounce U.S. citizenship, by treating this as equivalent to a realization of gains (or losses) by sale. The proposal would only apply to gains in excess of $600,000; it would not apply to U.S. real property owned directly, nor to certain pension plans.

It has been suggested by some that this proposal would violate the right to leave the territory of a state (including one's country of nationality) or the right to change one's citizenship as recognized in international human rights law. In our view, however, this tax proposal does not conflict with these or any other international human rights.

Section 5 is not an ''exit tax''. It does not apply to the act of emigration and is wholly unrelated to travel. Rather, it applies at the time an individual renounces U.S. citizenship. Based on past experience, the proposal is most likely to affect U.S. citizens who have already departed from the United States. It is well established, nonetheless, that a state could impose economic controls in connection with departure as long as such controls do not result in a *de facto* denial of an individual's right to emigrate.

Similarly, a claim of violation of the right to renounce citizenship could only be made where that right is effectively denied. There is no international law right to avoid taxes by changing citizenship. Section 5 would impose taxes comparable to those which U.S. citizens would have to pay were they in the United States. It is a bona fide means of collecting taxes on gains which have already accrued. It is not a pretext to keep people from leaving, and it is not so burdensome as effectively to preclude change of nationality or emigration. It applies only to gains, and only when these gains are in excess of $600,000.

In short, it is the view of the Department of State that this proposal does not raise any significant question of interference with international human rights.

I hope that this information is helpful to the Committee.

UNIVERSITY OF VIRGINIA,
Charlottesville, VA; March 20, 1995.

LESLIE B. SAMUELS,
Assistant Secretary of the Treasury for Tax Policy, U.S. Department of the Treasury.

DEAR MR. SAMUELS: I have been asked to offer an opinion as to whether the Administration's proposal to treat the renunciation of U.S. citizenship as a realization event with respect to wealthy taxpayers presents any problems under international law, particularly in light of the position the United States has taken in the past with respect to the freedom to emigrate. As I find myself in the unusual position of being a specialist in international law, U.S.-Soviet relations, and federal taxation, I am happy to do so.

The Jackson-Vanik Amendment to the Trade Act of 1974 and the 1975 Helsinki Accords both express a strong U.S. stand in favor of the freedom of people of emigrate free of more than ''a nominal tax,'' 19 U.S.C. §2432(a)(2), and there is substantial authority for the proposition that the international law of human rights incorporates the obligation to refrain from erecting such impediments to emigration. But it is critical to recognize the distinction between the right to travel, on the one hand, and the right to change one's citizenship status, on the other. Emigration necessarily involves the former, but not necessarily the latter. The human rights concerns that dominated our encounters with the Soviet Union and other totalitarian regimes during the 1970s and 1980s were based on violations of the right to travel. Those governments treated their borders as the perimeter of a prison and their citizens as prisoners. The so-called education tax that the Soviet Union threatened to impose on emigrants, which inspired the above cited language in the Jackson-Vanik Amendment, was triggered by a request to travel abroad, not by an attempt to renounce Soviet citizenship. Whether the communist regimes also made it difficult to surrender citizenship was a matter of indifference to us. Indeed, many authorities believed that the Soviet Union and other governments violated international law by making it too easy to lose one's citizenship, as they did when they imposed involuntary loss of citizenship as a form of punishment for political dissent (*e.g.*, the case of Aleksandr Solzhenitsyn).

The Administration's proposal, as I understand it, has absolutely no effect on the right of a citizen to travel abroad. It is triggered only by a change of citizenship status, not by the crossing of the country's borders. The reason for this distinction is clear when one considers how U.S. tax rules operate. Whether a citizen resides within or without the United States, the obligation to pay tax on appreciation of assets remains the same. Any gain realized and recognized during life will result in an income tax. Any unrealized appreciation that remains at death will not be subject to an income tax, but instead will subject the decedent to the estate tax. To be sure, the federal estate tax is not an exact substitute for an income tax at death on unrealized appreciation, both because only wealthy persons (those with assets in excess of $600,000, assuming no taxable gifts during life) are subject to the estate tax, and because the taxable estate includes both realized and unrealized appreciation. But I am not alone in having pointed out that the estate and gift tax, in practice, serve as a reasonable approximation for the income tax that could be levied on unrealized appreciation at death.

All of the above turns on citizenship, not on residence. A U.S. citizen who resides abroad will have to include in his tax base any gain realized from the disposition of an asset, see Cook v. Tait, 265 U.S. 47 (1924), will pay a federal gift tax on any taxable gift during his life, no matter where the asset is located, and will include all of his worldwide assets in his taxable estate at death. By contrast, a citizen who severs the bond of citizenship and does not continue to reside in the United States will pay neither income, gift, nor estate tax (except as U.S.-sourced income and, for the estate and gift tax, transfers of certain property sourced to the United States). The change of citizenship status, not of residence, is what matters for U.S. tax law. Current law recognizes the significance of change sin citizenship by subjecting nonresident aliens who lose U.S. citizenship for tax avoidance reasons to a special alternative income tax, see Internal Revenue Code Section 877. Section 2107 imposes a similar result with respect to the estate tax, and 2501(a)(3) with respect to the gift tax. What the Administration proposal would do, as I understand it, is replace the unworkable tax avoidance standard of Sections 877, 2107 and 2501(a)(3) with a per se rule that applies to any person with sufficient assets to make future estate taxation a probability. An analogous provision is Section 367 of the Code, which denies nonrecognition treatment in certain corporate reorganizations if the recipient of appreciated property is a foreign corporation. I never have heard the argument that the latter provision imposes an impermissible burden on the right of a domestic corporation to export its capital.

In summary, the international law of human rights is concerned with restrictions on the right to leave one's country, not those on the right to renounce one's citizenship. To the extent human rights law deals with citizenship status, it addresses involuntary denials of citizenship, not burdens triggered by the renunciation of citizenship. Furthermore, the proposed measure is not a tax on the export of capital as such, but rather a logical part of a comprehensive scheme to ensure that all appreciation of capital owned by a U.S. citizen eventually will be subject to a U.S. tax, whether income, gift, or estate. For these reasons, it is inconceivable to me that the Administration's proposal could be seen as violating international human rights law.

To be sure, there are few positions with respect to customary international law that

cannot obtain the support of at least some jurists. Last Saturday, while passing through Pittsburgh's airport, I ran into my former student, Bob Turner, who informed me of his intention to testify before the Senate Finance Committee to the effect that the proposal did raise problems under international law. As I told him at the time, I found his arguments unconvincing. However, I am responsible only for Bob's education in Soviet law, not in international or tax law.

I hope this letter is useful. Please feel free to make whatever use of it you wish.

Sincerely,

PAUL B. STEPHAN III.

ONE INTERNATIONAL PLACE,
BOSTON, MA, *March 20, 1995.*

Hon. BOB PACKWOOD,
Chairman, Committee on Finance,
U.S. Senate,
Washington, DC.

Hon. DANIEL P. MOYNIHAN,
U.S. Senate,
Washington, DC.

DEAR CHAIRMAN PACKWOOD AND SENATOR MOYNIHAN: I would like to comment on the provisions of Section 5 of H.R. 831 as reported by the Committee on Finance (the ''Committee Bill'').

I am a partner in the law firm Ropes & Gray in Boston, where I practice international tax law on behalf of U.S. and non-U.S. corporate and individual clients. Prior to joining Ropes & Gray, I served as International Tax Counsel to the U.S. Treasury Department. Altogether, I served in the Treasury Department for five years during the Reagan Administration.

Although I am Vice Chairman of the American Bar Association Section of Taxation's Committee on Foreign Activities of U.S. Taxpayers and an active member of several other bar and professional associations, my comments are not made as a representative of Ropes & Gray or any of its clients, the American Bar Association Tax Section or any of the other bar or professional associations of which I am a member. My comments are directed exclusively to tax policy aspects of the proposal in the Committee Bill to amend the Internal Revenue Code of 1986, as amended, by adding proposed Section 877A.[1] Subject to certain technical comments referred to below, I strongly support enactment of proposed Section 877A.

DESCRIPTION OF CURRENT LAW

The United States exercises personal jurisdiction to tax individuals by taxing the worldwide income of U.S. citizens (whether or not resident or domiciled in the United States) and residents.[2] A U.S. taxpayer may elect to credit foreign income taxes against his U.S. tax, subject to a limitation that applies with respect to categories of foreign source income to restrict the credit to the amount of U.S. tax paid with respect to income in that category.

The United States asserts a source-based tax on nonresident aliens.[3] Nonresident aliens are taxed on the gross amount of U.S.-source interest, dividends, rents, and other fixed or determinable income at a flat rate of 30 percent (or a lower treaty rate). This tax generally is collected by withholding. A nonresident alien is taxed at regular graduated rates on income that is effectively connected with a U.S. trade or business, less deductions that are properly allocable to the effectively connected income. A nonresident alien individual is allowed a foreign tax credit under Section 906 only for foreign taxes paid with respect to income effectively connected with a U.S. trade or business.

Under current law, the only income tax provision governing a change from citizenship to non-citizenship status is Section 877, first enacted in 1966. Under Section 877, a U.S. citizen who relinquishes his U.S. citizenship with a principal purpose to avoid Federal income tax is taxed either as a nonresident alien or under an alternative taxing method, whichever yields the greater tax, for 10 years after expatriation. For purposes of determining the tax under the alternative method, gains on the sale of property located in the United States and stocks and securities issued by U.S. persons are treated as U.S.-source income, taxable at rates applicable to U.S. citizens.[4]

Whether tax avoidance is a principal purpose for the expatriation is determined by all of the relevant facts and circumstances. If the I.R.S. establishes that it is reasonable to believe that the loss of U.S. citizenship would result in a substantial reduction in the taxpayer's income taxes for the year (taking account of U.S. and foreign taxes), the burden of proving that the loss of citizenship did not have tax avoidance as one of its principal purposes is on the taxpayer. This presumption is rebuttable.[5]

A foreign tax credit is not allowed for foreign taxes on income that is deemed to be U.S.-source income under the alternative method. The effect of the source rules generally is to transform foreign income that would not be effectively connected income into U.S. gross income. Because Section 877(c) does not cause the income to be effectively connected income, the Section 906 foreign tax credit will not apply. Any foreign taxes imposed on the income re-sourced under Section 877(c) therefore would give rise to double taxation.

The so-called savings clause found in most modern income tax treaties generally provides that the United States may tax its citizens and residents as though the treaty had not come into effect.[6] Although the I.R.S. has published a revenue ruling taking the position that the savings clause preserved U.S. taxation of former citizens taxable under Section 877,[7] the Tax Court held in *Crow* v. *Commissioner*, 85 T.C. 376 (1985), that the savings clause of the 1942 United States-Canada Income Tax Convention did not apply to a former citizen who, it was assumed for purposes of deciding petitioner's motion for summary judgment, expatriated to Canada for a principal purpose of avoiding United States tax. The Court found that, properly interpreted, the Convention prohibited the United States from taxing the taxpayer's capital gain from the sale of stock under Section 877. Based on the *Crow* decision, it is doubtful whether the United States may tax a treaty resident under Section 877 on income that a treaty reserves for taxation by the country of residence unless the treaty specifically preserves the U.S. right to tax a Section 877 expatriate.

Current U.S. treaty policy is to cover Section 877 expatriates under the savings clause to permit the United States to tax income or gains of a Section 877 expatriate who is resident in the treaty partner country notwithstanding other articles of the treaty.[8] Even where the savings clause covers taxation of an expatriate under Section 877, the coverage may be less than complete.[9]

It does not appear that treaties remedy the failure of the domestic law foreign tax credit mechanism to avoid double taxation under Section 877. For example, the 1980 Convention between the United States and Canada allows the United States to impose tax on gains from the sale of stock in a U.S. company realized by a Section 877 expatriate who is resident in Canada.[10] Canada also would be allowed to tax the gains.[11] For purposes of applying the foreign tax credit provisions of the Convention, the gains from the sale of stock would be treated as Canadian-source income,[12] however, the United States does not commit to allow a credit for the Canadian tax.[13]

DEFICIENCIES OF CURRENT LAW

The reason for enactment of Section 877 in 1966 was that the elimination of graduated rates with respect to non-effectively connected income of a nonresident alien could encourage some individuals to surrender their U.S. citizenship and move abroad. The 89th Congress did not have any experience as to whether the other changes in taxation of nonresident aliens made by the Foreign Investors Tax Act of 1966 would induce expatriations and chose to employ a tax avoidance purpose condition to the application of Section 877.

The facts of the Furstenberg case, in which the Tax Court found that the taxpayer's expatriation did not have tax avoidance as a principal purpose, illustrate why a tax avoidance purpose standard is ill-advised. To satisfy a commitment made before her marriage to her new husband, Mrs. Furstenberg renounced her U.S. citizenship immediately after her honeymoon on December 23, 1975. As a result of the Tax Court's decision that Section 877 did not apply, it appears that Mrs. Furstenberg paid no U.S. tax on as much as $9.8 million of capital gains from selling securities owned at the time of her expatriation in the two years following her expatriation.

There is ample precedent for a U.S. claim to tax appreciated assets at a time when the asset will no longer be subject to U.S. personal taxing jurisdiction. Under sections 367 and 1491, the United States overrides otherwise applicable nonrecognition rules in order to tax transfers of appreciated assets to foreign entities. It is accepted that this principle should apply in circumstances where there is no actual transfer of an asset, for example, upon the termination of an election by a foreign corporation to be treated as a domestic corporation under section 1504(d) or when a foreign trust ceases to be a grantor trust with a U.S. grantor. Amendments in 1984 to sections 367 and 1492 deleted exceptions to taxation of such outbound transfers where the taxpayer could establish that the transfer did not have as one of its principal purposes the avoidance of Federal income taxes. The principal purpose test similarly should be deleted from Section 877.[14]

A second difficulty with current Section 877 relates to the assertion of U.S. taxing jurisdiction after the taxpayer has renounced U.S. citizenship. At that point, the taxpayer may be resident in another taxing jurisdiction that may rightfully feel that it has the primary right to tax gains of a resident from the sale of tangible property (other than real estate in another country) and intangible property. It is not surprising that there may be disagreement as to which country should be considered to have the primary right to tax. A tax imposed at the time of expatriation, however, would accurately delineate gains properly subject to U.S. taxing jurisdiction. This would improve the position of the United States if it asks treaty partners to increase a taxpayer's basis in property taxed by the United States on expatriation for purposes of taxation by the treaty partner. If taxation at the time of expatiation is adopted, I would urge the Treasury to take such a position in treaty negotiations.

A third problem with current Section 877 is that it is easily avoided. I quote from a 1993 article published in Tax Notes International:

''Even for those nonresident former U.S. citizens with substantial U.S. assets and income, there are techniques that can greatly reduce the impact of the anti-abuse rules by

[1] Footnotes at end of letter.

converting U.S. income and assets into foreign income and assets or by deferring income and taxable transfers until after the 10-year period under the anti-abuse rules has expired.

For example, consider the plight of a tax-motivated former U.S. citizen living abroad and owning a portfolio of U.S. stocks and bonds. Without taking any measures, such a person would be subject to U.S. income tax on interest, dividends and capital gain from the portfolio and would be subject to a U.S. estate and gift tax on taxable transfer of assets in the portfolio. Such an individual could, however, transfer the portfolio to a foreign corporation that is not engaged in a U.S. trade or business with drastically more favorable results.

For income tax purposes, the foreign corporation would itself be taxed in the same manner as an NRA who had never been a U.S. citizen (i.e., gross U.S.-source dividends would be subject to a flat 30-percent-or-lower withholding tax, certain types of U.S.-source interest would be subject to a similar flat withholding tax while other types of U.S.-source interest would be exempt under the portfolio interest or other exemptions and capital gains would be exempt from tax unless real estate related).

While a sale of stock in the foreign corporation by the former U.S. citizen would be treated as taxable U.S.-source income under the anti-abuse rule, as sale of the U.S. stocks and securities in the portfolio by the foreign corporation would not. Moreover, dividends by the foreign corporation to its shareholders would be foreign-source, and therefore free from U.S. tax, even if the foreign corporation's earnings out of which it pays the dividends are U.S.-source interest, dividends, and capital gains.'' (Footnotes omitted.)[15]

In light of the increasing sophistication of taxpayers, it is not surprising that the easy pickings of tax-motivated expatriation are too tempting for some to resist. Based on informal discussions with the State Department, and Staff of the Joint Committee on Taxation has reported that 697 citizens expatriated in 1993 and 858 in 1994.[16] There is evidence that some of these expatriations will result in substantial revenue loss as a result of the infirmities of current Section 877. It is time to amend the law to address current realities.

DESCRIPTION OF PROPOSED SECTION 877A

Under the Committee Bill, a U.S. citizen who relinquishes U.S. citizenship generally would be treated as having sold all of his or her property at fair market value immediately prior to relinquishing citizenship and gain or loss from the deemed sale would be subject to U.S. income tax. In addition, the deferral of tax or income recognition (e.g., due to the installment method) would terminate on the date of the deemed sale and the deferred tax would be due and payable on that date.

Generally property interests that would be included in the individual's gross estate under the Federal estate tax if such individual were to die on the day of the deemed sale, plus certain trust interests that are not otherwise included in the gross estate, would be taxed on the expatriation date. The first $600,000 of net gain recognized on the deemed sale would be exempt from tax. If a taxpayer were determined to hold an interest in a trust for purposes of Section 877A, the trust would be treated as though it sold the taxpayer's share of assets of the trust and the proceeds were distributed to the taxpayer and recontributed to the trust.

U.S. real property interests, which remain subject to U.S. taxing jurisdiction in the hands of nonresident aliens, generally would be excepted from the proposal.[17] Certain interests in qualified retirement plans and, subject to a limit of $500,000, interests in foreign pension plans (as provided in regulations) also would be excepted from the deemed sale rule.

A U.S. citizen would be treated as having relinquished his citizenship on the earlier of (i) the date he renounces citizenship before a diplomatic or consular officer, (ii) the date he provides to the State department a signed statement of voluntary relinquishment of citizenship confirming an act of expatriation under the Immigration and Nationality Act, (iii) the date that the U.S. Department of State issues a certificate of loss of nationality, or (iv) the date a court cancels a naturalized citizen's certificate of naturalization. The tax would be due on the 90th day after the expatriation date. The Internal Revenue Service would be authorized to allow a taxpayer to defer payment of the tax for up to 10 years under section 6161 as through the tax were an estate tax imposed by chapter 11.

The Committee Bill's Section 877A would be effective for U.S. citizens who relinquish their U.S. citizenship on or after February 6, 1995. No tax would be due before 90 days after enactment.

ANALYSIS OF PROPOSED SECTION 877A

The Committee Bill meets the three objections to current law Section 877 described above. It deletes the tax avoidance purpose test. It imposes tax on gain determined as of the date a taxpayer relinquishes citizenship and thereby properly measures the gain subject to U.S. personal taxing jurisdiction. As a consequence of these changes it will be more administrable and not subject to easy avoidance.

The Committee Bill also reflects several significant improvements over the text released in the original version of H.R. 981. The definition of when a taxpayer relinquishes citizenship has been modified to relate to the earliest of several substantive acts that manifest an intent to voluntarily relinquish citizenship. This should adequately protect taxpayers who have relied on current law. The I.R.S. authority to extend the time to make payment of the tax is expanded to permit deferral of up to 10 years under rules that are commonly used in the estate tax context. These changes are welcome.

I suggest another modification to the Committee Bill. I recommend that an alien that becomes a naturalized citizen take a ''fresh start'' fair market basis in his or her assets for purposes of Section 877A. The measuring date for this purpose should be the earliest of (i) the date the alien becomes a naturalized citizen, (ii) the date the alien becomes a resident alien, and (iii) the date the asset is ''effectively connected'' with a U.S. trade or business of the alien. This measure is important to support the position that the U.S. claim to tax is truly related to its personal or source taxing jurisdiction.

I reserve comment on certain technical aspects of the proposal and would be pleased to work with the Committee staff on the details of final legislation. In particular, I do not comment, without further study, on the approach taken by the Committee Bill to interests in trusts or to the interaction of Section 877A with estate and gift tax rules.

Finally, I respectfully disagree with certain initial criticisms of H.R. 981 in comments prepared by other individual members of the American Bar Association.

The weight of scholarship rejects the view that realization is or should be constitutionally required to tax gains. Since, in my experience, Congress, and this Committee, exercises an appropriate skepticism regarding professorial musings, perhaps the more relevant precedent is that Congress has enacted at least two provisions that tax gains before they are realized. Section 1256 was added to the Code in 1981 and provides that certain regulated futures and foreign currency contracts are marked-to-market on the last day of a taxpayer's taxable year and gain or loss recognized.[18] Section 475, enacted in 1993, requires securities dealers to mark-to-market securities held in inventory on the last day of the taxable year and recognize gain or loss. Moreover, fairness to taxpayers as well as the Government's revenue interests may require that such mark-to-market treatment be expanded to a broader range of circumstances. It would be extremely unwise for this Committee to adopt the holding of Eisner v. Macomber[19] in a way that could be viewed as imposing a constitutionally-based realization requirement.

I also would not in any way equate the imposition by the United States, in 1995, of a tax on its fair share of the appreciation in assets owned by U.S. persons during their period of U.S. citizenship to an exit tax imposed on Jewish and politically motivated emigrants from the Union of Soviet Socialist Republics during the State-sponsored repression of the Brezhnev era. A tax that excludes the first $600,000 of gain can hardly be viewed as a barrier to emigration.

CONCLUSION

The Committee's proposed Section 877A is an improvement over current law, is sound international tax policy and deserves the strong support of your Committee.

Please do not hesitate to contact me if I may be of assistance to the Committee.

Sincerely,

STEPHEN E. SHAY.

FOOTNOTES

[1] Unless otherwise indicated, all section references are to the Internal Revenue Code of 1986, as amended and as proposed to be amended by the Committee Bill.

[2] Taxation on the basis of citizenship is different from the practice of most countries, which is to tax individuals on the basis of residence. The Supreme Court, however, has upheld the constitutionality of taxing a nonresident citizen. Cook v. Tait, 265 U.S. 47 (1924).

[3] A nonresident alien individual is an individual who is neither a U.S. citizen nor a resident alien. Generally, an alien individual is a resident alien for U.S. tax purposes under Section 7701(b) if he or she (1) is a lawful permanent resident of the United States (i.e. holds a green card), or (2) satisfies the ''substantial presence'' test as a result of being physically present in the United States for a prescribed amount of time.

[4] These same taxing rules also are applied under Section 7701(b)(10) in the case of a resident alien individual who is resident in the United States for three consecutive years, then ceases to be a resident, and subsequently becomes a resident within three years after the close of the initial residency period. This anti-abuse rule protects the U.S. tax base from erosion by a resident alien who transfer residence from the United States for a limited period of time in order to sell a highly appreciated asset and then resumes his or her U.S. residence.

[5] See, e.g., Furstenbert v. Commissioner, 83 T.C. 755 (1985).

[6] See U.S. Department of the Treasury, Proposed Model Convention Between the United States and _____ for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion, Art. 1(3) (1981), reprinted in 1 Tax Treaties (CCH) ¶208 (1994) (hereinafter ''U.S. Model Treaty''). An important exception to the saving clause is the obligation of a contracting state to give double tax relief for taxes imposed by the source country.

The savings clause implements the U.S. policy that tax treaties generally are not intended to affect U.S. taxation of U.S. citizens or residents. American Law Institute, Federal Income Tax Project: International Aspects of United States Income Taxation (Proposals of the American Law Institute on United States Income Tax Treaties); 229, N. 606 (1992).

[7] Rev. Rul. 79–152, 1979–1 C.B. 237 (holding that a liquidating distribution would be taxable to a Section 877 expatriate that acquired residence in a treaty country even though the treaty did not preserve U.S. right to tax under Section 877).

[8] See U.S. Department of the Treasury, Proposed Model Convention Between the United States and _____ for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion, Art. 1(3) (1981), reprinted in 1 Tax Treaties (CCH) ¶208 (1994).

[9] The 1993 U.S. treaty with the Netherlands, for example, does not cover Section 877 expatriates who are Dutch nationals. Convention Between the United States of America and The Kingdom of the Netherlands for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion With Respect to Taxes on Income, Art. 24(1).

[10] Convention Between the United States of America and Canada With Respect to Taxes on Income and on Capital (''U.S.-Canada Treaty''), Art XXIX(2).

[11] U.S. Canada Treaty, Art. XIII(4).

[12] U.S.-Canada Treaty, Art. XXIV(3)(b).

[13] See U.S.-Canada Treaty, Art. XXIV(1).

[14] There are a series of exceptions to taxation at the time of transfer under sections 367 and 1491 that are based in substantial part on the fact that the transferring shareholder remains subject to residence-based taxation on property that receives a carryover basis in the exchange for the transferred property. That circumstance is not present in the context of Section 877.

[15] Zimble, ''Expatriate Games: The U.S. Taxation of Former Citizens,'' Tax Notes Int'l (Nov. 2, 1993), LEXIS 93 TNI 211–15.

[16] Staff of the Joint Committee on Taxation, ''Description of Revenue Provisions Contained in the President's Fiscal Year 1996 Budget Proposal,'' Footnote 6 (JCS–5–95, Feb. 15, 1995).

[17] The exception would apply to all U.S. real property interests, as defined in section 897(c)(1), except stock of a U.S. real property holding corporation that does not satisfy the requirements of section 897(c)(2) on the date of the deemed sale.

[18] The Ninth Circuit has passed favorably on the constitutionality of Section 1256, *Murphy* v. *United States*, 992 F. 2d 929 (9th Cir. 1993).

[19] 252 U.S. 189 (1920).

EXHIBIT 2

HARVARD LAW SCHOOL,
Cambridge, MA, March 24, 1995.

Hon. LESLIE B. SAMUELS,
Assistant Secretary (Tax Policy), Department of the Treasury, Washington, DC.

DEAR SECRETARY SAMUELS: Your office has requested my views as to international law implications of the proposed tax on expatriates that would be imposed by section 5 of H.R. 831. You will understand that this is my personal opinion and in no way purports to represent the views of the institution to which I belong. It is also compact in form due to the constraints of time imposed by your legislative schedule and my own impending travel.

The right of expatriation has always been highly valued by the United States, which has defended it against the claims of other nations that refused to let their citizens go. The right to make this choice is the counterpart of the right not to lose one's citizenship except by one's own voluntary choice, a right underlined by opinions of the Supreme Court. However, in my view, the proposed tax does not amount to such a burden upon the right of expatriation as to constitute a violation of either international law or American constitutional law. It merely equalizes over the long run certain tax burdens as between those who remain subject to U.S. tax when they realize upon certain gains and those who abandon their citizen while the property remains unsold.

Furthermore, the proposed tax does not except, in the most indirect way, burden the right to emigrate. It is the right to emigrate rather than the right to expatriate oneself which is the subject of various conventions and of customary international law. As stated in the preceding paragraph, it basically equalizes certain tax burdens. It is not comparable to the measures imposed by such countries as the former Soviet Union and German Democratic Republic which were obviously and intentionally burdens on the right to emigrate.

In arriving at these conclusions I have reviewed various materials such as your statement before the Subcommittee on Taxation and Internal Revenue Oversight, two opinions of the Office of the Legal Adviser, U.S. State Department, the views of Professors Paul Stephan III and Robert Turner and others.

Very truly yours,

DETLEV F. VAGTS,
Bemis Professor of Law.

NEW YORK UNIVERSITY,
SCHOOL OF LAW,
New York, NY, March 27, 1995.

Hon. LESLIE B. SAMUELS,
Assistant Secretary (Tax Policy), Department of the Treasury, Washington, DC.

DEAR MR. SECRETARY: You have asked for my views on section 5 of H.R. 831 presently pending before the U.S. Senate, which as I understand it would impose a capital gains tax on United States citizens who renounce their U.S. citizenship, based on a hypothetical sale of all their property (subject to a deduction) immediately prior to renunciation. In particular, you have asked my view on whether such a tax would be inconsistent with applicable treaties or principles of international law.

STATEMENT OF QUALIFICATIONS

I have been a professor of law at New York University since 1967, specializing in international law and international economic transactions. Prior to joining the faculty of New York University, I served for more than five years in the United States Department of State, as Special Assistant to the Legal Adviser for Economic Affairs, and Deputy Legal Adviser (1961–66). I was an Associate Reporter for the American Law Institute's Restatement (Third) of the Foreign Relations Law of the United States (1979–87), and I served as consultant to the ALI Project on Income Tax Treaties (1988–92).

CONCLUSION

Without taking any position on the desirability of the proposed legislation, I am confident that neither adoption nor enforcement of the provision in question would violate any obligation of the United States or any applicable principles or international law.

ANALYSIS

There is no doubt that international law today recognizes the right to emigrate, and the right to change one's nationality. Article 13(2) of the universal Declaration of Human Rights (1948) states.

Everyone has the right to leave any country, including his own. . .

Article 15(2) states: No one shall be arbitrarily deprived of his nationality nor denied the right to change his nationality.

Without here debating the binding character of the Universal Declaration (see ''Restatement (Third) of Foreign Relations Law,'' introduction to Part VII, §701, and notes thereto), it is clear to me that the Congress should not be asked to adopt legislation that runs contrary to principles to which the United States has given and continues to give its support. I do not believe, however, that H.R. 831 is contrary either to the right to emigrate (i.e., change of one's residence) or to expatriate (i.e., change of one's nationality). No prohibition against performing either or both of these acts is contained in the proposed legislation, nor is the tax so burdensome as to be fairly regarded as penal or confiscatory.

Persons who wished to abandon their American Citizenship for reasons of political or religious belief would not be prevented from doing so by H.R. 831. Persons who were considering renunciation of their U.S. citizenship for purposes of reducing their tax liability—whether on income or upon succession at death—might be dissuaded by H.R. 831 from doing so, but I do not believe the effect of the proposed tax could be classified as an arbitrary denial of the right to change one's nationality within the meaning of the Universal Declaration.

I understand that the question has been raised whether H.R. 831 is inconsistent with §402 of the Trade Act of 1974, the so-called Jackson-Vanik Amendment. I am very familiar with the amendment, having written about it in my book ''Trade Controls for Political Ends'' at pp. 166–190 (2d.ed 1983). I am clear that the amendment was addressed to a quite different purpose, i.e., inducement to Soviet authorities to abandon their restrictions on Jews and some other groups who desired to leave the Soviet Union to escape discrimination and persecution. It is true that one of the restrictions against which the Jackson-Vanik Amendment was directed was taxation; however (i) the Soviet tax was a relatively high tax based not on wealth or income but on the level of education; and (ii) the tax was imposed on emigration, not on change of citizenship or nationality. I have read the prepared statement of Professor Robert F. Turner of March 21, 1995; I find his suggestion that H.R. 831 is somehow inconsistent with the ideals expressed in the Jackson-Vanik Amendment quite unpersuasive, as a matter of history, of purpose, and of law.

On sum, imposition of unreasonable conditions on emigration or change of nationality could be contrary to international law. H.R. 831 imposes no restrictions on emigration; it does impose some conditions on renunciation of United States citizenship, but these conditions are not unreasonable, and therefore not unlawful.

Respectfully submitted,

ANDREAS F. LOWENFELD,
Herbert and Rose Rubin Professor of International Law.

TUFTS UNIVERSITY
THE FLETCHER SCHOOL OF LAW AND DIPLOMACY,
Medford, MA, March 24, 1995.

Hon. DANIEL PATRICK MOYNIHAN,
U.S. Senate.

Re: Tax Compliance Act of 1995, H.R. 981

DEAR SENATOR MOYNIHAN: I am writing to express my serious concern over the proposed ''exit tax'' included in Sec. 201 of H.R. 981. This concern is based not on an evaluation of its tax consequences, an area in which I am not an expert, but rather on the possible inconsistency of the tax with fundamental international human rights norms and U.S. international legal obligations.

As you know, the U.S. is now a party to the Covenant on Civil and Political Rights, article 12 of which guarantees the right of everyone ''to leave any country, including his own.'' By coincidence, the United States will present its first report on compliance with the Covenant to the Human Rights Committee in New York next week.

Although I understand that the ''exit tax'' is based on renunciation of citizenship rather than on leaving the country, it is difficult to see how one can ''punish'' the former without seriously compromising the latter. Indeed, the imposition of confiscatory taxes has been a policy pursued by many countries to discourage emigration, whether on purported national security grounds, specious economic arguments, or to prevent ''brain drain;'' I address these and other issues in my 1987 book, ''The Right to Leave and Return in International Law and Practice'' (Martinus Nijhoff).

In 1986, a meeting of eminent American and European legal experts adopted the ''Strasbourg Declaration on the Right to Leave and Return,'' a copy of which I attach for your information. I would particularly

draw your attention to article 5, which states, inter alia, that ''[a]ny person leaving a country shall be entitled to take out of that country . . . his or her personal property . . . [and] all other property or the proceeds thereof, subject only to the satisfaction of legal monetary obligations, such as maintenance obligations to family members, and to general controls imposed by law to safeguard the national economy, provided that such controls do not have the effect of denying the exercise of the right.'' The tax in question would not appear to meet these standards.

Without having examined the provisions of Sec. 201 in greater detail, I cannot state definitively that it would violate international law. However, the human rights implications of such a provision appear to be extremely serious, and adoption of the law would seem, at best, to be hypocritical, given the legitimate and consistent U.S. insistence on free emigration from other countries over the years.

I hope that the Senate will examine these issues with great deliberation before it decides to balance the budget on the back of individual rights.

Yours sincerely,

HURST HANNUM,
Associate Professor of International Law.

APPENDIX F

STRASBOURG DECLARATION ON THE RIGHT TO LEAVE AND RETURN

Adopted on 26 November 1986

PREAMBLE

The Meeting of Experts on the Right to Leave and Return,

Recognising that respect for human rights and fundamental freedoms is essential for peace, justice and well-being and is necessary to ensure the development of friendly relations and co-operation among all states;

Recalling that the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Convention on the Elimination of All Forms of Racial Discrimination, as well as regional conventions, recognize the fundamental principle, based on general international law, that everyone has the right to leave any country, including one's own, and to return to one's own country;

Emphasizing that the right of everyone to leave any country and to enter one's own country is indispensable for the full enjoyment of all civil, political, economic, social and cultural rights;

Concerned that the denial of this right is the cause of widespread human suffering, a source of international tensions, and an object of international concern;

Adopts the following Declaration:

Article 1

Everyone has the right to leave any country, including one's own, temporarily or permanently, and to enter one's own country, without distinction as to race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth, marriage, age (except for unemancipated minors independently of their parents), or other status.

Article 2

Every state shall adopt such legislative or other measures as may be necessary to ensure the full and effective enjoyment of the rights set forth in this Declaration.

All laws, administrative regulations or other provisions affecting the enjoyment of these rights shall be published and made easily accessible.

THE RIGHT TO LEAVE

Article 3

(a) No person shall be subjected to any sanction, penalty, reprisal or harassment for seeking to exercise or for exercising the right to leave a country, such as acts which adversely affect, inter alia, employment, housing, residence status or social, economic or educational benefits.

(b) No person shall be required to renounce his or her nationality in order to leave a country, nor shall a person be deprived of nationality for seeking to exercise or for exercising the right to leave a country.

(c) No person shall be denied the right to leave a country on the grounds that that person wishes to renounce or has renounced his or her nationality.

Article 4

(a) No restriction may be imposed on the right to leave except those which are

(1) provided by law;

(2) necessary to protect national security, public order (ordre public), public health or morals or the rights and freedoms of others; and

(3) consistent with internationally recognized human rights and other international legal obligations.

Any such restriction shall be narrowly construed.

(b) Any restriction on the right to leave shall be clear, specific and not subject to arbitrary application.

(c) A restriction shall be considered ''necessary'' only if it responds to a pressing public and social need, pursues a legitimate aim and is proportionate to that aim.

(d) A restriction based on ''national security'' may be invoked only in situations where the exercise of the right poses a clear, imminent and serious danger to the State. When this restriction is invoked on the ground that an individual acquired military secrets, the restriction shall be applicable only for a limited time, appropriate to the specific circumstances, which should not be more than five years after the individual acquired such secrets.

(e) A restriction based on ''public order (ordre public)'' shall be directly related to the specific interest which is sought to be protected. ''Public order (ordre public)'' means the universally accepted fundamental principles, consistent with respect for human rights, on which a democratic society is based.

(f) A restriction based on ''the rights and freedoms of others'' shall not imply that relatives (except for parents with respect to unemancipated minors), employers or other persons may prevent, by withholding their consent, the departure of any person seeking to leave a country.

(g) No fees, taxes or other exactions shall be imposed for seeking to exercise or exercising the right to leave a country, with the exception of nominal fees related to travel documents.

(h) Permissibility of restrictions on the right to leave is subject to international scrutiny. The burden of justifying any such restriction lies with the state.

Article 5

(a) Any person leaving a country shall be entitled to take out of that country

(1) his or her personal property, including household effects and property connected with the exercise of that person's profession or skill;

(2) all other property or the proceeds thereof, subject only to the satisfaction of legal monetary obligations, such as maintenance obligations to family members, and the general controls imposed by law to safeguard the national economy, provided that such controls do not have the effect of denying the exercise of the right.

(b) Property or the proceeds thereof which cannot be taken out of the country shall remain vested in the departing owner, who shall be free to dispose of such property or proceeds within the country.

RIGHT TO ENTER OR RETURN

Article 6

(a) No one shall be deprived of the right to enter his or her own country.

(b) No person shall be deprived of nationality or citizenship in order to exile or to prevent that person from exercising the right to enter his or her country.

(c) No entry visa may be required to enter one's own country.

Article 7

Permanent legal residents who temporarily leave their country of residence shall not be arbitrarily denied the right to return to that country.

Article 8

On humanitarian grounds, a state should give sympathetic consideration to permitting the return of a former resident, in particular a stateless person, who has maintained strong *bona fide* links with that state.

PROCEDURAL SAFEGUARDS

Article 9

Everyone has the right to obtain such travel or other documents as may be necessary to leave any country or to enter one's own country. Such documents shall be issued free of charge or subject only to nominal fees.

Article 10

(a) Any national procedures or requirements affecting the exercise of the rights set forth in this Declaration shall be established by law or administrative regulations adopted pursuant to law.

(b) Everyone shall have the right to communicate as necessary with any person, including foreign consular or diplomatic officials, for the realization of the rights set forth in this Declaration.

(c) No state shall refuse to issue the documents referred to in Article 9 or shall otherwise impede the exercise of the right to leave, on the ground of the applicant's inability to present authorization to enter another country.

(d) Procedures for the issuance of the documents referred to in Article 9 shall be expeditious and shall not be unreasonably lengthy or burdensome.

(e) Everyone filing an application for any document referred to in Article 9 shall be entitled to obtain promptly a duly certified receipt for the application filed. Decisions regarding issuance of such documents shall be taken within a reasonable period of time specified by law. The applicant shall be promptly informed in writing of any decision denying, withdrawing, cancelling or postponing issuance of any such document; the specific reasons therefor; the facts upon which the decision is based; and the administrative or other remedies available to appeal the decision.

(f) The right to appeal to a higher administrative or judicial authority shall be provided in all instances in which the right to leave or enter is denied. The appellant shall have a full opportunity to present the grounds for the appeal, to be represented by counsel of his or her choice, and to challenge the validity of any fact upon which a denial or restriction has been founded. The results of any appeal, specifying the reasons for the decision, shall be communicated promptly in writing to the appellant.

FINAL CLAUSES

Article 11

Any person claiming a violation of his or her rights set forth in this Declaration shall have effective recourse to a judicial or other independent tribunal to seek enforcement of those rights.

Article 12

No state may impede communication by any person with an international organization or other bodies or persons outside the state with regard to the rights set forth in this Declaration, and no sanction, penalty, reprisal or harrassment may be imposed on anyone exercising this right of communication.

Article 13

The enjoyment of the rights set forth in this Declaration shall not be limited because of activities protected under internationally recognized human rights or other international legal obligations.

Article 14

Nothing in this Declaration shall be interpreted as implying from any state, group or person any right to engage in any activity or perform any act aimed at destroying any of the rights set forth herein or at limiting them to a greater extent than is provided for in this Declaration.

Article 15

The present Declaration shall not be interpreted to limit the enjoyment of any human right protected by international law.

EXHIBIT 3

CONGRESSIONAL RESEARCH SERVICE
THE LIBRARY OF CONGRESS
Washington, DC, March 23, 1995.

American Law Division, Memorandum

Subject: Whether Legislation That Would Tax Property Upon Expatriation Constitutes a Violation of International Law

Author: Jeanne J. Grimmet and Larry M. Eig, Legislative Attorneys

This memorandum addresses whether legislation that would tax the property of American citizens who renounce their citizenship at the time of renunciation violates an international obligation of the United States under a treaty or other international agreement or customary international law. Because of the brevity of our deadline, this memorandum does not provide a detailed analysis of this question, but rather briefly examines some of the more salient international legal issues that might be implicated by such legislation.

Based on this preliminary analysis, there does not appear to be a clear international legal impediment to the enactment of the proposed legislation. First, the legislation applies upon the act of renunciation of citizenship and would thus only indirectly affect emigration. While a right to emigrate is recognized in national legal systems and in both binding and non-binding international legal instruments, there does not appear to be an obvious consensus on the content of this right and, moreover, international legal instruments recognize the right of emigration may be restricted for certain purposes. Additionally, the proposed tax would not appear to violate a norm of customary international law. It would seem to be relatively common in international practice for an individual to incur tax consequences as a result of his or her emigration or expatriation.

Proposed legislation. Section 5 of H.R. 831, 104th Cong., 1st Sess. (1995), as reported by the Senate Finance Committee, would amend federal income tax law to require that property held by a United States citizen who relinquishes his or her citizenship be treated as sold for its fair market value at the time of relinquishment and any gain or loss be taken into account for the taxable year (new 26 U.S.C. §877A). Certain exceptions and conditions would apply to the general rule. Items currently excluded from gross income under 26 U.S.C. §§102 et seq. would continue to be excluded, as would real property and interests in retirement plans. The amount of realized gain would be reduced (but not below zero) by $600,000.

A tentative tax would be due 90 days after the taxpayer relinquishes citizenship, but for good cause payment of tax may be extended by the Secretary of the Treasury for up to 10 years. An individual will be deemed to have relinquished his or her citizenship (1) on the date the individual renounces his or her United States nationality before a diplomatic or consular officer, furnishes the State Department a signed statement of voluntary relinquishment, or is issued a certificate of loss of nationality by the State Department or (2) for naturalized citizens, on the date a court cancels the citizen's certificate of naturalization.

Currently, nonresident aliens are subject to income tax on certain property for ten years after losing United States citizenship, unless the loss of citizenship did not have as one of its purposes the avoidance of federal or income or estate and gift taxes (26 U.S.C. §877). This law would cease to apply to any individual who relinquishes his or her citizenship on and after February 6, 1995 (new 26 U.S.C. §877(f)).

International agreements. With respect to the right of emigration, we can identify only one clearly binding international agreement to which the United States is a party that addresses the right to emigrate as possibly implicated here—namely, the International Covenant on Civil and Political Rights.

Article 12 of the Covenant, which entered into force for the United States on September 8, 1992, provides, in pertinent part, as follows:

2. Everyone shall be free to leave any country, including his own.

3. The above-mentioned rights shall not be subject to any restrictions except those which are provided by law, are necessary to protect national security, public order (''order public''), public health or morals or the rights and freedoms of others, and are consistent with the other rights recognized in the present Covenant.

In submitting the Covenant to the Senate, the Executive Branch specifically stated that Article 12 ''guarantees . . . the right of emigration to all those lawfully within the territory of a State party.'' [1]

The Convention does not make the right to emigrate an absolute one. The right may be restricted for, among other things, reasons of ''public order,'' a phrase roughly analogous to the concept of public policy and likely including such notions as ''economic order.'' [2] Some commentary apparently indicates that States may certainly require that citizens pay normal tax obligations and public debts upon emigration,[3] but suggests that economic controls should not result in a de facto denial of the right to leave.[4]

The proposed legislation does not directly restrict the right of an individual to leave the United States and indeed covers individuals who may have already chosen to reside elsewhere. The tax would not be triggered by the mere act of leaving or residing abroad. It would be based on activities that occurred while the taxpayer was a citizen and appears to generally reflect amounts that for the most part would otherwise be payable upon death. The proposed tax obligation contains elements found in existing tax laws—for example, exclusions for items currently excludable from income tax under 26 U.S.C. §§101 et seq. (certain interest on state and local bonds, gifts and inheritances, etc.) and an exclusion of the first $600,000 of gain. Currently 26 U.S.C. §6018 requires an executor to file an estate tax return in all cases where the gross estate at the death of a citizen or resident exceeds $600,000. While current deferrals would apparently be eliminated, the possibility of deferred payment is not entirely foreclosed. Further, the tax burden would seem to be immediately lessened by the fact that certain real property and pension plans would be excluded.

Though curbs on expatriation may indirectly affect one's ability to emigrate, one may question, however, whether a restriction on expatriation would in fact restrict this right. The proposed tax does not, for example, amend current constitutional and statutory protection of a U.S. citizen's right to leave the country whether or not the tax is paid; in other words, the act of emigration would not appear to be conditioned on such payment. Moreover, it seems difficult to argue that a condition on U.S. expatriation would so affect foreign countries' willingness to accept U.S. citizens as residents that the right to leave the U.S. would be substantially impaired. More likely, there may be a number of foreign laws and regulations that could burden an individual who seeks to live elsewhere—e.g., restrictions on immigration, acquiring citizenship, eligibility for benefits.

Customary international law. Customary international law is defined as resulting ''from a general and consistant practice of states followed by them from a sense of legal obligation.[5] Further, a principle of customary international law would not bind a State that dissents from the norm while it is being developed nor if and when the practice evolves into a rule.[6] As stated in the Foreign Relations Restatement, whether a principle has achieved the status of an international legal norm would generally be determined by ''evidence appropriate to the particular source from which that rule is alleged to derive,'' [7] and thus the most reliable evidence for customary law would be ''proof of state practice, ordinarily by reference to official documents and other indications of governmental action'' and similar proof regarding a nation's dissent from the principle.[8]

The Universal Declaration of Human Rights (a United Nations General Assembly Resolution) and the Final Act of the Conference of Security and Cooperation in Europe (Helsinki Final Act) state or incorporate the notion of freedom of emigration [9] and to this extent they may be said to articulate a generally recognized international human right. It appears to remain uncertain, however, whether the Universal Declaration is binding.[10] Further, the Helsinki Final Act is not intended to legally bind parties. Even assuming that the right to emigrate may be considered to be a norm of customary international law, it is unclear whether the proposed tax would violate that right, given the apparent lack of international consensus on the issue of taxes keyed to expatriation and state practice to the contrary.

As for the right of expatriation in general, the Universal Declaration of Human Rights provides that ''no one shall be denied the right to change his nationality'' (Art. 15(2)). Nevertheless, while the United States over 10 years ago recognized a right of expatriation in statute,[11] other countries appear to have expressed different views on the matter.[12]

More specifically, identifying customary international law that may restrict a State's ability to limit emigration and expatriation necessarily requires examination of State taxation practices that affect those acts. A recent Joint Committee on Taxation staff document indicates that policies that attach

Footnotes at end of article.

tax consequences to emigration are common.[13] Many countries, including the United States, continue to impose income and capital gains tax liability on former residents (including citizens) after they emigrate. Commonly, this income and gains are also fully taxable in the new country of residence, and a recent emigre may face significantly higher taxation than would have been incurred had he or she not emigrated. Additionally Australia and Canada already tax an emigre's property upon emigration. Denmark and Germany also deem some types of property to have been sold upon emigration for tax purposes. In addition, United States bilateral income tax treaties generally contain a provision reserving a right on the part of the United States to tax for a period of ten years the property of a former citizen who is resident in the territory of the treaty partner.[14] Entry into the treaty obligation would appear to indicate at least some foreign acquiescence in this practice. In sum, the ''expatriation tax'' under consideration would not appear to inhibit international movement in ways that current international tax practice already does not.

Jackson-Vanik Amendment. The Jackson-Vanik Amendment, which makes nonmarket economy (NME) countries that do not meet statutory freedom-of-emigration standards ineligible for United States trade and financial benefits,[15] would not appear to provide sufficient evidence of the kind of state practice that is needed to create a customary rule of international law regarding the type of tax that is being proposed here. Three types of conduct are addressed by the Amendment: (1) denying citizens the right or opportunity to emigrate; (2) imposing more than a nominal tax on emigration or on the visas or other documents required for emigration, for any purpose or cause whatsoever; and (3) imposing more than a nominal tax, levy, fine, fee, or other charge on any citizen as a consequence of the desire of such citizen to emigrate to the country of his choice.[16] While the statute specifically incorporates language regarding the right to emigrate and defines unacceptable restrictions on that right, placing Jackson-Vanik-type requirements on trading partners would appear to be unique to the United States. Further, the targeted taxes are specifically related to emigration, rather than to expatriation and, moreover, clearly apply in an overly restrictive manner. They include fees for passport applications and exit visas that are ordinarily prohibitive when measured against average income.[17] These are far removed from the kind of tax proposed in H.R. 831, which, among other things, applies to individuals who have incurred a tax burden because of actions that would generally implicate tax laws absent renunciation of citizenship, affects taxpayers with untaxed capital gains in excess of $600,000, and, if the Internal Revenue Service agrees, might be payable on a deferred basis.

FOOTNOTES

[1] Senate Exec. E, 95th Cong., 2d Sess. xii (1977).

[2] See Kiss, ''Permissible Limitations on Rights,'' in L. Henkin, ed., The International Bill of Rights 290, 299–302 (1981); M. Nowak, U.N. Covenant on Civil and Political Rights: CCPR Commentary 212–214 (1993)[hereinafter cited as Nowak].

[3] The Movement of Persons Across Borders 82 (Sohn & Buergenthal eds. 1992), as cited in Prepared Statement of Robert F. Turner Before the Subcommittee on Taxation and IRS Oversight, Senate Comm. on Finance, March 21, 1995, at 8. We have been unable to consult this treatise directly.

[4] See, e.g., H. Hannum, ''The Right to Leave and Return in International Law and Practice 39–40 (1987); cf. Nowak, supra note 2, at 213–14.

[5] American Law Institute, Restatement (Third) of the Foreign Relations Law of the United States §102(2) (1987)[hereinafter cited as Foreign Relations Restatement]; see also Statute of the International Court of Justice, Art. 33(1).

[6] Id. at Comments b and d.

[7] Id. §103(1).

[8] Id. at Comment a.

[9] The International Declaration of Human Rights provides at Article 13(2) that ''everyone has the right to leave any country, including his own.'' The Final Act of the Conference on Security and Co-operation in Europe, August 1, 1975 (Helsinki Final Act), provides that ''the participating States will act in conformity with the purposes of the Charter of the United Nations and with the Universal Declaration of Human Rights. They will also fulfil their obligations as set forth in the international declarations and agreement in this field, including inter alia, the International Covenants on Human Rights, by which they may be bound.'' Helsinki Final Act, Declaration on Principles Guiding Relations Between States, ¶VII.

[10] Foreign Relations Restatement, supra note 5, at §701, Reporters' Note 6.

[11] Expatriation Act of July 27, 1868, 15 Stat. 223, 8 U.S.C. §1481 note.

[12] W. Bishop, International Law 526 (3d ed. 1971); Foreign Relations Restatement, supra note 5, at §211, Reporters' Note 4.

[13] Joint Committee on Taxation Staff Document (JCX–14–95) on Background and Issues Relating to Taxation of U.S. Citizens Who Relinquish Citizenship, Prepared for Senate Finance Committee Hearing March 21, 1995, at 8–11 [hereinafter cited as Joint Committee Document], as reprinted in Daily Tax Reporter, No. 55, L–11, L–15—L–16 (March 22, 1995).

[14] Joint Committee Document, supra note 13, at 16, as reprinted in Daily Tax Reporter, March 22, 1995, at L–18.

[15] 19 U.S.C. §2432.

[16] 19 U.S.C. §2432(a).

[17] Joint Committee Document, supra note 13, at 18, as reprinted in Daily Tax Reporter, March 22, 1995, at L–19.

SECTION 201 OF TAX COMPLIANCE ACT OF 1995: CONSISTENCY WITH INTERNATIONAL HUMAN RIGHTS LAW

The Department of State believes that Section 201 of the proposed Tax Compliance Act of 1995 is consistent with international human rights law. As described below, closing a loophole that allows extremely wealthy people to evade U.S. taxes through renunciation of their American citizenship does not violate any internationally recognized right to leave one's country. It is inaccurate on legal and policy grounds to suggest that the Administration's proposal is analogous to efforts by totalitarian regimes to erect financial and other barriers to prevent their citizens from leaving. The former Soviet Union, for example, sought to impose such barriers only on people who wanted to leave, and not on those who stayed. In contrast. Section 201 seeks to equalize the tax burden born by all U.S. citizens by ensuring that all pay taxes on gains above $600,000 that accrue during the period of their citizenship. Unlike the Soviet effort to discriminate against people who sought to leave, the purpose of Section 201 is to treat those who renounce their U.S. citizenship on the same basis as those who remain U.S. citizens.

Section 201 would require payments of taxes by U.S. citizens and long-term residents on gains above $600,000 that accrue immediately prior to renunciation of their U.S. citizenship or long-term residency status. These tax requirements are similar to those that they would face if they remained U.S. citizens or long-term residents at the time they realized their gains or at death. While U.S. tax policy generally allows taxpayers to defer gains until they are realized or included in an estate, we understand from the Department of the Treasury that Section 201 treats renunciation as a taxable event because such act effectively removes the underlying assets from U.S. taxing jurisdiction.

International law recognizes the right of all persons to leave any country, including their own, subject to certain limited restrictions. Article 12(2) of the International Covenant on Civil and Political Rights provides that: ''Everyone shall be free to leave any country, including his own.'' Article 12(3) states that the right ''shall not be subject to any restrictions except those which are provided by law, are necessary to protect national security, public order (order public), public health or morals or the rights and freedoms of others, and are consistent with the other rights recognized in the present Covenant.''

Section 201 does not affect a person's right to leave the United States. Any tax obligations incurred under Section 201 would be triggered by the act of renunciation of U.S. citizenship, and not by the act of leaving the United States. In addition, since during peacetime U.S. citizens must be outside the United States to renounce their citizenship (see 8 U.S.C. Secs. 1481(a)(5), 1483(a)) the persons affected by Section 201 would have already left the United States. Renunciation does not preclude them from returning to the United States as aliens and subsequently leaving U.S. territory. Accordingly, Section 201 does not affect a person's right or ability to leave the United States.

Inherent in the right to leave a country is the ability to leave permanently, i.e., to emigrate to another country willing to accept the person. The proposed tax is as unconnected to emigration as it is to the right to leave the United States on a temporary basis. It is not the act of emigration that triggers tax liability under Section 201, but the act of renunciation of citizenship. These two acts are not synonymous and should not be confused with one another. Because the United States allows its citizens to maintain dual nationality, U.S. citizens may emigrate to another country and retain their U.S. citizenship. Hence, the act of emigration itself does not generate tax liability under Section 201. Indeed, we understand from the Department of the Treasury that some of the people potentially affected by Section 201 already maintain several residences abroad and hold foreign citizenship. Moreover, in stark contrast to most emigrants, particularly those fleeing totaliatarian regimes, some continue to spend up to 120 days each year in the United States after they have renounced their U.S. citizenship.

While emigration from the United States should not be confused with renunciation of U.S. citizenship, it should nonetheless be noted that it is well established that a State can impose economic controls in connection with departure so long as such controls do not result in a de facto denial of emigration. As Professor Hurst Hannum notes in commenting on the restrictions on the right to leave set forth in Article 12 of the Covenant:

''Economic controls (currency restrictions, taxes, and deposits to guarantee repatriation) should not result in the de facto denial of an individual's right to leave . . . If such taxes are to be permissible, they must be applied in a non-discriminatory manner and must not serve merely as a pretext for denying the right to leave to all or a segment of the population (for example, by requiring that a very high 'education tax' be paid in hard currency in a country in which possession of hard currency is illegal).''[1]

A wealthy individual who is free to travel and live anywhere in the world, irrespective of nationality, is in no way comparable to that of a persecuted individual seeking freedom who is not even allowed to leave his or her country for a day. In U.S. law, the Jackson-Vanik amendment to the Trade Act of 1974 (19 U.S.C. Sec. 2432) is aimed at this latter case and applies to physical departure, not change of nationality. Examples of States' practices that have been considered to interfere with the ability of communist

country citizens to emigrate include imposing prohibitively high taxes specifically applied to the act of emigration with no relation to an individual's ability to pay, or disguised as ''education taxes'' to recoup the State's expenses in educating those seeking to depart permanently. Such practices also include punitive actions, intimidation or reprisals against those seeking to emigrate (e.g., firing the person from his or her job merely for applying for an exit visa). It is these offensive practices that the Jackson-Vanick amendment is designed to eliminate and thereby ensure that the citizens of all countries can exercise their right to leave. (See Tab A for further analysis of the Jackson-Vanik amendment.)

The only international human rights issue that is relevant to analysis of Section 201 is whether an internationally recognized right to change citizenship exists and, if so, whether Section 201 is consistent with it. The Universal Declaration of Human Rights, which is in many respects considered reflective of customary international law, provides in Article 15(2) that: ''No one shall be arbitrarily deprived of his nationality nor denied the right to change his nationality'' (emphasis added).[2] Although many provisions of the Universal Declaration have been incorporated into international law, for example in the International Covenant on Civil and Political Rights, Article 15(2) is not. Accordingly, the question arises whether this provision could be considered to be customary international law.

States' views on this question and practices do vary. Many countries have laws governing the renunciation of citizenship, but renunciation is not guaranteed because they have also established preconditions and restrictions, or otherwise subject the request to scrutiny.[3] Professor Ian Brownlie has commented on Article 15(2) in the context of expatriation that: ''In the light of existing practice, however, the individual does not have this right, although the provision in the Universal Declaration may influence the interpretation of internal laws and treaty rules.''[4] Others agree with this position. (See Restatement of the Foreign Relations Law of the United States, Sec. 211, Reporters' Note 4). Nonetheless, the United States believes that individuals do have a right to change their nationality. The U.S. Congress took the view in 1868 that the ''right of expatriation is a natural and inherent right of all people'' in order to rebut claims from European powers that ''such American citizens, with their descendants, are subjects of foreign states, owing allegiance to the governments thereof. . . .'' (Rev. Stat. Sec. 1999).

It is evident, however, that States do not recognize an unqualified right to change nationality. It is generally accepted, for example, that a State can require that a person seeking to change nationality fulfill obligations owed to the State, such as pay taxes due or perform required military service.[5] This is especially true where—as here—the requirement is by its nature proportional to the means to pay, and thus does not present a financial barrier.

The consistency between Section 201 and international human rights law is further demonstrated by the practice of countries that are strong supporters of international human rights and that have adopted similar tax policies. According to the Report prepared by the Staff of the Joint Committee on Taxation, Germany imposes an ''extended tax liability'' on German citizens who emigrate to a tax-haven country or do not assume residence in any country and who maintain substantial economic ties to Germany. Australia imposes a tax when an Australian resident leaves the country; such person is treated as having sold all of his or her non-Australian assets at fair market value at the time of departure. To provide another example, Canada considers a taxpayer to have disposed of all capital gain property at its fair market value upon the occurrence of certain events, including relinquishment of residency.

Accordingly, Section 201 would not raise concerns with respect to change of citizenship for two reasons. First, U.S. citizens would remain free to choose to change their citizenship. This proposal does not in any way preclude such choice, even indirectly. Any tax owed, by its nature, applies only to gains and thus should not exceed an individual's ability to pay. Second, international law would not proscribe reasonable consequences of relinquishment, such as liability for U.S. taxes that accrue during the period of citizenship. We understand from the Department of the Treasury that the imposition of taxes under Section 201 would be equitable, reasonable and consistent with overall U.S. tax policy. We are aware of no evidence that would suggest otherwise. The tax, as we understand it, applies only to gains that accrued during the period of citizenship in excess of $600,000; the tax rate is consistent with other tax rates; and affected persons have the financial means to pay the tax. Indeed, were these persons to choose to retain their U.S. citizenship, they would have to pay similar taxes upon realization of their gains or upon death. Obviously, there is no international right to avoid paying taxes by changing one's citizenship.

In conclusion, it is the view of the Department of State that Section 201 does not violate international human rights law. Accordingly, the debate on the merits of Section 201 should focus solely on domestic tax policies and priorities.

FOOTNOTES

[1] H. Hannum, ''The Right to Leave and Return in International Law and Practice'' 39–40 (1987).

[2] Article XIX of the American Declaration on the Rights and Duties of Man provides that: ''Every person has the right to the nationality to which he is entitled by law and to change it, if he so wishes, for the nationality of any other country that is willing to grant it to him.'' The Declaration is not a treaty and has not itself acquired legally binding force.

[3] See Coumas v. Superior Court in and for San Joaquin County (People, Intervenor), 192 P. 2d 449, 451 (Sup. Ct. Calif. 1948). When confronted with Greek refusal to consent to an expatriation, the Supreme Court of California stated: ''. . . The so-called American doctrine of 'voluntary expatriation' as a matter of absolute right cannot postulate loss of original nationality on naturalization in this country as a principle of international law, for that would be tantamount to interference with the exclusive jurisdiction of a nation within its own domain.''

[4] I. Brownlie, ''Principles of International Law'' (4th ed.) 557 (1990). Professor Lillich comments that ''the right protected in [Article 15] has received very little subsequent support from states and thus can be regarded as one of the weaker rights . . . '' ''Civil Rights,'' in T. Meron, ''Human Rights in International Law'' at 153–154 (1988).

[5] A State should not, for example, withhold discharge from nationality if, inter alia, acquisition of the new nationality has been sought by the person concerned in good faith and the discharge would not result in failure to perform specific obligations owed to the State. P. Weis, ''Nationality and Statelessness in International Law'' (2nd ed.) 133 (1979). In Coumas, supra note 3, the Supreme Court of California observed that Greece qualified the right of expatriation on fulfillment of military duties and procurement of consent of the Government.

TAB A

Section 201 of the proposed Tax Compliance Act of 1995 does not conflict with the Jackson-Vanik amendment to the Trade Act of 1974 (19 U.S.C. §2432). That amendment restricts granting most-favored-nation treatment and certain trade related credits and guarantees to a limited number of nonmarket economies that unduly restrict the emigration of their nationals. Specifically, it applies to any nonmarket economy which:

''(1) Denies its citizens the right or opportunity to emigrate;

''(2) Imposes more than a nominal tax on emigration or on the visas or other documents required for emigration, for any purposes or cause whatsoever; or

''(3) Imposes more than a nominal tax, levy, fine, fee or other charge on any citizen as a consequence of the desire of such citizen to emigrate to the country of his choice * * *.''

This provision, according to the Senate Finance Committee, was ''intended to encourage free emigration of all peoples from all communist countries (and not be restricted to any particular ethnic, racial, or religious group from any one country). (1974 U.S.C.C.A.N. 7338.) These countries were expected to ''provide reasonable assurances that freedom of emigration will be a realizable goal'' if they were to enter into bilateral trade agreements with the United States. (Id.)

The amendment does not apply to emigration from the United States or to the renunciation of U.S. citizenship. It has been suggested, however, that Section 201 would somehow conflict with the ''spirit'' or the ''principles'' of the Jackson-Vanik amendment. The Department of State does not agree with such proposition.

Generally, in implementing this statute, the President makes determinations concerning a nonmarket economy's compliance with freedom of emigration principles contained in the amendment. Such determinations take into account the country's statutes and regulations, and how they are implemented day to day, as well as their net effect on the ability of that country's citizens to emigrate freely. The President may, by Executive Order, waive the prohibitions of the Jackson-Vanik amendment if he reports to Congress that a waiver will ''substantially promote'' the amendment's freedom of emigration objectives, and that he has received assurances from the country concerned that its emigration practices ''will henceforth lead substantively to the achievement'' of those objectives. (19 U.S.C. sec. 2431(c).)

Several types of State practices have been considered by the United States to interfere with the ability of communist country citizens to emigrate, such as:

Prohibitively high taxes specifically applied to the act of emigration with no relation on an individual's ability to pay or disguised as ''education taxes'' seeking to recoup the state's expenses in educating those who are seeking to permanently depart;

Punitive actions, intimidation or reprisals by the State against those seeking to emigrate (e.g., firing a person from his or her job merely for applying for an exit visa);

Unreasonable impediments, such as requiring adult applicants for emigration visas to obtain permission from their parents or adult relatives;

Unreasonable prohibitions of emigration based on claims that the individual possesses knowledge about state secrets or national security; and

Unreasonable delays in processing applications for emigration permits or visas, interference with travel or communications necessary to complete applications, withholding of necessary documentation, or processing applications in a discriminatory manner such as to target identifiable individuals or groups for persecution (e.g., political dissidents, members of religious or racial groups, etc.).

Examples of these practices in the context of the former Soviet Union are described in an exchange of letters between Secretary of

State Kissinger and Senator Jackson of October 18, 1974, discussing freedom of emigration from the Soviet Union and Senator Jackson's proposed amendment to the Trade Act, now known as the Jackson-Vanik amendment. (Reprinted in 1974 U.S.C.C.A.N. 7335–38.)

As explained in the accompanying memorandum, Section 201 does not deny anyone the right or ability to emigrate, and does not impose a tax on any decision to emigrate. Neither does the proposed tax raise questions of disparate standards applicable to the United States as against the nonmarket economies subject to Jackson-Vanik restrictions.

The emigration practices of those countries which have been the target of Jackson-Vanik restrictions have typically involved individuals or groups that have been persecuted by the State (e.g., dissidents), precluded family reunification, applied across the board to all citizens by a totalitarian State in order to preclude massive exodus, or have otherwise been so restrictive as to effectively prevent the exercise of the international right to leave any country including one's own (as recognized in Article 12(2) of the International Covenant on Civil and Political Rights and further described in the accompanying memorandum). Furthermore, the primary objectives of those seeking to emigrate from those countries have been to avoid further persecution or to be reunified with their relatives, and to leave permanently. It was the act of leaving for any period of time that the State sought to block. None of these conditions are comparable to the exercise of taxing authority by the United States under Section 201 or to the status of individuals who would be subject to that tax.

As stated in the accompanying memorandum, Section 201 would not interfere with the right of an individual to physically depart from the United States, whether temporarily or permanently.

TUFTS UNIVERSITY, THE FLETCHER SCHOOL OF LAW AND DIPLOMACY,
March 31, 1995.

Hon. DANIEL PATRICK MOYNIHAN,
U.S. Senate.
Attention: Patricia McClanahan,
Re Tax Compliance Act of 1995, H.R. 981.

DEAR SENATOR MOYNIHAN: I wrote you on 24 March expressing my concern over the possible human rights implications of the so-called ''exit tax'' called for in the above-referenced bill. As I noted then, what appeared to be the imposition of a tax solely on the ground that a person was renouncing his or her citizenship could interfere with the right of every person ''to leave any country, including his own,'' which is guaranteed under article 12 of the Covenant on Civil and Political Rights.

I am gratified that the human rights issues related to this bill have become a subject of serious debate, and I appreciate your contribution to that debate. Having now received additional and more specific information about the tax, however, I have become convinced that neither its intention nor its effect would violate present U.S. obligations under international law.

Although imposition of a special tax on those who wished to renounce U.S. citizenship might be questionable, it is my understanding that the tax in question is based on accrued income and, in effect, treats renunciation of citizenship as the financial equivalent of death for the purpose of attaching tax liability. There are undoubtedly negative consequences to the individual concerned in having to pay taxes on gains while he or she is alive rather than after death, but there is no internationally protected right to escape taxation by changing citizenship. However, in order to clarify that the purpose and effect of the proposed tax are non-discriminatory, the language might be rewritten to offer the individual the option of complying with the new tax or electing to have realized gains taxed only as part of the individual's estate—subject to an appropriate escrow account being established for money which would be otherwise be expected to be beyond U.S. jurisdiction at the time of death.

In sum, imposition of a non-discriminatory tax on accrued income at the time citizenship is renounced, in a manner consistent with the way in which that same income would be treated at the time of death, does not appear to me to violate either the internationally protected right to emigrate or the (somewhat less well protected) right to a nationality.

Thank you for the opportunity to clarify my views on this important matter.

Yours sincerely,

HURST HANNUM,
Associate Professor of International Law.

The PRESIDING OFFICER (Mrs. KASSEBAUM). The question is on agreeing to the amendment of the Senator from Massachusetts. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 96, nays 4, as follows:

[Rollcall Vote No. 128 Leg.]

YEAS—96

Abraham	Feingold	Lugar
Akaka	Feinstein	McCain
Ashcroft	Ford	McConnell
Baucus	Frist	Mikulski
Bennett	Glenn	Moseley-Braun
Biden	Gorton	Moynihan
Bingaman	Graham	Murkowski
Bond	Grams	Murray
Boxer	Grassley	Nickles
Bradley	Gregg	Nunn
Breaux	Harkin	Packwood
Brown	Hatch	Pell
Bryan	Hatfield	Pressler
Bumpers	Heflin	Pryor
Burns	Helms	Reid
Byrd	Hollings	Robb
Campbell	Hutchison	Rockefeller
Chafee	Inhofe	Roth
Coats	Inouye	Santorum
Cochran	Jeffords	Sarbanes
Cohen	Johnston	Shelby
Conrad	Kassebaum	Simon
Coverdell	Kempthorne	Simpson
D'Amato	Kennedy	Smith
Daschle	Kerrey	Snowe
DeWine	Kerry	Specter
Dodd	Kohl	Stevens
Dole	Lautenberg	Thomas
Domenici	Leahy	Thompson
Dorgan	Levin	Thurmond
Exon	Lieberman	Warner
Faircloth	Lott	Wellstone

NAYS—4

Craig	Kyl
Gramm	Mack

So, the amendment (No. 448) was agreed to.

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

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

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill 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.

AMENDMENT NO. 567 TO AMENDMENT NO. 420

(Purpose: To make $10,000,000 of nutrition services and administration funds for WIC to promote immunizations)

Mr. BUMPERS. Madam President, I send an amendment to the desk.

The PRESIDING OFFICER. Without objection, the pending amendments will be set aside. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS] proposes an amendment numbered 567 to amendment No 420.

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

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

The amendment is as follows:

''SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

''The paragraph under this heading in Public Law 103–330 (108 Stat. 2441) is amended by inserting before the period at the end, the following:

'': *Provided further*, That notwithstanding any other provision of law, up to $10,000,000 of nutrition services and administration funds may be available for grants to WIC State agencies for promoting immunization through such efforts as immunization screening and voucher incentive programs.''

Mr. BUMPERS. Madam President, this is an amendment that was part of the law last year and should be part of the bill this year. It allows up to $10 million in WIC administrative expenses to be used for incentives for immunizing children prior to the age of 2 years.

This has been cleared by Senator COCHRAN, who is chairman of the Appropriations Committee on Agriculture where this resides, and with the distinguished chairman of the full Appropriations Committee.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Madam President, the Senator is correct. The matter has been cleared by our side of the aisle, by the subcommittee chair, and the Senator from Arkansas is the ranking member of that subcommittee.

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

The amendment (No. 567) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. WELLSTONE. Madam President, I ask unanimous consent that I be able to speak for 10 minutes as in morning business.

Mr. LOTT. Madam President, the Senator is not offering an amendment, he is just going to speak in morning business?

Mr. WELLSTONE. Madam President, the Senator from Mississippi is correct.

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

VIOLENCE IN AMERICA

Mr. WELLSTONE. I thank the Chair.

Madam President, I come before the Senate today to underscore the commitment that we must make to end domestic violence in America.

Beginning today, every time a person in my State of Minnesota dies at the hands of an abuser, I will make sure that their story becomes part of the CONGRESSIONAL RECORD. I do this so that we all remember how deeply this violence scars our society and, most importantly, as a reaffirmation of our commitment to ending domestic violence.

Indeed, if we are ever going to stop the violence in our communities and in our workplaces and on the street, we must begin in the home.

I am here today with evidence that the brutal violence continues, and while it continues to be the single most important or the single most significant cause of injury to women, this violence knows no boundaries of age or gender or race or geography or income or education. The violence goes on year after year, generation after generation.

In Minnesota in 1994, at least 19 women and 7 children were killed brutally by a spouse or former partner. With pain, but also with great determination, I ask that we honor the memory of the following individuals, and from my heart, I ask that we work to end the kind of violence that has cost these individuals, their families and their communities so much:

Pamela Bennett, 34 years of age, January 5, Bemidji, MN. Pamela and her boyfriend of Bemidji were traveling together in Oregon when they stopped at a rest stop. Hoagland reported to authorities that a hit-and-run driver struck Pamela at the rest stop as she exited the restroom. She was dead upon arrival at the hospital. When police found no evidence of an accident, Hoagland told authorities that he had lied about the accident and that she fell beneath their travel trailer as he pulled away from the rest stop without her. Hoagland was charged with filing a false police report, assault and harassment. In late March, Hoagland pleaded guilty to misdemeanor charges in her death. He was sentenced to 5 months in jail.

Pamela Kay Currie, 45, January 14, St. Francis, MN. Pamela was found stabbed to death in her home by police who were called by her husband, Gary Currie. He reported awaking in the morning and finding his wife dead on the bed and a knife sticking out of his own chest. He told authorities he remained in bed for almost a whole day before calling 911 because he hoped he would die. Curry was charged with second-degree murder.

Mary Sue Oberender, 46, February 16, Watertown, MN. Mary Sue was found shot to death in her home by her husband, Lawrence. Authorities discovered the car in Minneapolis and, within a half an hour, arrested two youths. The youths, Mary Sue's teenage son, Christian, 14, and a friend, also 14, were arrested. They indicated the shooting stemmed from a minor difference one of them had had with the mother. Police said the shooting appeared somewhat planned, as if by ambush. There were no signs of struggle. Mary Sue was a volunteer for Scouts at a local elementary school. Her husband is a Watertown-Mayer school board member.

Gertrude Bestor, 86, February 19, Granger, MN.

And finally, some murders of children:

Lydia Healy, 4 years of age. Police officers found Lydia lying on her living room floor after her mother, Judey Healy, reported to police that Lydia wasn't breathing. Lydia was hospitalized for 8 days before she died. Her injuries included massive swelling of the brain caused by shaking or hitting; large black-and-blue marks on the tops of her feet; marks on her legs; bruises on her stomach and chest; a burned hand; bruises on her face; two large welts above an eye and on her cheek; and a burn or cut on her chin. Lydia's 11-year-old brother told police that his mother beat Lydia with a spatula and was left sitting in a bathtub of cold water. The next morning, neither he nor his mother were able to wake Lydia. Judey Healy was charged with second-degree murder.

Geneva Broaden, 15, March 10, 1995, St. Paul. Alfred Robinson, 51, the live-in companion of Geneva's mother, summoned authorities to their home and reportedly confessed to beating Geneva. Robinson told police he punched Geneva and kicked and stomped on her after she fell down because of a dispute over use of the telephone. When found, Geneva was not breathing and was transported to a medical center where she was pronounced dead. Police described the assault as ''a very vicious attack.''

Adriana Whiteside, age 4, March 11, 1995, St. Paul. Adriana was found stabbed inside her father's apartment. She was stabbed near her heart with a pocketknife and was rushed to the hospital where she died a short time later. A 14-year-old boy, Randy Burgess, who was babysitting Adriana and her infant stepsister, was seen by neighbors running through the building, carrying Adriana screaming, ''Call 911. I stabbed a baby.'' He was arrested at the scene. He allegedly told police he was planning to kill someone when he found himself alone with Adriana. Randy Burgess was charged with intentional second-degree murder.

And finally, Jessica Turner, age 8, March 31, 1995, St. Paul. Jessica died after being stabbed in the chest and tumbling down a flight of stairs in her parent's apartment. Her stepfather, who had been released from a chemical dependency center on March 24, was drinking when he allegedly stabbed Jessica and her mother. He was found 5 hours after the stabbings, arrested and was charged with second-degree murder and attempted second-degree murder.

Madam President, as I went over the names of these Minnesotans who died at the hands of an abuser—and as I say, I want their story to become a part of the CONGRESSIONAL RECORD because I want us to honor them, I want us to make a commitment to stopping this violence—I realize that I did not read the circumstances of Gertrude Bestor, 86.

Gertrude's daughter went to her mother's house after a signal had been sounded by Gertrude's medical alert alarm. As she approached the house, she saw a pickup truck speeding away and found Gertrude lying on her bedroom floor beaten to death.

The daughter recognized the truck as belonging to Gertrude's step-great-grandson. He was arrested about an hour later after police stopped him in his pickup truck and noticed bloodstains on his clothes and hands. He was charged with two counts of second-degree murder and a count of first-degree murder.

Madam President, I would like to end this presentation with a quote from my wife, Sheila:

> We will not tolerate the violence, we will not ignore the violence, we will no longer say it is someone else's responsibility.

I urge all of my colleagues, and I have two great colleagues out here on the floor with me right now, the Senator from Oregon and the Chair, the Senator from Kansas, to work with the survivors, the advocates, the medical professionals, the justice system in our own States, and to support full community involvement in ending the violence.

I urge my colleagues, Democrats and Republicans alike, to work with passion and conviction to make this a priority for our work of the Senate. We must do everything we can to make homes the safest places that they can be. I yield the floor.

Mr. HATFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEVIN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded and I be allowed to proceed in morning business for 8 minutes.

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

LOBBYING AND GIFT REFORM

Mr. LEVIN. Madam President, there has been a lot of talk on the House side this week about the bills they have passed as a part of their so-called Contract With America. I have my own views about many of those bills.

But today, I would like to talk about what was not included in the so-called contract. The contract does not include campaign finance reform legislation, it does not include lobbying disclosure legislation, and it does not include gift reform legislation. So, on the three biggest political reform issues facing the Congress today, the Contract With America is silent. The House of Representatives has been silent. We in the Senate have also been silent. We have done nothing to address these fundamental problems with the way business is done in Washington today.

We tried to bring these issues up in January, but we were told that that the new Republican leadership wanted some time, wanted a chance to govern. Action would come in a few months, we were told.

Well, we have waited more than 3 months, and there is no sign of any serious effort to enact lobbying and gift reform. No hearings have been scheduled, there have been no mark-ups, and no effort has been made to bring a bill to the Senate floor.

If anything, it appears that we have been moving in the wrong direction on political reform. Special interest seems to be more influential than ever. Every week, we read new stories about how special interest lobbyists have written bills, and have been invited into committee rooms to brief congressional staff about what those bills would do.

Reform of the Federal lobbying laws and of the congressional gift rules is too important to wait any longer. This should not be hard. My lobbying reform and gift reform bills each received 95 votes in the Senate in the last Congress.

It was only when the conference report got caught up in a last-minute filibuster that we were unable to finally pass lobbying registration reform and gift reform.

Our existing lobbying registration laws have been characterized by the Department of Justice as ineffective, inadequate, and unenforceable; they breed disrespect for the law because they are so widely ignored; they have been a sham and a shambles since they were first enacted almost 50 years ago. At a time when the American public is increasingly skeptical that their government really belongs to them, our lobbying registration laws have become a joke, leaving more professional lobbyists unregistered than registered.

My lobbying reform bill would ensure that we finally know who is paying how much to whom, to lobby what Federal agencies and congressional committees on what issues. This bill would close the loopholes in existing lobbying registration laws. It would cover all professional lobbyists, whether they are lawyers or non-lawyers, in-house or independent, whether they lobby Congress or the executive branch, and whether their clients are for-profit or non-profit. It would streamline reporting requirements and eliminate unnecessary paperwork. And it would provide, for the first time, effective administration and enforcement of disclosure requirements by an independent office.

The congressional gift rules are also fundamentally flawed. These rules currently permit Members and staff to accept unlimited meals from lobbyists or anybody else. They permit the acceptance of football tickets, baseball tickets, opera tickets, and theater tickets. They permit Members and staff to travel to predominantly recreational events, such as charitable golf and tennis tournaments, which are paid for by special interest groups. To the public, these rules reinforce an image of a Congress more closely tied to the special interests than to the public interest. That is not good for the Congress and it is not good for the country.

Our bill would address this problem as well. Under our bill, lobbyists would be prohibited from providing meals, entertainment, travel, or virtually anything else of value to Members of Congress and congressional staff. Acceptance of gifts from others would also be restricted significantly. To give just one example, my bill would prohibit private interests from paying for recreational expenses, such as greens fees, for Members of Congress, whether in Washington or in the course of travel outside Washington. In fact, private interests would be prohibited from paying for congressional travel to any event, the activities of which are substantially recreational in nature. If my bill passes, recreational activities paid for by interest groups will be a thing of the past.

The enactment of our bill would fundamentally change the way business is conducted on Capitol Hill. It would get rid of the gifts, and it would bring lobbying out in the open. If we are serious about changing the way government works, we will enact this legislation, and do it soon.

I thank the Chair and 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.

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

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

EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. Without objection, the pending amendment is set aside.

AMENDMENT NO. 569 TO AMENDMENT NO. 420

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Washington [Mr. GORTON] proposes an amendment numbered 569 to amendment No. 420.

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

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

The amendment is as follows:

On page 17 of amendment 420, strike lines 14 through 17.

Mr. GORTON. Mr. President, this is the first of a series of five minor amendments to the Interior section of this rescission bill which had been worked out in each case with all of the affected parties, including the chairman and ranking minority members of authorizing committees where they include authorizing language.

Their first amendment deletes a proposed $3 million rescission of funds available to the Fish and Wildlife Service in the Endangered Species Act, and it is placed at this point because such a rescission and certain set of restrictions proposed on the Defense supplemental by the distinguished junior Senator from Texas has now been accepted as a part of that conference committee.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Washington.

The amendment (No. 569) was agreed to.

AMENDMENT NO. 570 TO AMENDMENT NO. 420

(Purpose: To allow grazing permits, that expired in 1994 and in 1995 before the date of enactment and were not replaced due to NEPA requirements, to be reinstated or extended)

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

The PRESIDING OFFICER. Without objection, the pending amendment will be set aside, and the clerk will report.

The assistant legislative clerk read as follows:

The Senator from Washington [Mr. GORTON] proposes an amendment numbered 570 to amendment No. 420.

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

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

The amendment is as follows:

On page 26, after line 2, insert the following: ''This section shall only apply to permits that were not extended or replaced with a new term grazing permit solely because the analysis required by the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et

seq.) and other applicable laws has not been completed and also shall include permits that expired in 1994 and in 1995 before the date of enactment of this Act.''

Mr. GORTON. Mr. President, this amendment makes a correction in an amendment earlier adopted by the body on the part of the distinguished Senator from South Dakota [Mr. PRESSLER]. A confusion between himself and myself left out a couple of very important words. This makes that correction.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Washington.

The amendment (No. 570) was agreed to.

AMENDMENT NO. 571 TO AMENDMENT NO. 420

(Purpose: A technical correction to clarify that funds proposed for rescission are from multiple prior year unobligated balances)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Washington [Mr. GORTON] proposes an amendment numbered 571 to amendment No. 420.

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

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

The amendment is as follows:

On page 23, strike lines 17–18 and insert in lieu thereof the following: ''Of the available balances under this heading, $3,000,000 are rescinded.''

Mr. GORTON. Mr. President, this is a technical correction to a rescission with respect to the Kennedy Center here in Washington, DC. It does not affect the rescission. But it makes its meaning clear.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Washington.

The amendment (No. 571) was agreed to.

AMENDMENT NO. 572 TO AMENDMENT NO. 420

(Purpose: To rescind $150,000 of the appropriation for the Office of Aircraft Service of the Department of the Interior)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Washington [Mr. GORTON] for Mr. MURKOWSKI, proposes an amendment numbered 572 to amendment No. 420.

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

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

The amendment is as follows:

On page 20, between lines 13 and 14, insert the following:

DEPARTMENTAL OFFICES

OFFICE OF THE SECRETARY

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–332 for the Office of Aircraft Services, $150,000 of the amount available for administrative costs are rescinded, and in expending other amounts made available, the Director of the Office of Aircraft Services shall, to the extent practicable, provide aircraft services through contracting.

Mr. GORTON. Mr. President, this amendment is offered on behalf of the junior Senator from Alaska, [Mr. MURKOWSKI]. It rescinds $150,000 in administrative funds for the Office of Aircraft Services, and is at the request of the Senator from Alaska. It is a rescission in Alaska.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Alaska.

The amendment (No. 572) was agreed to.

AMENDMENT NO. 573 TO AMENDMENT NO. 420

(Purpose: To amend the Supplemental Appropriations and Rescissions Bill for the fiscal year ending September 1995)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Washington [Mr. GORTON], for Mr. STEVENS, proposes an amendment numbered 573 to amendment No. 420.

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

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

The amendment is as follows:

On Page 81, after Line 18, add a new section as follows:

SEC. . (a) As provided in subsection (b), and Environmental Impact Statement prepared pursuant to the National Environmental Policy Act or a subsistence evaluation prepared pursuant to the Alaska National Interest Lands Conservation Act for a timber sale or offering to one party shall be deemed sufficient if the Forest Service sells the timber to an alternate buyer. (b.) The provision of this section shall apply to the timber specified in the Final Supplement to 1981–86 and 1986–90 Operating Period EIS (''1989 SEIS''), November, 1989; in the North and East Kuiu Final Environmental Impact Statement, January 1993; in the Southeast Chicagof Project Area Final Environmental Impact Statement, September 1992; and in the Kelp Bay Environmental Impact Statement, February 1992, and supplemental evaluations related thereto.

Mr. GORTON. Mr. President, this is an amendment in behalf of the senior Senator from Alaska, [Mr. STEVENS], and it has to do with legislative language relating to environmental impact statements. It is one that has been OK'd by both sides on the Energy Committee, as it does include authorizing legislation.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Alaska.

The amendment (No. 573) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. GORTON. Mr. President, I thank you. I thank the Senator from New York.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

VISIT TO THE SENATE BY THE PRIME MINISTER OF THE ISLAMIC REPUBLIC OF PAKISTAN, BENAZIR BHUTTO

Mr. HELMS. Mr. President, the Senate Foreign Relations Committee has the honor of welcoming the distinguished Prime Minister of the Islamic Republic of Pakistan, and I wish to bring her to the Senate floor.

RECESS

Mr. HELMS. Mr. President, I ask unanimous consent that it be in order for the Senate to have 5 minutes in recess to greet and welcome this distinguished lady.

There being no objection, the Senate, at 4:08 p.m., recessed until 4:12 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. COATS).

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. 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. HELMS. 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. HELMS. Mr. President, I would ask the distinguished Presiding Officer if my understanding is correct that we are in a period when amendments can be offered, although several amendments—I do not know how many—have been set aside for this purpose; is that correct?

The PRESIDING OFFICER. That is correct. Although it does take unanimous consent to set aside the pending

amendments before additional business can be ordered.

Mr. HELMS. Mr. President, I ask unanimous consent that all the amendments necessary be set aside.

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

Mr. HELMS. Mr. President, I have a bit of a dilemma. I have been in Foreign Relations Committee meetings and other things most of the day. I am not aware of precisely what has happened on one issue which is of great interest to me and which I consider to be an outrageous invasion of the taxpayers money. It involves the 1995 appropriations bill containing $30 million that would be spent to build housing for Russian military officers.

My understanding is that there may have been some action to delete part of that $30 million. I will speak my opinion about this and then I will consult with the chairman of the Appropriations Committee, who is now on the floor, about whether my understanding is correct.

This program was begun, as I recall, in 1993 by President Clinton. In my judgment, it is a perfect example of how the United States conceives a bad foreign aid giveaway program, shrouds it in doubletalk to protect it, and then scrambles to spend the money when elected officials in Congress raise questions about it.

In April 1993, President Clinton met at a summit with Russian President Boris Yeltsin in Vancouver. At that time, Mr. Clinton proposed that the United States would pay—meaning the taxpayers of the United States would pay—to construct housing in Russia so that Russian troops occupying the Baltic States could be withdrawn to Russia.

Now, let me drag that by one more time—going to spend American taxpayers' money to build housing for Russian soldiers so Russian soldiers can go home.

The Clinton administration suggested this, as I understand it, on the grounds that no housing existed in Russia for these soldiers.

There is at least one problem with that logic. Instead of building housing in Russia, the United States is now giving Russian soldiers $25,000 apiece to go out and purchase an existing unoccupied house. Now I am in favor of home ownership and I wish the Clinton administration would support more home ownership right here in America. But this program, Mr. President, is absolutely outrageous.

In fact, what the administration is saying is that it is not a housing shortage that the Russian military has; it is a cash shortage. I think that question is going to be of great interest to a lot of America's taxpayers.

Well, the U.S. Government, as a matter of fact, come to think of it, has a cash shortage. The Federal debt, as of yesterday afternoon closing time, was over 4.8 trillion bucks. Everybody knows about the budget deficit. We have talked and talked and talked about it for years. Finally, when something is being done about it, you hear all the weeping and wailing and gnashing of teeth—''But you can't do that to this one or you are doing this to that one,'' and so forth.

So I want to see these political figures go home and try to explain their votes against cutting the Federal deficit.

The administration itself is struggling to fund a request for 77,000 new and improved housing units for American soldiers and their families. They do not have the money for it, but they are struggling to find it. But they have already found it for the Russian soldiers. The conditions in which many of the men and women who serve in the U.S. services—the Army, Navy, Marines, and all the rest—are required to live are circumstances that are an embarrassment. And yet we have money for $25,000 apiece for Russian soldiers for housing.

Finally, the question absolutely must be asked: why does the Russian military have a shortage of money? The answer is no further away than the evening news in various places where the Russians are still participating in mayhem.

This program to build housing for Russian soldiers is not essential and it did not get the Russian military out of the Baltic States. This program is nothing but a golden parachute for the Russian military—not the United States military.

Mr. President, while the United States plays real estate agent to the Russian military, they have time and resources to fight in other places they ought not to be fighting.

Let me ask the distinguished chairman of the Appropriations Committee if any action on this outrageous allocation of money has been taken since I last heard.

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

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

The Senator from Oregon is recognized.

Mr. HATFIELD. Mr. President, I would like to respond to the Senator from North Carolina in terms of the ''provision in this bill,'' the conference report on H.R. 889, that is, the bill on military defense appropriations that we conferenced yesterday, and we are now about to face that conference report, it having passed the House.

A number of years ago when, I believe, President Bush was still President and made a trip to the Baltics, he found that even though the Soviet Union had ceased to exist in reality, that the Baltic Governments that had emerged out of that former Iron Curtain power base of the Soviet Union, that those occupation troops, particularly the officers within the occupation of the Baltics, were not going back to Russia, were not returning home. They were remaining in the Baltics. They were wearing their uniforms, and that gave the new Baltic Governments great concern as to the intentions, and what have you.

Upon a careful analysis, they found that the Russians were not returning home because they had no housing to return to. The housing market had just been totally demolished over the years, and they found better housing in the Baltics.

So in the first initial step, we had what was called a demonstration project, I suppose, a figure of about $6 million—I am recalling now, not precisely—but a single-digit figure was appropriated as a demonstration project to help the Russians produce housing, not just for those officers still in the Baltics but also to start a housing industry in that country that had had no housing policy to speak of.

Then following that, there was a commitment made, and that now carries over into the Clinton administration, within the Baltic reaches that after there is that skill that comes out of that demonstration project we had to find an incentive to get these Russian officers out.

So a voucher system was provided, $25,000 voucher value for housing in Russia. That has then proceeded to, as we know now, there being no officers left in uniform. Some have decided to make the Baltics their home, have taken off the uniform and are rooting in as citizens, not as officers.

There were a lot of questions raised about this whole policy to begin with but, nevertheless, it was felt to be a sound policy to pursue to assist our new government friends in the Baltics.

We had, in effect, a drawdown from a $100 million appropriation to what we thought was about $75 million unobligated funds in the pipeline. These figures are difficult, and we are not certain of these figures. We cannot precisely identify the total number, but we think it is around $75 million.

The House had rescinded all $75 million in their bill. We, on the Senate side, rescinded none. We kept whatever that figure—75—in the bill.

Mr. HELMS. That is what got my attention.

Mr. HATFIELD. Yes. Now when we went to conference, we engaged in a lot of discussion, a lot of debate, and then the questions were raised as to what is the precise figure in that budget. We have the State Department, we have other sources, that have yet to give what we consider satisfactory figures so that we can say exactly how much.

So the House made a proposal to the Senate that we reallocate $15 million out of the $75 million; leave, in a sense, a total of $60 million to be revisited at

a time when we can get that exact figure, which would probably be in the 1996 cycle, assuming this report passes now as a rescission package. Other discussions might be engendered out of the Foreign Relations Committee. We are not wedded on the basis of that program to say that is in place to last into the indefinite future.

Mr. HELMS. I hope it has no future.

Mr. HATFIELD. Because of the question of not only appropriations under the circumstance of today, but the policy issue itself.

All I can say, as the chairman of the Appropriations Committee, we are doing the minimal of what we can legitimately do and maintain commitments that are in process or already made, until we can get a more exact total figure of unobligated funds.

Mr. HELMS. But the Senator will not presume to permit any further commitments. Is that correct?

Mr. HATFIELD. We have no basis upon which at this time to make a statement to the future of this program, because every program today is under such careful review and scrutiny in terms of our budget deficit, in terms of our priorities. Obviously, these rescissions are only to reflect upon the current fiscal year anyway.

Mr. HELMS. I am not being critical of the Senator. I would hate to have his job as chairman of the Appropriations Committee.

It seems to me we have $60 million somewhere in limbo—it might be in the pipeline, it may have been committed without our knowing. There are so many ambiguities about it. How can we tie it up so there will be no commitment beyond what has already been made?

Mr. HATFIELD. Well, I think that the situation is such that when the House rescinded the total figure of unobligated funds, it sent a very, very strong message to the agencies themselves. I suppose it should send a message to the authorizing committee as well, which the Senator from North Carolina chairs.

We have a whole foreign aid bill under constant review. Nothing is a commitment very far down the road.

We are dealing with the problem right now in this appropriation bill report that is pending as to how to delineate between the Department of Defense pursuing and executing a humanitarian program as a police action program and as it relates to the defense of this Nation. In other words, there are those who say we should not be charging, in offsets, any of these incursions into Haiti, et cetera, et cetera, back to the DOD appropriations budget.

So we are engaged in a lot of issues here that are pretty cloudy at this moment. I do not think any part of this can be a statement of future commitment at all.

Mr. HELMS. Let me ask, if I may, will we have somebody on the Appropriations Committee staff try to explain to me specifically where the $60 million is, because I do not want to leave this unvisited before we pass this bill. Can somebody answer that?

Mr. HATFIELD. We can certainly do that. We have very excellent staff that can be supportive of your questions and responsive to your questions.

Let me just say in summary, we have no precise figures at this moment. We are dependent upon a couple of agencies from the executive branch of government to provide such figures. We do not keep the books in that sense. We are now at a level of commitment in this report that we feel will be sufficient to cover any current commitments, obligations, or pipeline. Until we can get that precise figure we cannot answer that part of your question.

I can answer your question in the sense, does this have any kind of a base of commitment for 1996, or 1997, and I could say on that, ''No, it makes no basic commitment for 1996.'' We will review 1996 in a totally different context.

Mr. HELMS. So, the Foreign Relations Committee, I assure the Senate——

Mr. HATFIELD. I want to make sure, as the chairman of the Appropriations Committee, that the Senator understands we are not trying to make policy in our committee when the policy committee that he chairs is in that position.

Mr. HELMS. The strongest policy part of any legislation are the dollars. That is what really counts.

I am not saying anything that the Senator does not know or believe himself.

I thank the Chair.

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. HATFIELD. I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. HATFIELD. Mr. President, I ask for the regular order.

The PRESIDING OFFICER. The regular order is the Murkowski-D'Amato amendment to the D'AMATO amendment No. 427.

Mr. HATFIELD. I thank the Chair.

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. HOLLINGS. 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. HOLLINGS. Mr. President, I ask unanimous consent that the pending amendment be set aside so I can send an amendment to the desk.

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

AMENDMENT NO. 574 TO AMENDMENT NO. 420

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from South Carolina [Mr. HOLLINGS], for himself, Mr. THURMOND, Mr. BINGAMAN, Mr. BREAUX, Mr. GLENN, Mr. GRAHAM, Mr. LEAHY, Mr. LEVIN, Mr. KOHL, Mr. LIEBERMAN, Mr. KENNEDY, Mr. KERRY, Mrs. MURRAY, Mr. PELL, Mr. ROCKEFELLER, and Mr. SARBANES, proposes an amendment numbered 574 to amendment No. 420.

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

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

The amendment is as follows:

On page 9 of the substitute amendment, strike line 1 through line 23 and insert the following:

INDUSTRIAL TECHNOLOGY SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $3,100,000 are rescinded.

CONSTRUCTION OF RESEARCH FACILITIES

(RESCISSION)

Of the unobligated balances available under this heading, $30,000,000 are rescinded.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION OPERATIONS, RESEARCH AND FACILITIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $25,100,000 are rescinded.

CONSTRUCTION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $13,000,000 are rescinded.

GOES SATELLITE CONTINGENCY FUND

(RESCISSION)

Of the unobligated balances available under this heading, $2,5000,000 are rescinded.

Mr. HOLLINGS. Mr. President, this goes to the heart of our work in the Appropriations Subcommittee of State, Justice, and Commerce whereby we want to support the overall amount of the rescission but to redirect it to less important financial requirements at this particular time. In other words, my amendment would restore current programs that have been found very effective for the NOAA coastal oceans program, $7 million to the NOAA climate and global change research, $1.5 million to the Under Secretary for Technology, and $24 million to the NIST manufacturing extension program for a total of $37.5 million in total restoration.

Those restorations are offset by $30 million from the unobligated balances in the NIST construction, $5 million in the unobligated balances in the NOAA construction, and $2.5 million in the unobligated balances of the NOAA contingency fund.

All of those construction funds and everything else are to be set aside not to be expended this year. Of course, the distinguished Senator from Texas,

chairman of our subcommittee, and I are just now completing our series of hearings for next year's appropriations. So we are not turning away in any context our dedication to the various requested construction commitments. But, in a word, what we are saying is let us not go for office buildings but rather for building jobs.

Let me go right to the heart of the connection between this amendment and the so-called Contract With America, which I welcome because this is a good tonic to come to town and stir everybody up and get us moving. Many elements of the contract are things that I have worked upon—the unfunded mandates, the balanced budget amendment to the Constitution, which I voted for already three times. I did not vote for it this time because I did not want to repeal my own law that puts Social Security off budget.

On that matter, I do not believe that we should just move deficits. Rather, let us eliminate deficits. I did not want to move the Government's deficit from the general Government over to Social Security. So when we were debating the balanced budget amendment, all they had to do is exempt the Social Security funds instead of repealing my section 13301 which says ''Thou shall not use Social Security funds'' in the estimates of the deficit and the debt. That was put in by Senator Heinz and myself back in 1990 and signed into law by President Bush.

With respect to the other parts of the contract, the line-item veto, is actually my bill, which was a compromise between the two rescissions initiatives by Senator MCCAIN and Senator DOMENICI.

So there is much with which we can agree. But I thought in coming to town here at this particular session in January that our purpose was to pay the bill, and create jobs—not to adopt a contract which does not in itself create a single job or pay a single bill. It has more to do with symbols than substance, more with procedures than actual production. Now we have an amendment before the body which actually produces jobs.

I am convinced, after the hearing we had this morning, that we will get a most sympathetic hearing from our distinguished chairman of the subcommittee, Senator GRAMM of Texas, because the two big elements of misgiving that I have heard expressed about the NIST programs of the Advanced Technology Program and the Manufacturing Centers is on the one hand, that this was industrial policy, Government picking winners and losers, and on the other hand, that this was pork, political pork. Let me address the first particular problem.

Of course, we make all kinds of industrial policies. This morning, with respect to product liability, we told industry just exactly what it can expect—less care in the manufacturing. Currently, we have the highest degree of care in the United States of America in its manufacturing. But what we did was put in all kinds of gimmicks and hurdles that hamstring the individuals right to a trial by jury and thereby significantly affects industry. But we will not go any further into that.

But we get industrial policy when we recommend a minimum wage, when we come forward and say we are going to have parental leave, when we say we are going to have to have plant closing notice, safe machinery, safer working place, Social Security, unemployment compensation, Medicare, Medicaid. You can go right on down the list. When we in a bipartisan fashion, which is the record, adopt those measures, we get into industrial policy. There has been a fetish around town amongst the pollsters putting out their pap about industrial policy, saying ''let the market choose the winners and losers rather than the bureaucrats and politicians in Washington.'' I agree with that.

But, while we make industrial policy all the time, my amendment supports an industrial policy chosen by industry. We ensure sound industrial choice by requiring the industry to come with 50 percent of the money at least in their pocket and also to go through a peer review system of the National Academy of Engineering and the overall Government peer review choice. That was brought out in specific by Mary Lou Good, Dr. Good, the undersecretary in charge of technology, a real expert; had been in charge of their research and development over the years and just had a perfect speaking knowledge about the various things to guard against and make sure it was the industry and not the politician choosing the winner and loser, so to speak.

And otherwise, we carefully designed the peer review to make sure that the Senator could not call and get a manufacturing center, the Secretary of Commerce could not call and get one, nor could the President, nor the White House minions call over and say, ''We want it.'' In fact, our absolute track record with this program under every administration has been one of just exactly that, of unbiased peer review.

I can tell you categorically we did have a little hesitation in the markup of our bill over the past few years because the distinguished chairman on the House side wanted one of these but we never would write it in. We said we are not breaking ranks and starting with these markups on bills and inserting anything like Lawrence Welk's home as one of these manufacturing centers.

Otherwise, consider the matter of pork. I must refer to the distinguished former Senator from Wyoming, Senator Wallop. He pointed out in reading an article year before last, or April 2 years ago, how the chairman of the Democratic Party had gone to the West Coast under the Clinton administration. He said, ''Look here.'' I read the article. The chairman of the party is saying categorically the end all and be all of Presidential—and I know the Senator from Mississippi is interested in Presidential elections. The end all and be all of Presidential elections is California. And, according to this article, this administration was going to send out Ron Brown, the Secretary of Commerce, and he was going to pour the projects to the State of California and we were really going to get on the move over here for our party.

Well, that there just tackled me from behind because it was not true at all. The Secretary of Commerce could not do it. But it was a tremendous misgiving on the part of Senator Wallop and others on the other side of the aisle, even though 14 Republican Senators and a task force for reconversion had gone on and endorsed this particular program. It took us several days, what we had previously passed almost by unanimous consent took us several days to pass, and then with an overwhelming majority we passed the authorization.

So I had to answer up to that matter of pork and make sure that everyone knew that this was as well administered a governmental program on the basis of merit that we have ever had.

Another question arose then. The Senator from Texas says, now, ''what is the cutoff date?'' Well, that is a good question because you would think in the global competition, the answer could be given ''when is the cutoff date for Germany, for Japan, for Taiwan?'' And all our competition that has been investing way more than this. They just pour in the research and development, and we are trying to catch up, since we do not have long-term investments here in the United States—it is everything short term with the Wall Street market. It is tough, tough to get these little, small, fledgling industries going because they go to the market seeking credit, but if it takes more than two-, three-, four-quarters, over a year to get a good return, they can put the money elsewhere. This is a quick turnaround society in which we live. And the others go for the long range and can lose some in the short term. Specifically, the Japanese this past year, 1994, took over an additional 1.2 percent of the automobile market, losing, if you please, losing $2.5 billion. Of course, they made it back in the Tokyo market selling cars in Japan.

We do not have that kind of policy, and we do not want that kind of policy. And we are not going to have that kind of approach to our problems here. But to try to stay alive in the competition, we very wisely, with the support of the competitiveness council, and President Bush in his address to the joint session of the Congress, agreed to come forward and resolve the National Institute of Standards into the National Institute of Standards and Technology, and on a peer review merit basis to start meeting this kind of competition.

We had a very, very thorough hearing about it this morning, and these offsets are not really going to hurt anybody

and certainly they will not diminish further our effort with respect to jobs.

In the other rescission bill, we have already knocked $90 million off the advanced technology program. We cannot afford, on these research centers, manufacturing centers, to knock another $24 million off of this.

Specifically, in agriculture, when the question was asked, when is the cutoff date? Well, Roosevelt started it in 1933 with price supports and protective quotas, and we still have it. In fact, we have embellished it with advertising and export promotion. They got over $1 billion selling California raisins and almonds and California wines and all these other agricultural products. Here, for the poor fellow, working in industry, trying to hold his job, nothing but this babble of free-trade nonsense, whereby we are blaming America's labor for a flawed trade policy.

There is no question in my mind; we have the most competitive industry worker, the most productive industrial worker in the entire world, but we have a silly, really nonpolicy of running around and acting like we are still on foreign policy and we have to sacrifice on the kind of relation in the Pacific rim, we have to defend them and we have to continue to give them all our jobs.

I can talk at length, but I see others waiting. I do not want to go too long, but I wish my colleagues to understand its fullest importance. That is why I did not want to agree to a time limit right here at the initial part of this particular amendment. If we had, Senator, the same number of manufacturing jobs as we had 25 years ago, we would add 10 million manufacturing jobs.

What am I saying? I am saying that in 1970, 25 years ago, 10 percent of the consumption of manufactured products in the United States of America was represented in imports. Now, over 50 percent of the consumption of manufactured products is represented in imports. If we had gone back to the 90 percent that we had of U.S. manufacture of this country's consumption of manufactured products, we would immediately add 10 million jobs.

What does that mean? Some of my friends here have talked today about foreign policy. I would like to get to foreign policy. What does it mean? It means that if you cannot have a strong manufacturing sector, said Mr. Morita—former chairman of Sony—in a particular seminar we attended in Chicago years back, if you cannot have a strong manufacturing sector, you cannot be a nation state. And the country that loses its manufacturing power ceases to be a world power.

What we are learning already in the WTO, I say to the Senator from Mississippi. We thought we had a consensus on who would be the president of the WTO—like Mickey Kantor would come in and say we are going to have a consensus. Oh, we are in charge. Consensus. Consensus. We got together on a consensus with the Italian as the choice. In fact, the poor fellow now—I happen to like him. They say he is a protectionist. OK, that is common sense to me. We have a high standard of living. We have to protect it. But the gentleman from Italy they said was totally unacceptable. We could not have him. We tried to get the man, Salinas, down in Mexico, and he bombed out. And then we ended up with the Italian, who is now going to be the president of the WTO. The second choice was Korea, and we are sitting around with our so-called consensus.

On our most important choice to be made we have already been rolled with WTO. When you lose your economic power, you lose your influence in foreign policy. The foreign policy, Mr. President, of this land is like a three-legged stool. You have as one leg the values of the country; your second leg of military power; and your third leg of economic power.

That one leg of values as a nation is strong. We sacrifice to feed the hungry in Somalia and bring democracy to Haiti. No one questions it or our military power, the military leg. We are the superpower. But when it comes around to the economic leg, Mr. President, I can tell you, here and now, that leg over the last 40 years, 45 years, has been fractured due to the special relationship that we had to give. We had to rebuild the capitalist economy the world around in order to contain communism. And bless it, the Marshall plan has worked. We have no misgivings about it. But now, with the fall of the wall, we have an opportunity here to repair that economic leg for America.

And this one little initiative here out of all the other initiatives has been the bipartisan move toward production and manufacture and strengthening that economic leg. That is what this particular amendment does. It could not be considered, incidentally, in the subcommittee. We tried, but we could not get a hearing, as the ranking member. Our subcommittee report was read out without a single one Senator on this side of the aisle ever having heard of it.

I wanted to have a chance to repair that and say, ''Look, set aside construction funds, money just hanging around not to be used in this fiscal year. Why rescind ongoing programs that we have in the several States on a merit basis that is one of the finest that we have ever got to try to help?''

I will speak a little bit further. I see other Senators wanting to be recognized.

I have the list of the industries here with respect to what we call the Advanced Technology Coalition, representing 5 million U.S. workers, 3,500 electronic firms, 329,000 engineers, and 13,500 companies in the manufacturing sector. They have endorsed this particular program.

And it is really down to the minimal basis, not near what we give to NASA and all its research in space, not near what we have in agriculture, not near what we have in alternative energy and in nuclear endeavors. Here is a fledgling little $300 million program that we are trying to keep alive, and some, I think, unknowingly, have cut it, because over on the other side there is a gentleman—incidentally, from Pennsylvania—who says we ought to not only get rid of this but get rid of the entire Department of Commerce.

Mr. President, I yield the floor.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. I thank the Chair.

Mr. President, I have sought recognition to comment briefly on the pending legislation. There appears to be some reason for optimism that we are in the final stages and will be completing action on this bill yet this evening.

As chairman of the Subcommittee on Labor, Health, Human Services, and Education, our subcommittee faced a very major rescission package, as sent over by the House of Representatives, amounting to some $5.9 billion. While the full appropriations package addressed the rescissions of the House—with somewhat different calculations because FEMA, the Federal Emergency Management Agency, was deferred. The committee was able to shift priorities, so that the rescissions in our Subcommittee on Labor, Health and Human Services, and Education was reduced to $3.05 billion.

We restored some $1 billion in cuts on education because it was our sense that the education funding should remain at as high a level as possible.

It is my own view, Mr. President, that education, as a national priority, is second to none. I come by that view from the experience with my own parents, both of whom were immigrants, who had very little education and therefore valued it very highly in our household. My father, Harry Specter, had no formal education. My mother, Lillie Specter, went only to the eighth grade when she quit school to help support her family on the tragic death of her father from a heart attack in his mid to late forties. But my brother, my two sisters and I have been the beneficiaries of the opportunity to share in the American dream with good educations. And that has been a point for which I have always worked hard to try to maintain the funding, supported by Senator HARKIN the ranking member of the subcommittee.

Senator HARKIN agreed with restoring these funds to education, and included in that was the restoration of funding of $371 million for drug-free schools. Mr. President, the drug problem in the school system is the intersection of education and violence. Funding for the program is supported by our subcommittee, supported by the full committee and supported, it appears, by the Senate. Perhaps even more money will be added back on drug-free schools which is a very, very high priority.

We also restored some $13 million for worker safety, for OSHA, where the funds had been cut. It is very, very important to have safety on the job.

Another key item was low-income home energy assistance for the elderly and poor. Principally, this vital program provides assistance for many Americans who earned less than $8,000 a year. For these low income or elderly without this important program it comes down to a choice, as the expression goes, between heating or eating.

The program also is very, very important, as a matter of safety. In a 3-month period in the city of Philadelphia, 11 people were killed, many of them children, in families which were using kerosene heaters because they did not have enough money for the regular fuel allotment. The committee has reinstated the program from the House cuts.

I think it is very important, Mr. President, to meet the target of balancing the budget by the year 2002, but I think it has to be done with a scalpel and not a meat ax. Traditionally, as the Founding Fathers articulated, the Senate is the saucer that cools the tea from the House of Representatives. The strength in our system is a bicameral legislature—that is a House of Representatives and a Senate—the models of most of the States in the United States, and it takes both of the Houses to work it out.

So I think we will come up in the Senate with a very sound bill. There have been negotiations, as has been announced on the floor, and it appears at this point that there will be add-backs on a number of the programs, which could, apparently, lead to less of a cut from the $3.05 billion.

But it appears that we will have had an appropriate allocation of resources and assessment of priorities and that we will take a good bill into conference. Hopefully, we can eliminate unnecessary expenses but, at the same time, retain the programs which are very important for America's safety net.

I thank the Chair and I yield the floor.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. LOTT. Mr. President, on behalf of our leader, I would like to see if we could not get a time agreement now on the Hollings amendment. I understand Senator HOLLINGS has already had some time to speak and has indicated a willingness to enter into this agreement.

I ask unanimous consent that the time on the pending Hollings amendment be limited to the following: 20 minutes under the control of Senator HOLLINGS, 10 minutes under the control of Senator HATFIELD; I further ask that, following the conclusion or yielding back of the time, Senator DOLE or his designee be recognized to make a motion to table.

The PRESIDING OFFICER. Is there objection?

Mr. HOLLINGS. With no amendments to our amendment?

Mr. LOTT. That is fine. No amendment is mentioned here.

Mr. HOLLINGS. I thank the Senator.

The PRESIDING OFFICER. Without objection, so ordered.

Mr. AKAKA addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. AKAKA. If it is in order, I would like to propose an amendment, Mr. President.

The PRESIDING OFFICER. Will the Senator suspend?

The Senate has just entered into a time agreement on the Hollings amendment.

Who yields time?

Mr. HOLLINGS. Can we temporarily set this aside so the Senator from Hawaii and the Senator from Pennsylvania could be recognized?

Mr. LOTT. Mr. President, the Senator from Hawaii has an amendment he would like to offer. Could I inquire of the Senator from Hawaii, is this an amendment that has been worked out?

Mr. AKAKA. It is an a amendment that has been agreed to on both sides. I have spoken with Chairman SPECTER and he agrees with this amendment.

By unanimous consent, I wanted to offer the amendment.

Mr. LOTT. How much time does the Senator expect to take?

Mr. AKAKA. I will take 2 minutes.

Mr. SPECTER. Mr. President, if my distinguished colleague from Hawaii would yield, I believe we will work that amendment through in the final package, so it would not be in order to offer it at this time.

But I understand the distinguished Senator from Hawaii would like to speak about it, which I think would be entirely appropriate to outline what we will accomplish. But structurally and procedurally, we will include that in the final managers' amendment, which will accommodate what the Senator from Hawaii wants to achieve.

Mr. President, while I have the floor, I had asked the distinguished assistant leader if Senator SANTORUM and I—and I cleared this with the Senator from South Carolina—might have 10 minutes for a brief presentation on a memorial to Jimmy Stewart in Indiana, PA, which will be coming up after the Senator from Hawaii finishes his remarks.

Mr. HOLLINGS. And without the time being allocated on our particular unanimous consent agreement.

Mr. LOTT. I am sure that would be fine. But after that, I know the leader would like for us to really begin to finish the debate on this amendment and other amendments that have been agreed to so we can begin to bring this to a conclusion.

But I believe we are going to have a couple minutes now for the Senator from Hawaii and then 10 minutes for the Senator from Pennsylvania.

The PRESIDING OFFICER. Would the Senator from Mississippi wish to propose a unanimous consent request for this?

Mr. LOTT. Mr. President, I so make that request to have 2 minutes for the distinguished Senator from Hawaii to discuss an amendment that will be the managers' amendment, and 10 minutes for the two Senators from Pennsylvania on a subject relating to Jimmy Stewart, I believe.

The PRESIDING OFFICER. Is there objection? Without objection, so ordered.

Mr. AKAKA addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii.

DEMONSTRATION PARTNERSHIP PROGRAM

Mr. AKAKA. Mr. President, I thank the leadership, and I thank my friend, Chairman SPECTER, for including it in his manager's report.

I have an amendment, which will be in the chairman's report, and it would restore partial funding for the $7.9 million rescinded from the Demonstration Partnership Program. My hope is this amendment is agreeable and that it will receive the support of my colleagues.

The DPP, administered by the Office of Community Services in the Administration for Children and Families of the Department of Health and Human Services, has a highly successful record of employing innovative approaches to increase self-sufficiency for the poor.

The program provides grants to community action agencies and other eligible entities of the community services block grant. The objectives of the DPP are to develop tests and evaluate new approaches for overcoming poverty, as well as to disseminate project results and evaluation findings so that successful programs can be replicated elsewhere.

I also want to inform my colleagues that there is agreement to offsets for this $3 million, and there is agreement by the staff on both sides of the Appropriations Committee.

Therefore, Mr. President, I urge the adoption of my amendment and thank Chairman SPECTER for including it in his report. I yield back any time remaining.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, rather than taking time now from the amendment of the distinguished Senator from South Carolina, Senator SANTORUM and I would like to amend the unanimous-consent agreement to take 10 minutes at the conclusion of the next vote.

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

Mr. SPECTER. I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, I yield myself sufficient time. The Senator from Connecticut, Senator LIEBERMAN, wanted to be heard. I ask unanimous consent that the Senator

from Virginia, Senator ROBB, be added as a cosponsor.

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

Mr. HOLLINGS. Mr. President, I think it is fundamental that we all understand that this movement with respect to the development of our technology came about at the same time that we were trying to get conversion programs in the Defense Department, including start-up funding for many of the extension centers in this particular program. In fact, we actually got as NIST Director Dr. Arati Prabhakar, one of the top managers who had worked with Craig Fields over at DARPA, and NIST is now taking over the funding of 37 DOD-started extension centers that help small firms that are no less attuned to civilian purposes rather than to military purposes.

If this little amendment is knocked out, and some $25.6 million, is rescinded, as originally proposed in the bill, then what you have left is only $65 million to support a total of 44 centers, plus any new centers for other States. There is a cutoff period of 6 years also in this program that I forgot to emphasize. These centers come up with at least 50 percent of the cost to begin with and over the years we have an ever diminishing amount by the Feds and an ever increasing amount by the sponsoring State along with the industry. They take over these extension centers.

By way of comparison, it should be shown that this past year, where we had some $91 million in these centers and now, if we lose $25 million, we would end up with only $65 million. You can compare that to the $439 million budget this year of extension program of the U.S. Department of Agriculture, a figure that does include research or the cooperative education programs; to NASA with an aeronautical research and assistance budget of $882 million; and the Department of Energy, where there is another $3.315 billion for civilian energy research. And what we have is a very restricted program, run on a peer-review basis, of $91 million. We are trying to restore the proposed cut by using unobligated balances within the same NIST budget.

I also emphasize at this particular time, Mr. President, before yielding as much time as is necessary to the Senator from Connecticut, that I would like to read just one sentence from the 1992 Senate Republican defense conversion task force. This was a very outstanding group of some 14 Republican Senators, including the Senator from Kansas, now the majority leader, and many others here, without reading out their names. I read the language:

> The task force endorses two programs of the National Institute of Standards and Technology as important to the effort to promote technology transfer to allow defense industries to convert to civilian activities. These programs are the Manufactured Technology Program and the Advanced Technology Program.

That is exactly what we have been doing. This has been bipartisan from the very beginning. It has worked very well. There is no pork and there is no industrial policy with the Government picking winners and losers.

I yield as much time as he needs to the distinguished Senator from Connecticut. I do appreciate his support.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. Mr. President, the state of manufacturing in this country is mixed. On the one hand our manufacturing productivity is increasing, but on the other hand we are losing manufacturing jobs by the millions. Manufacturing which once was the life blood of our economy is bleeding jobs overseas. We need to provide the infrastructure that insures that manufacturing flourishes.

Some kinds of manufacturing have been experiencing a resurgence in the last decade. This resurgence has been dominated by big business, not by small and mid-sized businesses. I am worried about the 381,000 manufacturing companies of less than 500 workers, representing nearly 12 million employees. Taken as a group, these small and mid-sized manufacturers are the source of the largest number of new manufacturing jobs, and, they represent real growth for our economy. Perhaps most importantly, small and mid-sized manufacturers have become the foundation of our manufacturing industry.

Larger manufacturers are no longer self-sufficient. Outsourcing is more and more often the most efficient and competitive way to manufacture. Take the example of a Chrysler car. Typically 70 percent of the final product is manufactured by Chrysler itself, the rest is manufactured by a myriad of smaller suppliers. This web of smaller manufacturers have become the core of the manufacturing industry. When U.S. small manufacturers thrive, our manufacturing industry as a whole thrives, and our economy thrives. If our smaller suppliers are not competitive, they compromise the quality of the final product, or more realistically, they lose out to more qualified suppliers abroad. We have to decide how, as a nation, we are going to build our manufacturing infrastructure so that we do not lose these jobs and this potential for economic growth.

As I look at our manufacturing competitors, I am struck by how little we do to support this critical component of our economy. American big manufacturers have had the resources to undergo something of a long and painful rebirth. They have learned from their competitors how to modernize their manufacturing processes as well as their products. At one time, it was sufficient to provide new products in a wide variety. Then as more companies had products, being the company with the best price was the order winner. Then, all competitive companies had low prices, and the company with the highest quality products started winning the orders. Now, a company must supply high quality, low cost products, in a wide variety and deliver it exactly when the customer needs it. These demands are tremendous challenges for manufacturing, and unless you have state-of-the-art manufacturing practices, you cannot compete.

In the United States we are used to being the leaders in technologies of all kinds. Historically, English words have crept into foreign languages, because we were the inventors of new scientific concepts, technology, and products. Now when you describe the state-of-the-art manufacturing practices you use words like ''kanban'' (pronounced kahn' bahn) and ''pokaoke'' (pronounced po kai oke'). These are Japanese words that are known to production workers all over the United States. Kanban is a word which describes an efficient method of inventory management, and pokaoke is a method of making part of a production process immune from error or mistake proof thereby increasing the quality of the end product. We have learned these techniques from the Japanese, in order to compete with them.

In a global economy, there is no choice, a company must become state-of-the-art or it will go under. We must recognize that our policies must change with the marketplace and adapt our manufacturing strategy to compete in this new global marketplace. The Manufacturing Extension Program [MEP] is a big step forward in reforming the role of government in manufacturing. This forward looking program was begun under President Reagan, and has received growing support from Congress since 1989.

The focus of the MEP is one that historically has been accepted as a proper role of government: education. The MEP strives to educate small and mid-sized manufacturers in the best practices that are available for their manufacturing processes. With the MEP we have the opportunity to play a constructive role in keeping our companies competitive in a fiercely competitive, rapidly changing field. When manufacturing practices change so rapidly, it is the small and mid-sized companies that suffer. They cannot afford to invest the necessary time and capital to explore all new trends to determine which practices to adopt and then to train their workers, invest in new equipment, and restructure their factories to accommodate the changes. The MEPs act as a library of manufacturing practices, staying current on the latest innovations, and educating companies on how to get the best results. At the heart of the MEP is a team of teachers, engineers and experts with strong private sector experience ready to reach small firms and their workers about the latest manufacturing advances.

Another benefit of the MEP is that it brings its clients into contact with other manufacturers, universities, national labs and any other institutions

where they might find solutions to their problems. Facilitating these contacts incorporates small manufacturers into a manufacturing network, and this networking among manufacturers is a powerful competitive advantage. With close connections, suppliers begin working with customers at early stages of design and engineering. When suppliers and customers work together on product design, suppliers can provide the input that makes manufacturing more efficient, customers can communicate their specifications and timetables more effectively, and long term productive relationships are forged. These supplier/customer networks are common practice in other countries, and lead to more efficient and therefore more competitive, design and production practices.

The MEP is our important tool in keeping our small manufacturers competitive. We are staying competitive in markets that have become hotbeds of global competition, and we are beginning to capture some new markets. More importantly, companies that have made use of MEP are generating new jobs rather than laying off workers or moving jobs overseas. These companies are growing and contributing to real growth in the U.S. economy. For each Federal dollar invested in a small or midsized manufacturer through the MEP, there has been $8 of economic growth. This is a program that is paying for itself by growing our economy.

Let me share with you some examples of success stories from the MEP. When the Boeing Co. told Manufacturing Development Inc. or, MDI, it needed to meet Boeing's stringent D1–9000 quality standards, or risk losing Boeing's business, MDI Vice President Michael Castor knew the company needed help. The 30-person sheet metal fabricator located in Cheney, KS, depended on its work with Boeing, its largest customer. The company called the Mid-America Manufacturing Technology Center, an extension center in Kansas, which provided MDI employees on-site training in statistical process control and helped MDI secure a State job training grant that paid for half of the training costs. MDI not only received certification by Boeing and retained its largest customer, but it also estimates that it will achieve a 50 percent reduction in scrap, reduce rework by 25 percent, and realize an annual savings of $132,000.

Another example is HJE Co. Inc., a 4-person manufacturer of gas atomization systems in Watervliet, NY. HJE produces ultrafine metal powders from molten metal. These powders are used, for example, in solder and braze pastes and dental alloys. When Joe Strauss, founder of HJE, first came to the New York MEP he had lots of good ideas and some sketches and rough drawings. The New York MEP helped him turn those ideas into blueprints of manufacturable parts, and helped him find machine shops to make the parts. Strauss spent 6 months getting assistance and learning how to become a world class manufacturer. After learning to use them with the help of the MEP, Strauss eventually purchased his own computer-aided design and manufacturing equipment and software. Now HJE is one of only four companies of its kind in the world and the only one in the United States. Joe is now used as a materials expert for others who seek help from the New York MEP. HJE, by the way, is expanding and moving into new areas in manufacturing.

These are just a couple of examples. There are many others.

Each MEP is funded after a competitive selection process, and currently there are 44 Manufacturing Technology Centers in 32 States. One requirement for the centers is that the States supply matching funds, ensuring that centers are going where there is a locally supported need.

The appropriated funds for fiscal year 1995 would allow the Commerce Department to fund over 30 more centers, to further cover manufacturing areas in the country. The funds are required to grow the program and reach the States that still need them. Not only are the appropriated funds needed to grow the program, but to maintain the centers that were once covered by DOD funds. Historically, the DOD has covered the cost of some manufacturing extension centers because of its vested interest in maintaining a strong defense manufacturing base. DOD funding of the MEP has been a casualty of the defense cuts as defense dollars become tighter.

In conclusion, I urge my colleagues to support the Manufacturing Extension Program. The MEP provides the arsenal of equipment, training, and expertise that our small and mid-sized manufacturers need to keep them in the new global economic battlefield. The investment is in our future economic health, in high wage jobs for our workers, in the American dream. Investment in the education of our small and mid-sized manufacturers is investment in our future.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. LOTT. First, I would like to remind everybody what is the base bill here. This started out being a bill that was going to pay for disaster aid that is needed for California and perhaps in other areas.

It also has rescissions. These are reductions in spending from this year's fiscal budgets throughout the Government to try to reduce the deficit, try to pay for the disaster aid, and to try to begin to move toward controlling our rate of growth. That is the basic premise that we are starting from here.

When we have all these amendments—although some of them are very justifiable, good, small amounts of money, they just keep growing. For a week now, I have seen lists floating around here with add-backs here, add-backs there, many of which I like. When we check into it, usually it is an add-back on top of a very large program already.

Second, this amendment, I understand, has four components, at least part of which there is support for, and an agreement could probably have been worked out to support it.

I understand that Senator GRAMM from Texas, chairman of the State, Justice and Commerce Subcommittee of the Appropriations Committee, had indicated he could go along with some of these. But it adds back money in these areas: $26.5 million in the manufacturing extension partnership program; adds back $1.5 million from salaries and expenses of the Commerce Department's Technology Administration; it adds back funding of $5 million in funding for NOAA coastal ocean program; and it adds back $14 million in the climate and global change research area.

Some of those sound pretty good, but in each case it is an add-back on top of money that was already there.

The central issue here is the funding for the manufacturing and extension partnership program and the fact that it has been growing so rapidly. Funding for this unauthorized program increased dramatically over the past few years. For instance, this program did not exist until fiscal year 1991. In that year, the funding was $11.9 million; then it went to $15.1 million; and then $16.9 million; then $30.3 million; in this fiscal year it jumped to $90.6 million. Even with the rescission or the cuts proposed in this bill, we still would have had a doubling of the program. The Senator noted that there is still $67 million, I believe, that would be left. It is projected this program would go up to $146.6 and keep going up.

This is a new program that has grown like top seed. Maybe the plan is over the years to bring it down and maybe bring in private-sector funding. That is all well and good. The fact of the matter is it has been doubling and tripling in recent years. That is why on this side, on behalf of the chairman of the subcommittee and the chairman of the committee, our urging to the Members is that they vote to table this amendment, because if we do not do it here, there will be another one that will add money, and another one will add money, and we think we have to control the rate of growth and not start a long process that will add back additional spending to this bill. I yield the floor.

I reserve the remainder of my time.

Mr. HOLLINGS. Mr. President, right to the point. We are not adding back $26 million of the $24 million, and we are not adding back $14 million, but $7 million on the climate and global change research. I want to correct those figures.

I wanted also to include, Mr. President, the point made that it does restore not only the manufacturing extension but the NOAA coastal ocean program, the NOAA climate and global

change program and the Undersecretary for Technology Office, and it shows the United States-Israel Bilateral Science and Technology Agreement continues.

Right to the point about growing: We transferred from the Department of Defense at the request of the Republican Coalition for Defense Reconversion. These programs did not grow. It was just really transferred as more applicable to the civilian side than the military side. That is why we have that amount in there.

It certainly has not grown just like export promotion in agriculture, which I am sure my distinguished colleague from Mississippi supports, which is over 1 billion bucks.

Talking about rescissions—now, just with the atmosphere or environment of frustration of amendments coming and going, I can say categorically, Mr. President, we could not offer an amendment all last week. I tried to. What we had was a fill-up-the-tree kind of approach and we had to take the amendments, and we had no votes. We sat around here for 3 days with no votes on amendments. My amendment has never been considered in subcommittee. Rolled in the Appropriations Committee as if we had considered it. And it only takes from other programs unexpended balances, rather than eliminate viable programs endorsed on both sides of the aisle that are not growing like topsy.

I ask unanimous consent to have printed in the RECORD at this point a letter from the president of the Advanced Technology Coalition, with the encompassing endorsement.

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

ADVANCED TECHNOLOGY COALITION,
Washington, DC, February 9, 1994.

Hon. ERNEST F. HOLLINGS,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR HOLLINGS: On behalf of the Advanced Technology Coalition, we want to express our strong support for the Senate version of the National Competitiveness Act, S.4.

We believe that the bill deserves bipartisan support. We ask that you vote for the bill when it reaches the floor in the very near future. Its passage is essential to strengthening the ability of our companies and members to compete in the international marketplace; in short, S.4 means jobs and will contribute to our nation's long-term economic health.

Combined, the Advanced Technology Coalition represents 5 million U.S. workers, 3,500 electronics firms, 329,00 engineers, and 13,500 companies in the manufacturing sector. The Coalition is a diverse group of high-tech companies, traditional manufacturing industries, labor, professional societies, universities and research consortia that have a common goal of ensuring America's industrial and technological leadership.

The members of the Advanced Technology Coalition have invested an enormous amount of time working with both the House and the Senate in developing and refining the National Competitiveness Act. The Coalition believes that its views have been heard by Congress and reflected in the bill.

In short, we believe that S.4 will promote American competitiveness and enhance the ability of the private sector to create jobs in this country. We hope that you will play a leadership role in ensuring its passage. We would be happy to sit down with you or your staff to discuss the bill in greater detail.

Sincerely,

See attached list of associations, professional organizations, academic institutions and companies:

American Electronics Association (AEA).
National Association of Manufacturers (NAM).
The Modernization Forum.
Microelectronics and Computer Technology Corporation (MCC).
Honeywell, Inc.
National Society of Professional Engineers.
Business Executives for National Security.
IEEE-USA.
Semiconductor Equipment and Materials International (SEMI).
Institute for Interconnecting and Packaging Electronics Circuits (IPC).
Wilson and Wilson.
American Society for Training and Development.
Catapult Communications Corporation.
Dover Technologies.
Texas Instruments, Inc.
Columbia University.
Motorola.
Intel Corporation.
Cray Research.
Electron Transfer Technologies.
Electronic Data Systems (EDS).
American Society for Engineering Education.
U.S. West, Incorporated.
Electronic Industries Association.
Tera Computer Company.
Southeast Manufacturing Technology Center.
Convex Computer Corporation.
Association for Manufacturing Technology.
Semiconductor Research Corporation.
American Society of Engineering Societies.
AT&T.
Hoya Micro Mask, Inc.

Mr. HOLLINGS. I also ask unanimous consent we print a letter from President Clinton, an endorsement.

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

THE WHITE HOUSE,
Washington, DC, March 28, 1995.

Hon. ERNEST F. HOLLINGS,
U.S. Senate,
Washington, DC.

DEAR FRITZ: Thank you for your concern about the technology investment programs we have built together over the past two years. Your steadfast support of the Advanced Technology Program (ATP), the Technology Reinvestment Project (TRP), and related technology investment efforts has been indispensable in educating the new Congress as to their economic and national security value, and countering proposed legislative actions that threaten their existence.

These programs are a high priority to me and I will continue to fight for them. I have expressed strong opposition to the cuts to TRP and ATP in H.R. 889, and I am working to see that an acceptable bill comes out of conference. And, as you know, I have indicated that I would veto H.R. 1158 in the form passed by the House; the cuts to key technology programs are among the serious problems that I have with the bill.

Our technology investments in partnership with industry, while a small part of our entire federal R&D portfolio, make essential contributions to national security and economic growth. Together with TRP and ATP, initiatives such as the High Performance Computing and Communications program, the Partnership for a New Generation Vehicle, the Manufacturing Extension Partnership, Challenge Grants for Technology in Education, Information Infrastructure grants, and the Environmental Technology Initiative provide the necessary seed money for exciting, rewarding education for our children, productive jobs for our working people, and a better quality of life for all of us in the twenty-first century.

I have asked Laura D'Andrea Tyson, chair of the National Economic Council (NEC), to lead a team composed of senior officials from throughout my Administration to continue to build support for these vital investments in the nation's future. We want to work closely with you to protect our technology investments.

Sincerely,

BILL.

Mr. HOLLINGS. Mr. President, I rise to speak regarding a technology/NOAA amendment for myself, and Senators THURMOND, BINGAMAN, BREAUX, GLENN, GRAHAM, LEAHY, LEVIN, KENNEDY, KERRY, KOHL, LIEBERMAN, KERREY, MURRAY, PELL, ROCKEFELLER, and SARBANES.

There are many rescissions in the Commerce, Justice and State chapter of this bill which I am not pleased with. There are four particular rescissions in the Commerce Department section of the committee reported bill which my amendment would restore—the National Institute of Standards and Technology Manufacturing Extension Program, the Office of the Under Secretary of Technology, the NOAA Climate and Global Change Research Program, and the NOAA Coastal Ocean Program. These rescissions total $37.5 million and my amendment proposes $37.5 million in alternative rescissions in their place. My amendment is fully offset, dollar for dollar.

OFFSETS

The offsets in this amendment are quite simple, and they are all from other Commerce Department appropriations accounts. We propose rescinding $30 million from the unobligated balances in the NIST construction account. There are currently $195 million to such unobligated balances. Most of this amount is set to go on contract. But several projects have been held up due to environmental concerns and delays, and this rescission should have little impact on the agency being able to move ahead with modernization of its priority laboratories. This account has never been authorized, and there should be no reason why this rescission is not acceptable to the managers of the bill.

Second, we have recommended two rescissions of prior year unobligated balances from NOAA. We have recommended rescinding $5 million of unobligated balances from NOAA's construction account. Since fiscal year 1992 Congress has appropriated over $9 million for above standard costs for a

new environmental research laboratory. The principle construction costs for this facility are the responsibility of GSA. The construction of this facility has been held up by a number of environmental and community concerns.

Finally, we have proposed rescinding $2.5 million of prior year recoveries within the GOES Satellite contingency fund. This is a one-time appropriation account that Warren Rudman and I established in 1991 to ensure the GOES Satellite Program continued. The program got back on track, and the first GOES-next satellite is now in orbit—these unobligated funds are no longer needed.

So each offset is based on good financial management. We have identified prior year appropriations that are not required or not needed at this time. Our proposed restorations, however, continue priority NOAA and technology programs that should not be cut.

RESTORATIONS

Our amendment provides restoration of appropriations for four programs:

Technology programs: With respect to the Commerce technology and competitiveness programs. The committee bill rescinds $26.5 million from the NIST Manufacturing Extension Program—from Manufacturing Technology Centers—and it rescinds $1.5 million from the Office of the Under Secretary of Technology, Mary Good.

No. 1, Office of the Under Secretary for Technology: I find it hard to believe that this Senate would want to cut Under Secretary Mary Good's office. She is the finest Under Secretary for Technology we have had. She is the kind of leader that we had in mind when the Congress passed the 1988 Trade Act. This cut would make her either lay off her staff or terminate valuable projects, like the Commerce Department's share of the United States/Israel Science and Technology Agreement. When I was chairman, we annually exceeded the Bush and Reagan budget requests for this office. I was requested to do so by Republican members of this committee, and I was happy to do so. Further, I cannot understand why we would want to prevent the Under Secretary of Technology from following through participating in a technology and science agreement with our allies, the Israelis.

So, first, our amendment restores funding for her office and prevents any reduction to the U.S./Israeli science and technology agreement.

No. 2, Manufacturing extension: Second, the House bill and the committee-reported bill currently cuts the NIST Manufacturing Technology Centers by $26.5 million. Our amendment would restore $24 million of this program, and leave a rescission of $3.1 million.

The Manufacturing Extension Program now supports 44 centers in 32 States. Most were started with defense conversion [TRP] funds but have now been transferred onto NIST's budget. These centers provide hands-on technical support to small to medium-sized manufacturers to help them upgrade equipment, improve production processes and save jobs. They are cost-shared with States and are competitively awarded. This is a merit-based program—neither the President nor the Secretary of Commerce, nor members of Commerce—can earmark these centers. Each center is tailored to the industrial characteristics and needs of the area in which it is located. So the center in Philadelphia, is different from the center in Albuquerque, NM, which is different again from the manufacturing extension center in Rolla, MO.

Now there are two specific impacts from the rescission proposed in the committee reported bill. First, NIST will not be adding as many new centers as we intended when I fought for these funds in conference last year. And I should note that NIST informs me that they expect applications to come in from many States.

Second, some of the 37 centers that were started with Defense appropriations will have to begin phasing out operations—because NIST will lack the funding to take over the Federal portion of their operational support.

This is an effective program that has always been bipartisan. I remember when former Vice President Dan Quayle traveled to the Great Lakes Manufacturing Center in Cleveland, OH. He praised their work and was particularly impressed with their role in keeping an automotive part manufacturer in business. General Motors told the small firm to cut costs or they would contract with a Mexican firm. The NIST manufacturing center designed machinery to automate and modernize the firm's operations—and the company prospered and added even more jobs in Cleveland. In fact, there is a picture of the Vice President in the entrance to that Great Lakes Manufacturing Center.

NOAA OCEAN AND ENVIRONMENTAL PROGRAMS

No. 3, NOAA, Coastal Ocean Program. Third, my amendment restores $5 million to the National Oceanic and Atmospheric Administration's [NOAA] Coastal Ocean Program. The Coastal Ocean Program was established as a agency-wide initiative to focus the capabilities of all NOAA line organizations to deal with coastal and oceanic issues of national concern. Examples include fisheries research in the Bering Sea off Alaska and the Georges Bank off Massachusetts, New Hampshire and Maine; and estuary and ecosystem studies in Florida and the Chesapeake Bay. The Coastal Ocean Program is merit-based and employs competitive peer review. The program was recently praised by the National Research Council.

The House rescission, which the committee reported bill agrees to, eliminates half the Coastal Ocean Program's funding! This would result in a loss of ongoing field and laboratory work and it would impair NOAA's ability to attract quality scientists and oceanographers. Many coastal ocean projects would have to be terminated or severely curtailed.

No. 4. NOAA Climate and Global Change Program. Finally, our amendment would restore $7 million for the NOAA Climate and Global Change Research Program. Specifically, we would seek to restore cuts that the committee reported bill, which cuts twice as much as the House bill from this program, would require in the research and understanding of the role of the oceans in climate change.

NOAA's Climate and Global Change Program is a competitive and peer-reviewed program of scientific grants geared toward improving our understanding of long-term changes in the oceans and atmosphere.

This is a quality program that increasingly is paying off by allowing NOAA to have more accurate long-term weather forecasts. We used to think of a wet side to NOAA and a dry side or atmospheric side of NOAA. The Climate and Global Change Program is breaking down these artificial barriers by proving that the oceans hold the key to global climate and weather.

A case in point is NOAA's program to monitor and forecast El Nino events. El Nino is an interannual change in the air-sea conditions of the tropical Pacific that can cause torrential rains, droughts and major shifts in ocean conditions. For example, during a 1983 El Nino, 600 people died in South America, and Peruvian economic losses due to severe weather and poor fishing were estimated at $2 billion. In the United States, the west coast and Gulf of Mexico were hit by major winter storms that led to beach erosion, flooding and mudslides. Increasingly, NOAA's climate and global change research is correlating severe weather events and the temperature of the equatorial Pacific. The Program plays a key role in efforts to develop El Nino predictions that could improve planning and preparation for such events, thereby saving hundreds of lives and preventing millions in economic losses.

Mr. President, again this amendment is fully offset. I urge its adoption.

Mr. ROCKEFELLER. Mr. President, this amendment, offered by the Senator from South Carolina, deserves strong support from this body. I am a cosponsor of the amendment for a very basic reason. Our amendment will restore funding for what's called the Manufacturing Extension Partnership [MEP] Program— a vital network of facilities dedicated to a strong manufacturing base in this country. With vision and a lot of hard work, the Senator from South Carolina has turned a very basic idea into a very powerful, invaluable reality.

It seems incredibly stupid to cut funds from a program that has the track record of this one. The name says it all—manufacturing extension. That means that because of this program, the small- and medium-sized businesses

of this country have place to contact, to call, to visit where they get the latest there is to know about how to make products and turn a profit. Cut the funds, eliminate these centers, and cut off the businesses of our country from what they cannot get anywhere else.

Forty-four manufacturing extension centers now operate in 32 States. The centers are sharing expertise, information, and advice to smaller- and mid-sized companies that want to manufacture products and want to stay in business. This extension network has been so successful that other States are waiting In the wings to get centers of their own, and to link hundreds and even thousands of the businesses in their State to a central repository of people and expertise steeped in the state-of-art in manufacturing and technology. Anyone who knows what the Agricultural Extension Service did in this country to help farmers learn about the latest techniques for irrigation, for farming, for keeping their costs down, understand this model now applied to manufacturing very well.

These manufacturing extension centers play a role that cannot and will not be duplicated by any single part of the private sector. They play a truly public role, because their only client is the public interest. They share information and ideas among businesses. They learn what works on 1 factory floor, and help 20 more businesses avoid reinventing the wheel by learning from the first. They spread manuals, training guides, information across their States—with the latest findings and ideas on how to run and fix equipment, make products efficiently, organize and train a work force, and make profits.

We all know how information and know-how spread in places like Silicon Valley and Cambridge, MA. Extension programs tie the rest of the country's small manufacturers into these and other hubs of new technology, and allow even the smallest firm to share in new ideas and equipment in a way that enables businesses across the country to prosper.

In West Virginia, this is the program responsible for drawing together two facilities, the West Virginia Industrial Extension Service at West Virginia University and the Robert C. Byrd Institute for Advanced Manufacturing at Marshall University. The program is called the West Virginia Partnership for Industrial Modernization [WVPIM].

Because of this effort, the hundreds of small businesses in my State have a place to go for help and expertise that would not be there otherwise. In Huntington, WV, there is the story of Wooten Machine Co. Because of the help that this company got from the Institute for Advanced Manufacturing, Wooten went from making parts manually to computerizing their operation. Now they are talking about hiring more people.

They are not alone. Stinson Manufacturing in Alta, WV, went from a 4-person operation to one that now employs 28 people and has annual gross sales of more than $1 million, again with the help of the Robert C. Byrd Institute.

This is not just about tying together the resources in just one State. Mr. President, there is a tremendous advantage in being part of a national network of centers planted in different States. With the help of this network, West Virginia firms are staying on top of the innovations and techniques that are being collected from thousands of small- and mid-sized firms throughout the country. Larger firms will always be able to keep up with modernization, they have the staff and resources to do that. But if this unique network of manufacturing centers shrinks or dies off, the losers will be the small firms in our States.

Nationally, there are almost 400,000 small- and mid-sized manufacturers that employ less than 500 people apiece—these manufacturers account for over half our national manufacturing output. Nearly 12 million people, in all 50 States, work at these small- and mid-sized firms.

Mr. President, in the global marketplace, firms of any size must master modern technologies, management techniques, and methods of work organization. The exciting part of progress is that you don't have to run a business in Chicago or Detroit or New Orleans to be the best maker of an auto-part, a computer chip, a machine tool. You can be in remote parts of Montana or West Virginia or South Carolina. But you do have to be linked to the information that is necessary to keep up with the advances breaking out every day.

Our Nation's overall economy requires thousands of small- and mid-sized firms keeping up at breakneck pace with what works in design, production, marketing, training, and all kinds of other practices.

Mr. President, the American people know what it will mean to our Nation's long-term economic survival if we do not keep making products and being the best at manufacturing. We have to build things to survive in this increasingly competitive global marketplace. The Manufacturing Extension Partnership is the best, most efficient way to advance this cause.

I also ask unanimous consent that a Dear Colleague distributed by myself and several colleagues on the importance of this effort be reprinted immediately after this statement.

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

U.S. SENATE,
Washington, DC, March 23, 1995.

DEAR COLLEAGUE: Tomorrow, Friday, March 24, 1995, the Senate Appropriations Committee will mark-up the many rescissions passed by the House of Representatives as part of the Disaster Relief Supplemental Appropriation.

One item included in the House package is a $26.5 million rescission from the Manufacturing Extension Partnership—that amounts to 30 percent of this current year's appropriated funds.

We believe Congress should continue its history of bipartisan support for this unique network of assistance dedicated to equipping small-and-medium-sized businesses and their employees to maximize their potential in manufacturing and for growth.

The MEP centers exist in most states, and play an essential role in diffusing and sharing the state-of-the-art ideas, lessons, and methods that businesses in all of our states—especially when they're not in metropolitan centers—would not otherwise obtain.

To help you think about the vital role of the Manufacturing Extension Partnership, we offer you the following:

10 KEY FACTS ABOUT THE MANUFACTURING EXTENSION PARTNERSHIP—AND WHAT'S AT STAKE FOR THE BUSINESSES AND ECONOMIES OF YOUR STATE

1. The Manufacturing Extension Partnership (MEP) is based on the basic, proven idea that a strong manufacturing base is essential to this nation's economic strength and future. Manufacturing employs almost 19 million Americans, representing more than 20 percent of the private sector workforce and accounting for almost a fifth of the U.S. GNP over the last 40 years.

2. Small manufacturing firms, with less than 500 employees—the primary customers of the MEP—contribute more than half of total U.S. value-added in manufacturing and employ almost two-thirds of all manufacturing employees, approximately 12 million Americans.

3. America's small manufacturers know their challenge lies in being able to learn about and adopt modern manufacturing equipment and ''best practices,'' and overcoming various barriers to change, including geographic location or even isolation, awareness, information, finance, and regulations. These are the smaller companies across the country being assisted by manufacturing engineers at MEP extension centers run by local, state, and non-profits.

Median size of MEP's client companies is 50 employees; median sales of a MEP's client companies is $5.4 million; median age of MEP's client companies is 26 years.

4. The Manufacturing Extension Partnership is industry-driven, and market-defined. It builds on and magnifies existing state and local industrial extension initiatives and resources. Centers are managed and staffed by experts with private sector manufacturing experience.

5. The MEP Centers are awarded funds using a rigorous, merit-based competitive process.

6. MEP and its Centers focus services on activities where economies of scale do not exist in the marketplace, and on only those firms which demonstrate a commitment to their own growth and development.

7. The small amount of federal dollars available for MEP leverages substantial resources in state and local governments, as well as the private sector.

8. MEP is committed to performance measurements which focus on the bottom-line economic impact for client companies. This program has shown a rate of return of 7-to-1 for the federal government's investment, with concrete benefit in increased sales, cost savings, and jobs for small manufacturers.

9. Companies using MEP centers are becoming more competitive and are improving their long-term prospects for growth. Their goal is to retain existing jobs, create new high-skilled jobs, and contribute broader economic benefits.

10. Manufacturing Extension Centers are in 32 states, and one of them could be yours. But even if your state is still without a center, eliminating funds from the Manufacturing Extension Program will mean giving up on the goal of a modern, national network to provide irreplaceable technical assistance to our businesses and workforce.

In conclusion, our point is: ''fiscal year rescissions undermines manufacturing strength''

The proposed $26.5 million rescission for the Manufacturing extension Partnership would weaken the emerging, nationwide network of extension centers—co-funded by state and local governments—that provide small and medium-sized manufacturers with technical assistance as they upgrade their operations to boost competitiveness and retain or create new jobs. The rescission would reduce funding available for establishing new centers around the country. Approximately 10 new centers could be funded in FY 1995, rather than the planned 36 centers. Reducing the number of new centers would slow the delivery of MEP services to large regions of the United States—and many thousands of small companies.

We urge your support for his important endeavor. For further information, please contact Laura Philips at 4–9184 in Senator Lieberman's office or Ken Levinson at 4–7515 in Senator Rockefeller's office.

Sincerely,

JOE LIEBERMAN.
JOHN GLENN.
JAY ROCKEFELLER.
JEFF BINGAMAN.

Mr. KERRY. Mr. President, I speak today in support of the Hollings amendment to the Emergency Supplemental Appropriations Act. The amendment would restore programs that are important to the people of Massachusetts and the entire country. I would also like to note that offsets for each of these programs is provided so the total amount of the rescission package is not affected.

NIST's Manufacturing Extension Program [MEP] is vitally important to small businesses in my State. MEP supports our Bay State Skills and University of Massachusetts technical assistance programs for small- and mid-sized Massachusetts companies. The House bill rescinds $26.5 million from this program and the Senate bill retains this rescission. The Hollings amendment would restore the entire amount rescinded from the MEP Program.

The second program addressed in the amendment is the NOAA Coastal Ocean Program [COP], a nationwide science program that is conducting very important interdisciplinary research on oceanographic problems. As part of the COP, a major field study is presently being conducted of Georges Bank as part of the U.S. Global Ocean Ecosystems Research Program [U.S. GLOBEC]. The main objective of the study is to understand the physical and biological processes that control the abundance of populations of commercially important marine animals. The House and Senate Bills rescind $5 million of COP's $11 million in fiscal year 1995 funding—40 percent of the budget. The rescission is harmful not only to U.S. marine science but also to resource management decision-making which depends on the results of this science. The Hollings amendment would restore the $5 million rescission in the NOAA operations, research and facilities account for the Coastal Ocean Program, resulting in retention of $11 million in funding for this year. As an offset, the amendment would increase the rescission in NOAA construction account from $8 million to $13 million. This would decrease the construction account from $97 million to $84 million. NOAA supports this change.

The final program that the amendment addresses is the NOAA Global Climate Change Program. This program seeks to develop a clearer picture of the relative roles of various greenhouse gases in causing global warming. The Senate bill rescinds $14 million of the $78 million in fiscal year 1995 funding. The amendment would restore $7 million of the rescission for this critical program. The offset would come from the NIST construction fund and the GOES construction fund.

I compliment the distinguished Senator from South Carolina for his leadership in these oceans and technology issues—which he has championed for years. It is my pleasure to serve with him on the Commerce Committee, where he was recently chairman and is now the ranking Democrat.

I join with him to prevent shortsighted cuts in these beneficial programs that exemplify the kind of nationally important work government can do so well and I urge my colleagues to support this amendment.

Mr. HOLLINGS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 6 minutes and 40 seconds.

Mr. HOLLINGS. Mr. President, I retain the remainder of my time and yield time to the Senator from Connecticut.

Mr. LIEBERMAN. Mr. President, very briefly I just wanted to respond to my friend from Mississippi and say we are at a time when, obviously, we have to make some tough choices, a lot of tough choices. There are a lot of rescissions in this bill to cut spending and I am going to support most of them. But it seems to me this is one that does not make sense because of the numbers I cited, which is $8 in economic growth for every $1 we spend in this program.

I have to tell my colleague, I know we all hear different messages from our people back home. When I am in Connecticut there is one question that I think is most on people's minds, resonating throughout the State, and I think, throughout the country. The question is: ''Can you do something in Washington to protect my job, to keep my job secure?'' se If people have lost a job, as too many people in my State have, because of manufacturing downsizing, the question becomes: ''What can you do to help me get a new job?''

I know some of the old industries in our State which have downsized, some have even closed, are not going to expand in the near future. The only answer here is to grow the economy. There are tax policies I will look forward to supporting that will encourage capital formation and help make that possible.

But it seems to me one of the best things we can do is to create manufacturing extension centers that will reach out to the small- and mid-size companies to help them grow and help them create jobs. This is a program where I feel we make a mistake by cutting a single dollar because this is a program that gives a lot of people out there—people who are worried about their futures—some hope that there is a new and a good job, a high-paying job, around the corner.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, the Senator from Mississippi should understand, this does not add back. It does not add back one red cent. It is offset within the same budget for unexpended construction funds that are sitting there.

I am here going along with the original premise and the continuing premise of rescissions. That is the basic premise. This amendment is in conformance. It does not add back. It readjusts allocations under the same budget from construction—whether you are going to build office buildings or you are going to start building jobs.

How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. The Senator has 3 minutes and 40 seconds.

Mr. HOLLINGS. I retain the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. LOTT. Mr. President, I think we have made our points. We will be prepared to yield our time and go to a vote if the Senator would like to. I think we only have a total of about 5 minutes or so left. How much do we have?

The PRESIDING OFFICER. The Senator from Mississippi has 6 minutes remaining. The Senator from South Carolina has 3½ minutes.

Mr. HOLLINGS. Mr. President, I will go along with the suggestion of the distinguished Senator from Mississippi. What happened, two or three Senators wanted to be heard, but we only have 3 minutes if they got here.

Is it the point to yield the remainder of our time, make the motion, get the yeas and nays? Is that it?

Mr. LOTT. Yes, sir.

Mr. HOLLINGS. Very good.

Mr. LOTT. Mr. President, I yield the remainder of my time.

Mr. HOLLINGS. I yield the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back on the amendment.

Mr. LOTT. Mr. President, I move to table the Hollings amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE ON MOTION TO TABLE AMENDMENT NO. 574 TO AMENDMENT NO. 420

The PRESIDING OFFICER. The question is now on the motion to table the amendment of the Senator from South Carolina. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER (Mr. BENNETT). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 43, nays 57, as follows:

[Rollcall Vote No. 129 Leg.]

YEAS—43

Abraham	Gorton	McCain
Ashcroft	Gramm	McConnell
Bennett	Grams	Murkowski
Bond	Grassley	Nickles
Brown	Gregg	Pressler
Campbell	Hatch	Roth
Chafee	Hatfield	Santorum
Coats	Helms	Shelby
Cochran	Hutchison	Simpson
Coverdell	Inhofe	Smith
Craig	Kempthorne	Thomas
Dole	Kyl	Thompson
Domenici	Lott	Warner
Faircloth	Lugar	
Frist	Mack	

NAYS—57

Akaka	Feingold	Lieberman
Baucus	Feinstein	Mikulski
Biden	Ford	Moseley-Braun
Bingaman	Glenn	Moynihan
Boxer	Graham	Murray
Bradley	Harkin	Nunn
Breaux	Heflin	Packwood
Bryan	Hollings	Pell
Bumpers	Inouye	Pryor
Burns	Jeffords	Reid
Byrd	Johnston	Robb
Cohen	Kassebaum	Rockefeller
Conrad	Kennedy	Sarbanes
D'Amato	Kerrey	Simon
Daschle	Kerry	Snowe
DeWine	Kohl	Specter
Dodd	Lautenberg	Stevens
Dorgan	Leahy	Thurmond
Exon	Levin	Wellstone

So the motion to lay on the table amendment No. 574 to amendment No. 420 was rejected.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. HOLLINGS. I urge adoption of the amendment.

The PRESIDING OFFICER. The question is on the adoption of the amendment. Is there further debate?

The amendment (No. 574) was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I send an amendment to the desk.

Mr. FORD. Mr. President, may we have order.

The PRESIDING OFFICER. Will the Senator from Minnesota suspend?

The Senate is not in order. The Senate will be in order.

Mr. FORD. Mr. President, I do not believe they can even hear you.

The PRESIDING OFFICER. Will the Senate please be in order?

The Chair advises the Senator from Minnesota that under the previous order, at this time, the Senators from Pennsylvania were to be recognized for 10 minutes.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, if the Senator from Minnesota would just give us about 5 minutes, then we will come back to the Senator from Minnesota.

Mr. WELLSTONE. I thank the majority leader.

The PRESIDING OFFICER. Under the previous order, the Senator from Pennsylvania is recognized.

The Senate will be in order.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

THE JIMMY STEWART MUSEUM IN INDIANA, PA

Mr. SANTORUM. Mr. President, Senator SPECTER and I rise today to honor a native son of the Commonwealth of Pennsylvania who is going to be honored next month in Indiana, PA—the birthplace of Jimmy Stewart—with a museum that is going to open right about half a block away from the birthplace of Jimmy Stewart.

Many of us have been working long and hard on this museum, trying to get a suitable museum for a man like Jimmy Stewart.

Jimmy Stewart asked, when the people of Indiana, PA, went to him and asked to do a museum for him, that it not be anything fancy; that he wanted it to be very modest. He did not want the University of Indiana, PA, to have a big museum dedicated to him. He wanted something very simple.

In fact, he refused to have anyone from Hollywood participate in any of the fundraising. He said he wanted it to be something from the community and not anything that was generated with a lot of money and a lot of fanfare; that that would make him feel uncomfortable.

So the people of Indiana, PA, have set about the process of raising the money locally and secured the third floor of an old house, just a very small amount of space. Mr. Stewart donated the artifacts for the museum, some of his personal memorabilia. And, in fact, he still has several old friends who have been sort of shepherding this cause along.

I am rising today with Senator SPECTER to pay tribute to him and to the people of Indiana, PA, a little town in western Pennsylvania; a town that, frankly, has had some tough times of late. In fact, Indiana County has the highest unemployment rate of any county in the Commonwealth of Pennsylvania.

But they pulled themselves together and are putting together this really fine and lovely and modest tribute to Jimmy Stewart.

The man is an incredible man in America. He is an actor who has appeared in 71 films. Obviously, we all know the famous films that he has been in. Who has gone through a Christmas holiday without seeing the brilliant George Bailey part that he played and that we all can identify with as someone who has gone through some tough times and been able to face those tough times, and the spiritual role that he played in that movie.

I can still relate to him as I watch ''Mr. SMITH Goes to Washington,'' and the role he played as a U.S. Senator in fighting for what the people of his State called for.

He has been an inspiration not only on the movie screen, but he has been a tremendous inspiration as a war hero. He was assigned to the Army Air Corps, rising from private to bomber pilot, to commander of the Eighth Air Force Bomber Squadron. He, himself, flew 21 missions over enemy territory, including Berlin, Bremen and Frankfurt. By the time it was over Over There, James M. Stewart would be known as colonel, and he would be later decorated with an Air Medal, The Distinguished Flying Cross, and the Croix de Guerre. All told he accumulated 27 years of service in Active and Reserve Duty, even attaining the rank of brigadier general.

On May 20 in Indiana, PA, we will be celebrating Jimmy Stewart's birthday and the opening of the Jimmy Stewart Museum. And, in so doing, we really do honor a great American, someone who takes life in stride and who is just a wonderful example of the goodness that is in America.

I just want to read a couple of quotes from Jimmy Stewart that I found to be amusing and somewhat typical of the man. He said once:

> Jean Harlow had to kiss me, and it was then I knew that I'd never been kissed before. By the time we were ready to shoot the scene, my psychology was all wrinkled.

On his experience in the military and in the war:

> I always prayed, but I didn't really pray for my life or for the lives of other men. I prayed that I wouldn't make a mistake.

And finally, when he was flying a plane back for the Army, he ran into engine trouble while flying a tour of duty in 1959, but managed to bring his plane to a safe landing. He was quoted after he got out of the plane:

> All I could think of was not my personal safety, but what Senator Margaret Chase Smith (who was then chairman of the Senate Armed Services Committee) would say if I crashed such an expensive plane.

That is the kind of down-to-earth goodness and humbleness that Jimmy Stewart brought to the stage and to the screen and to the families of millions and millions of Americans and millions around the world.

He, frankly, deserves a greater tribute but, frankly, I cannot think of a more appropriate tribute to a modest man, to a good man, than a modest museum in his own hometown.

Mr. President, I yield the floor.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I am pleased to join with my distinguished colleague, Senator SANTORUM, in commemorating the opening of the museum in Indiana, PA, on May 20 of this year, which will commemorate the 87th birthday of a great American.

James Stewart spoke in the Senate of the United States to a spellbound crowd in the movie ''Mr. Smith Goes to Washington,'' unlike those assembled here today, who are still conducting some substantial business as we near the completion of this important appropriations bill.

The PRESIDING OFFICER. The Senator will suspend while we get order on the floor.

Could we please have order in the Senate?

I thank the Senator.

The Senator from Pennsylvania is recognized.

Mr. SPECTER. Mr. President, I feel a particular affinity for James Stewart for many reasons. In addition to playing a U.S. Senator for the movies, he was also the lead actor in ''The Philadelphia Story,'' for which he won an Academy Award.

He is a Pennsylvanian from a small town, Indiana, PA, which has a very striking statue in his honor.

In opening this museum on May 20—we talk about it on an appropriations bill—it is relevant to know that there is no Federal funding, at least to my knowledge, for this museum, which the people are offering as a tribute to James Stewart.

He has really a remarkable career as an actor and as a great patriot, one of the first movie stars to enter in World War II. He rose from the rank of private to the rank of colonel. He had 20 missions over Bremen, Frankfurt, and Berlin. He is an all-American hero. He reminds us of that when he appears frequently on television and in the reruns of ''It's a Wonderful Life.''

James Stewart is an American success story, and it is entirely appropriate that he be honored in his hometown on May 20 of this year.

Jimmy Stewart's achievements on and off the silver screen are well known to us, and Indiana, PA, is indeed fortunate to claim him as one of its own. He was born in Indiana, PA, on May 20, 1908, and graduated from Princeton University in 1932 with a degree in Architecture. Shortly after his graduation, Jimmy joined a summer theater group, debuting that same year in a production of ''Goodbye Again.'' After several years of performing in Broadway productions, Jimmy made his film debut in ''The Murder Man'' in 1935. His legendary film career was launched, and over the next several years he would bring us such classics as ''It's A Wonderful Life,'' ''Destry Rides Again,'' and ''The Philadelphia Story.'' His 1939 ''Mr. Smith Goes to Washington'' stands before us all—here in Washington and all throughout our country—as an abiding testimony to the importance of courage and integrity.

Jimmy Stewart's excellence in film, however, is matched by his sense of duty and patriotism. When his country called him to serve in World War II, he answered willingly; he served as a bomber pilot in the U.S. Air Force with dedication and distinction, earning several medals and commendations—and yet all the while with a sense of modesty and humility that belied the star-of-the-screen status he had left behind. By the time he returned home to the States, Mr. Jimmy Stewart had become Col. Jimmy Stewart, and over the course of his continued service in the Air Force Reserve in the years after the war he rose to the rank of Brigadier General.

His post-war return to the world of film brought us some of his greatest cinematic achievements, including such collaborative efforts with Alfred Hitchcock as ''Rear Window,'' ''The Man Who Knew Too Much,'' and ''Vertigo.'' In 1950, he brought us ''Harvey,'' in 1953, ''The Glenn Miller Story,'' and in 1962, ''The Man Who Shot Liberty Valance.'' And in the most gloriously atypical fashion, he and his wife Gloria remained together through it all year after year until her recent passing.

Jimmy Stewart's many contributions to the world of film, as well as the steadfast humility of his character and the tremendous sacrifice that he made as he served in behalf of his country, have endeared him to us all, and the occasion of the opening of this museum in his honor is a special one indeed. I am personally grateful for the joy that he has brought to us in his films and for the tremendous model of integrity and selflessness that he has exhibited for so many years, and I am hopeful that this modest museum erected in his honor will serve to enshrine his contributions and his character for many generations to come.

These remarks, along with the remarks by my distinguished colleague, Senator SANTORUM, as we pay tribute to this very, very distinguished American and Pennsylvanian.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota has been recognized.

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.

EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Chair reminds the Senator, the question before the Senate is amendment No. 441 in the second degree to amendment No. 427. The Senator needs to ask unanimous consent for that to be set aside.

Mr. WELLSTONE. I ask unanimous consent that that amendment be set aside.

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

Mr. WELLSTONE. I thank the Chair.

Mr. President, shortly I think we will have some agreement on an amendment that I will offer. I thought what I might do is take advantage of this time to briefly summarize this for colleagues. I appreciate the hard work of the majority leader and the bipartisan spirit of this.

Senior citizens face a confusing world of rules, conditions, exceptions, limitations, and even outright scams when choosing their supplemental health insurance and grappling with the Medicare system. Congress recognized the difficulty seniors face when it established a program, which is really a wonderful program. It is sort of the best example of grant money going a long way, and is called the Insurance Information Counseling and Assistance Grant Program in OBRA 1990. This was a recognition by the Congress that Medicare beneficiaries need help, not help through a Washington agency, but person-to-person help at a local level.

All 50 States have established insurance counseling and assistance programs with the help of Federal grant dollars. As a result, these programs provide local volunteer based assistance to Medicare beneficiaries.

Mr. President, this grant program is a perfect example of a small program—it is basically seed money—that has produced big results. Let me repeat that—a small program that has produced big results.

Over 10,000 volunteers have been trained through the program, and over $14 million is saved each year for beneficiaries just by good counseling for senior citizens who have a difficult time.

I remember that both my mom and dad had Parkinson's disease and, in the latter years of their lives, among their struggles was the struggle of just wading through some of the paperwork that they had to do, and some of the forms that they found bewildering.

In my own State of Minnesota, 300 volunteers have been trained, and 3,300

beneficiaries were assisted in 1994 alone—just in the State of Minnesota—and $867,000 was saved on their behalf.

Mr. President, I just simply want to make the case that what we are trying to do here is restore $5.5 million that is part of the proposed rescissions. What we are working on now is what the offset will be.

This is $5.5 million to be added on to what I think is now being spent, which is also about $5.5 million, which wil go a long way. Again, this is not a program centered in Washington, DC. This is a program that uses a small amount of Federal dollars that goes a long, long way. We train volunteers in each of our States, and I say to my colleagues that I know if you just talk to people in your State, especially senior citizens, you will find that there is a tremendous appreciation for the Insurance Information Counseling and Assistance Grant Program.

So I am just trying to restore $5.5 million. We are now working on an offset. As soon as we have that offset—and I think it will be soon—it is my hope that my amendment will have unanimous support.

Mr. President, I also want to say to my colleagues, the reason that I have been working on this amendment is, at least for me, one of the better reasons to be in the U.S. Senate—the need for this program comes directly from a lot of senior citizens in the State of Minnesota. People are really committed to this program. They feel it is not very expensive. I am just trying to get $5.5 million back in here to provide counseling assistance to seniors all across the country, and people tell me it is a huge help to them.

I think this is a good example of public policy that is not overly centralized, Mr. President, and not overly bureaucratized. It takes place back in our States and local communities, and constitutes the best example of using a small amount of money to get a lot of volunteers to provide a lot of help to senior citizens working their way through these forms, and it is a wonderful consumer protection and prevention program against some of the scams that all too often, unfortunately, happen to seniors.

I suggest the absence of a quorum. I hope soon we will have some resolution.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GORTON. 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. GORTON. Mr. President I ask unanimous consent that we lay aside the pending amendment if we have one.

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

AMENDMENT NO. 576 TO AMENDMENT NO. 420

(Purpose: To restore $614,000 proposed for rescission from the Weir Farm Historical Site, CT, and $700,000 proposed for rescission from the Jefferson Expansion Memorial, IL, offset by rescissions of $700,000 from land acquisition for the Wayne National Forest, OH, and $690,000 from the Highway Trust Fund; and to prohibit the purchase of lands in Washington County and Lawrence County, OH)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Washington [Mr. GORTON] proposes an amendment numbered 576 to amendment No. 420.

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

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

The amendment is as follows:

On page 19, line 2, strike ''$11,297,000'' and insert: ''$9,983,000''.

On page 21, line 17, strike $3,020,000'' and insert: ''$3,720,000''.

On page 21, line 17, after ''rescinded'' insert ''and the Chief of the Forest Service shall not exercise any option of purchase or initiate any new purchases of land, with obligated or unobligated funds, in Washington County, Ohio, and Lawrence County, Ohio, during fiscal year 1995''.

On page 44, line 77, insert the following:

FEDERAL HIGHWAY ADMINISTRATION

FEDERAL AID HIGHWAYS

(HIGHWAY TRUST FUND)

(RESCISSION)

Of the available contract authority balances under this heading in Public Law 100–17, $690,074 are rescinded.

Mr. GORTON. Mr. President, this amendment includes five items, all of which apply within the general direction of the Interior Committee portions of this bill. They are at the request of individual Senators and have offsets there for relatively small projects. They have offsets. They have been cleared with the majority and minority parties.

They include elements in Ohio, Illinois—that is one in which Missouri is interested—and Connecticut.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Has the Senator from Washington sent the amendments to the desk? Are they at the desk?

Mr. GORTON. They are.

Mr. BUMPERS. Mr. President, those amendments have been cleared on this side.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 576) was agreed to.

Mr. GORTON. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill 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. Without objection, it is so ordered.

Mr. DOLE. Mr. President, as I understand it, the Senator from Nevada is prepared to offer an amendment. I wonder if we might agree to a 30-minute time agreement on the amendment?

Mr. BRYAN. Mr. President, if I may respond, Senator BUMPERS is the primary sponsor of this. I am trying to reach him. He will be here momentarily. I am certainly agreeable in principle to the time limit to accommodate the leader and move this along, but I am reluctant to agree to a specific time until I speak with him.

Let me assure the leader I will try to ferret out the distinguished Senator from Arkansas and will be in communication with the leader as soon as possible.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, I just want to give my colleagues a status report on where I think we are. I believe we are making progress, but I am not certain because I see some additional amendments that have been added, additional cost items, add-backs—about $60 million. Then the offset has been reduced by about $60 million. It is about $120 million that has sort of disappeared here without our knowledge on this side.

We are perfectly willing to discuss these items or look at offsets that might be offered.

$46 million for Job Corps; I do not know where that came from. That came out of the blue; never discussed it yesterday. TRIO, whatever TRIO is; immigration and education; substance abuse and mental health—all these things. There is already a great deal of money in the bill for all of these programs.

Then the IRS offset disappeared. That was $50 million. Library is $10 million; maybe one or two others.

So we have sort of gone backwards on the deficit reduction and forwards on spending more money. Now, maybe in the overall mix of things, because this is about a $16 billion rescission package, we should not quarrel about $120 million. But I think there may be principle involved here, too.

If we are going to negotiate, then we ought to negotiate and finish this bill, or finish it tomorrow. I am not going to stay here very much longer tonight if we are not making any more progress than we are. So we will come back tomorrow. But I hope before that decision is made we can come to some conclusion on where these amendments came from. Why were there not any offsets? Why did we lose some $60 million on the offset side, savings side? Then I think we would be prepared to reach some agreement.

I know the Senator from Nevada has an amendment. I know the Senator from Minnesota has an amendment. And I know there is a managers' amendment. Then I think there was one additional amendment. The Senator from Iowa has an amendment on CPB. I thought those were all of the amendments. Then we discovered there are four more amendments that have been added back without a vote or anything else. Then there were some taken out of the savings side without a vote or anything else.

I just say to my colleagues on the other side. We want to be cooperative, but we cannot do business this way. I am prepared to see if we cannot work something out in the next 30 minutes. If not, we will recess for the evening and come back sometime tomorrow.

Are we yet in a position to get a time agreement? We are never going to finish it unless some people are willing to give us some time agreements.

Mr. FORD. Will the majority leader yield for just a moment?

Mr. DOLE. Sure.

Mr. FORD. We are doing our best to try to put things together. I understand the push. I understand getting out in 30 minutes and coming back tomorrow. But then you have a cloture petition filed. That ripens Saturday. So we are trying to put it together, and people understand that. The amendments that we have there, the new entrants, are the ones that are the amendments that basically have been agreed to. We have been trying to put—

Mr. DOLE. On your side.

Mr. FORD. On our side. We are trying to put it together where we can get that agreement. It becomes very difficult. We understand that there is no budget out here. We are trying to get rescissions in this year's allowances. That cuts off a lot of money for people that already started work. It does make it a little bit difficult.

I wanted to assure the majority leader that we are working. We are sweating trying to agree to what he is offering here. I just wanted to assure him. There was not anyone else out here to take it up.

Mr. DOLE. I am not quarreling with the Senator from Kentucky.

I will give you one example. The Senator from Mississippi, Senator COCHRAN, has been following the Women, Infants, and Children program, WIC, very carefully. He is very sensitive to that program. So we are adding back $35 million, which he says we cannot spend, just cannot spend it. But you know we added it back. So I assume it will not be spent. So it is not really an add-on. I am certain there are other programs which are the same.

But all I am suggesting is I think we are very, very close to getting this done, except for these new add-backs that I was not aware of, and then some of the deductions that have gone on that I was not aware of. So, hopefully, we can resolve those matters very quickly. And one way to do it quickly is to get Members to give us a time agreement.

I wonder if we not in a position to get a time agreement on the BRYAN-BUMPERS amendment so we can move on to some other amendments and so we are not just wasting our time waiting for the Senator from Arkansas to give us permission to proceed. Is there another amendment that we can proceed to?

Mr. BRYAN. I have just been informed that Senator BUMPERS should be here momentarily. Once he gets here, I am can assure the leader that we are prepared to proceed and enter into a time agreement.

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

The PRESIDING OFFICER (Mrs. HUTCHISON). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOLE. 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. DOLE. Madam President, I ask unanimous consent that there be 30 minutes equally divided on the BRYAN-BUMPERS amendment. In fact, we are prepared to give Senator BRYAN 20 minutes as the proponent of the amendment and we will take 10 on this side.

Mr. BRYAN. I thank the majority leader. That is agreeable.

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

Mr. BRYAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

AMENDMENT NO. 461 TO AMENDMENT NO. 420

(Purpose: To eliminate funding for the market promotion program)

Mr. BRYAN. Madam President, I have an amendment at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the pending amendment will be set aside, and the clerk will report.

The bill clerk read as follows:

The Senator from Nevada [Mr. BRYAN], for Mr. BUMPERS, for himself and Mr. BRYAN, proposes an amendment numbered 461 to amendment No. 420.

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

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

The amendment is as follows:

Strike lines 3–7 on page 4 of the Committee substitute, and insert in lieu thereof the following: ''deleting '$85,500,000' and by inserting '$0.' ''

Mr. DASCHLE addressed the Chair.

Mrs. BOXER. Madam President, I have a parliamentary inquiry, if I might.

The PRESIDING OFFICER. The Senator from Nevada has the floor.

Mr. BRYAN. I yield for the purposes of parliamentary inquiry. Will that be on our time?

The PRESIDING OFFICER. Yes. The Senator is correct.

Mr. DOLE. Madam President, the Senator can have 5 minutes; 10 in opposition, and take 5.

Mrs. BOXER. That is quite satisfactory. So the agreement is that the Senator from California would have 5 minutes, and the Senator from——

Mr. DOLE. Wherever.

Mrs. BOXER. Wherever can have 5 minutes.

Mr. BRYAN. Is that satisfactory to the Senator from California?

Mrs. BOXER. Yes.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. BRYAN. I yield myself 7 minutes, Madam President.

Madam President, this year Ralston-Purina will spend $13 million to advertise its Chex brand cereal, and Brown–Forman Corp. has budgeted $20 million to help sell California Cooler, and last year McDonald's spent $7.7 million in advertising in Singapore alone.

The question arises, what do all of these companies have in common besides each having multimillion-dollar advertising budgets? The answer is that they are all recipients of taxpayer funds which is known as the Market Promotion Program. This program was started in 1986 to promote American agricultural produce.

Let me just say a word by way of background. The amendment which the Senator from Arkansas and I have presently before the floor will zero out funding for this program for this year. Last year, the appropriators came up with $85 million for this Market Promotion Program, and in the legislation we are acting on this evening, they have increased the appropriation level to $110 million.

In my view, this program, which I am going to describe very briefly in a moment, is corporate welfare. We have debated in this session of the Congress where we can make cuts in the budget. We have talked about Women, Infants, and Children and school nutrition programs. Everything seems to be on the table except the sacred cow of American agriculture, the Market Promotion Program.

Very briefly, Madam President, the history of this program dates back a number of years. Currently, we are spending in the neighborhood of $3.5 billion in America on export promotion—$3.5 billion. Of that sum, $2.2 billion is set aside specifically for agricultural promotion.

Now, to put this in context, 63 percent of all the money that we are spending for export promotion in America is devoted to agriculture. Agriculture represents about 10 percent of the foreign exports from America. So it is my view that is a disproportionate, indefensible amount. But let us put that aside for the moment. We can debate the merits or demerits of spending $2.2 billion in agricultural promotion. I am talking about the Market Promotion Program. This is a program which, as I have said, is corporate welfare. It is the equivalent of food stamps

for the largest corporations in America.

The way this program works is that advertising budgets of some of the large corporations in America are supplemented by taxpayer moneys. Now, Conagra, a good company, makes the kind of products that are household names in America: Country Pride, Chung King, Wesson, Butterball, Swift, Peter Pan, Armour, Banquet, Swiss Miss. Since 1986, this company has received in taxpayer dollars $826,000. This company has, by 1994 financial data, $462 million in net profits. The advertising budget is $200 million. The CEO receives compensation of $1.229 million annually. How in God's world do we justify, Madam President, spending taxpayer dollars to supplement this program? This is a company that is large; it is successful; and they can effectively handle their own advertising and promotion budget.

Jack Daniels, a product that is familiar to many of us, $2.41 million is what they have received through the Market Promotion Program and its immediate predecessor, TEA [Targeted Export Assistance]. The 1994 financial data: Net profits of $146 million, an advertising budget of $74 million, CEO compensation of $703,000.

Again, Madam President, I suggest that it is indefensible to call upon the American taxpayer to subsidize a company of this size.

McDonald's. Who among us does not enjoy a Big Mac? I know I do. But this is a company that has received, since 1986, $1.6 million, taxpayer dollars, all taxpayer money, to supplement a company that makes a net profit, according to the 1994 data, of $1.2 billion, that has an advertising budget of nearly $700 million, and CEO compensation of $1.78 million.

In addition to this, it is not only American companies that receive it. Here is a list—not a complete list—of foreign companies that receive money from the American taxpayer.

The point to be made is that at a time when we are making some very tough budget cuts—very tough budget cuts—we are talking about the most vulnerable in our society who have been asked to step forward, whether it is the WIC program, or whether it is school nutrition, or aid to our schools in terms of drug assistance.

All of these programs have been hotly debated, but for some reason these agriculture programs are sacrosanct. It is time to eliminate these programs. First of all, they are indefensible in terms of taxpayer dollars being used to subsidize them. And secondly, there is a question as to its effectiveness.

The General Accounting Office has done an evaluation, and they find a number of problems with this program. Number one, it is not clear whether the taxpayer dollars that are going into the advertising budget simply are being exchanged for advertising money that is already in the corporate budget.

Secondly, there is no criteria as to who is eligible—big company, small company.

Third, there is no criteria as to how long you stay in. Do you get in and stay forever?

Now, there has been at least one reform that has been added that you have to get out in 5 years. But that is 5 years from 1994, and that means some of these companies have been in this program since its origin.

There is no objective statistical data, absolutely none, to suggest or to prove that in fact these dollars have assisted our export promotion program. Madam President, I remind my colleagues that we are spending separate and apart for this one agricultural promotion $2.2 billion. Now, you will recall agricultural exports represent 10 percent of the exports from America. We are spending 63 percent of a total of $3.5 billion that is being spent by the Federal Government on export promotion.

There are other brand names that are household products. I think the American taxpayer is entitled to be absolutely outraged when you look at some of these companies, highly successful companies. I have no quarrel with the companies. My quarrel with them is the fact that American taxpayer dollars are subsidizing the corporate giants in America.

Let me just give you some more information here. Welch's, marvelous fruit juice, and others, they have received since 1986 $5.8 million; Blue Diamond, these are the folks who are involved in nuts, $37 million; Dole fresh fruit, $9 million. If the Pillsbury Doughboy looks a little chubby to you all, it is because the American taxpayer has been subsidizing his diet pretty heavily. Pillsbury, it says, received during this period of time $10 million.

So my point, Madam President, is that if we are serious about cutting the deficit, if we are serious about making the hard choices, the tough cuts, we have to begin with programs like this. Corporate welfare ought to be on the line every bit as much as the other programs which have been targeted in this Congress either for elimination or reduction.

Let me say this is not a liberal amendment nor a conservative amendment that my friend, the distinguished senior Senator from Arkansas, and I offer. This is an amendment on which those who are to the political right in America, the Cato Institute, and those who are the moderates in America, the Political Aggressive Policy Institute, have taken a look at this program and both have reached the same conclusion: This is a program that ought to be eliminated.

To conclude, Madam President, it is time to take these companies off the taxpayer dole. They are capable of fending for themselves. They have marvelous programs, sophisticated staffs. They pay their people top dollar in terms of their promotion programs. The American taxpayers ought not to be asked to spend their dollars to supplement these advertising accounts. The time for action is now.

Madam President, I yield the floor and reserve the remainder of my time.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. BOXER. I thank the Chair.

I rise to oppose the amendment by my friend and colleague from Nevada. We agree on many things. This is one on which we do not agree. To zero out a program like the Market Promotion Program, which we know is working—and, when my colleague says there is no statistical proof it is working, I have other reports than he does on that matter. But to cut a program that is working to increase our exports, when we are approaching the 21st century mark and exports are crucial to our economy—and promoting those exports is certainly crucial to that—I think it would be a very radical move.

We have a budget that is coming up for review. We are going to look at this program in that budget review. After we do that—and I am on the Budget Committee—as my friend knows, we are going to take a real hard look at all of these things in the various authorizing committees and, of course, in the Appropriations Committee. But to take this move today to eliminate this program, I hope that we will not go along with it.

The Marketing Promotion Program is an important tool in expanding markets for U.S. agricultural products from California to many other countries in the world.

We talk today about redirecting farm spending away from price supports. I support that. I think we should move away from price supports. But we also should work toward expanding markets. I think it makes a lot of sense to do that.

My friend from Nevada says there is no statistical data to show that the Marketing Promotion Program is working. I would like to call to his attention a U.S. Department of Agriculture study. They estimate that each marketing promotion dollar results in an increase in agricultural product exports of between $2 and $7.

Madam President, that is a very good return on our money. Indeed, any business person would say if you put $1 in and it results in $2 of increased sales and even up to $7 in increased sales, that is a very sound program.

And my colleague talks about large beneficiaries. Well, I think he is overlooking the number of small beneficiaries. We have seen much-needed assistance to commodity groups comprised of small farmers who are unable to break into those markets on their own. And I think that is a very important point.

I have been to the fertile valleys of California. I have met with those small farmers. I have seen those family farms. And alone they do not have

much power. But they come together as cooperatives, and they work together as marketing groups, and with the Market Promotion Program they have been successful in breaking into the export markets.

So I think it is fair to say to my friend that the small growers and the small farmers have benefited greatly. And that is one of the intentions of the program.

I also want to point out to my friend that last year a task force of the U.S. Agricultural Export Development Council met for 2 days in Leesburg, Virginia. Their function was to review the role of the Marketing Promotion Program and other agricultural programs as part of our overall trade policy. The task force concluded that the purpose of the Marketing Promotion Program is to ''increase U.S. agricultural product exports.'' It also concluded that the increase in such exports helps to ''create and protect U.S. jobs, combat unfair trade practices, improve the U.S. trade balance, and improve farm income.''

And I am directly quoting from that meeting.

So I would say to my friend, although he has not found any documentation that this program works and it helps us and, in fact, is a wise investment, there are certainly other groups that have found that it is a wise investment. And it should be supported.

I would like to say to my friend, in closing, that we should look at what other countries do. Sometimes we do not look at the fact that other countries push for their exports, push for their agricultural products, promote their products, and fight for their products. And what do we do sometimes? We walk away from a program like this and let our people twist in the wind.

Madam President, I see my time is up.

I ask unanimous consent to have 1 additional minute.

The PRESIDING OFFICER. Is there objection? If not, so ordered.

Mrs. BOXER. Thank you very much, Madam President.

I will conclude here. I think that we would be making a big mistake, as we move toward this global marketplace, to walk away from the Marketing Promotion Program. Our competitors have programs that do far more for their agricultural products than we do. And there is a reason. They understand that exports are key to any country's success as an economic power.

We do not have a level playing field out there. That is clear. So I hope that my friend would agree with me that there is no level playing field, and other countries are out there pushing hard for their products, helping their farmers to push exports. This is our only program that does that.

I hope we will defeat his amendment.

I yield the floor at this time.

The PRESIDING OFFICER. The Senator from Nevada has 10 minutes 39 seconds remaining.

Mr. BRYAN. I yield to the Senator from Arkansas whatever time he wishes.

Mr. BUMPERS. How much time remains for the proponents?

The PRESIDING OFFICER. Ten minutes 31 seconds.

Mr. BUMPERS. Madam President, I will yield myself such time as I may use, which I hope will be less than 10 minutes.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. BUMPERS. First of all, I want to thank my colleague and very good friend, Senator BRYAN, of Nevada, for his unstinting efforts in this.

In 1993, Congress directed GAO to prepare a report on the effectiveness of the Market Promotion Program. The report that came back was less than satisfactory. Subsequently, for Fiscal Year 1994, we cut MPP from $147.7 million to $100 million. In Fiscal Years 1991 and 1992, the funding level had been at $200 million.

Last year, as Chairman of the Appropriations Subcommittee on Agriculture and Rural Development, I made every effort to eliminate this program. However, the distinguished Senator from Washington, Mr. GORTON, was successful in reinstating the program, both in the committee and on the floor.

Madam President, I do not see how we can go through the agony we have been going through in here in trying to cut spending, particularly in light of the fact that we are cutting spending for school lunches and for the Corporation for Public Broadcasting and for a host of other things which, in my opinion, have great merit and go right to the heart and soul of America. How we can cut spending for them and actually add nearly $25 million to the Market Promotion Program? It was at $85.5 million for Fiscal Year 1995 and it now stands, by virtue of the bill now before the Senate, at $110 million.

Senator BRYAN and I now propose to eliminate the Market Promotion Program and apply the savings toward deficit reduction. We are not setting it aside for something else. I would love to take this and put it in the Corporation for Public Broadcasting, but we chose to offer this amendment and apply the $110 million for pure deficit reduction.

I do not believe any member of this body should be able to keep a straight face and support some of the measures we are voting for when we cannot kill a program, like MPP, that is a pure subsidy for some of the biggest corporations in America and abroad. If we were solely promoting an industry, an industry-wide product or an agricultural product, as we do in the Export Enhancement Program, it might make a little sense. But we are promoting brand loyalty. With MPP, we are using federal funds to promote a large number of popular retail items that most of us know as household words. MPP funds have been used to promote McDonalds' products, Gallo Wines, and several popular items produced in my State which we can all easily identify in grocery stores across the Nation.

Look down the list of the people who benefit from this—143 foreign firms. You inquire, what on Earth are we doing spending American taxpayers' money subsidizing foreign companies and promoting their brand loyalty? The answer: They use some American products. So if foreign companies that use our products want to advertise their brand and create a brand loyalty, we give them money, too.

And, in addition to 143 foreign corporations, Madam President, over 700 American corporations participate in this program just last year alone.

I am not blaming them. When Uncle Sam throws a big trough full of money out and says, come and get it, if I were one of these corporations and I had a foreign presence, as most of them do, I would get up there and apply for it, too.

Now, Madam President, I started off saying that the 1993 GAO report gave us reasons to question the validity of this program. More recently, another GAO report was prepared which I received in March of this year, just a couple of weeks ago.

No Senator should vote on this amendment until they look at the March 1995 GAO report.

Here is what they say, and this is the meat of the whole argument:

> The Foreign Agricultural Service has no assurance that marketing promotion funds are supporting additional promotional activities rather than simply replacing company industry funds.

The GAO did not just reach that decision without substantial program review. They studied it, and they said there is no evidence that this money is going for additional promotional activities that the companies themselves would not spend if we torpedoed this program. You cannot find a more compelling reason to vote for anything around here than a GAO report offers findings such as this.

If we were going to champion a program such as this—and I am not prepared to do that yet—it ought to be for small business, or companies new to market U.S. agricultural products abroad. Not big businesses that have been in the export business for years.

So, Madam President, I hate to use the term corporate welfare because big corporations make a contribution to this country, although members of the national press have not hesitated to attach that label to some results of the Market Promotion Program. I am not blaming them for standing at the trough and getting this money. There are 716 domestic and 143 foreign firms that received MPP funds in Fiscal Year 1994, and some of these are among the largest commercial enterprises in the World. Look down the list. It is shocking.

Here is an opportunity to save $110 million, of which it can be argued that the farmers of this nation are only the indirect beneficiaries, if even that; $110 million in genuine deficit reduction, much of which will otherwise go to some of the most affluent companies we know.

I listened to some Senators on the other side of the aisle 2 evenings ago talking about pork, talking about the Corporation for Public Broadcasting being an outrageous waste of the taxpayers' money. Here is an opportunity for everybody to quit talking and making partisan points. We need to make better use of our limited federal resources. We should join hands and eliminate this funding and allow these large companies to float free and easy on their own and spend their own money.

Madam President, I yield the floor and reserve the remainder of time that the distinguished Senator from Nevada has.

Mr. COCHRAN. What is the situation with the time? How much time remains on each side, allocated to individual Senators?

The PRESIDING OFFICER. The Senators in opposition have 5 minutes; the proponents have 3 minutes 28 seconds.

Mr. COCHRAN. I thank the Chair.

Mr. BRYAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. BRYAN. How much time on our side is left?

The PRESIDING OFFICER. Three minutes 28 seconds.

Mr. BRYAN. Madam President, let me, in the interest of moving this debate forward, just express my appreciation to the distinguished Senator from Arkansas for his efforts and make just a couple of brief points, if I may.

He made the observation, which is absolutely correct, that there are 140 foreign companies. Here is a partial list of them right here. Some of the names you may know and some, frankly, I have never heard of, but 140.

To make the point that the distinguished Senator from Arkansas was making, from 1986 to 1993, 20 percent—20 percent—of the budget for this program for branded advertising—that is the McDonald's and the rest of it—goes to foreign companies. Twenty percent, American taxpayer dollars. I do not know how you justify and how you support that.

The other point that I would like to make is the GAO report that the distinguished Senator makes reference to has a very interesting piece of testimony, and that is, one of the recipients of the program was asked by the auditors, ''How did you all become involved in the program?''

''Well,'' she said, ''we got a phone call. They said, 'Would you like to get some money?'''

As the Senator from Arkansas said, I do not fault the company.

She said, ''Tell me how.''

''Look, we are passing out money on this program called the Market Promotion Program,'' and, indeed, the company did. The company, Newman's Own, Paul Newman's food company. They just got a call which said, ''Look, would you like help for your advertising bills? We will reimburse you.''

This was the testimony of A.E. Hotchner, from Newman's Own.

''We would be delighted to take it.'' As the Senator from Arkansas made the point, number one, it has not been established that it has accomplished its desired purpose. It is not effective. Is that not a prime reason to zero it out? And secondly, philosophically, I must say, Madam President, it sticks in my craw. Companies like this, and good companies—I am not maligning these companies—would get into the public trough and get this kind of taxpayer dollar when everybody in this Congress has talked a pretty good talk about reducing the deficit.

This ought to be a no brainer. This is not a difficult decision. This is one in which we should say these companies ought to have the ability to fly on their own.

I yield the floor and reserve any time I may have left.

The PRESIDING OFFICER. The Senator has 31 seconds left.

Mr. COCHRAN. Madam President, I yield myself such time as I may consume.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. COCHRAN. Madam President, first of all, let me say putting the sign of McDonald's on the floor of the Senate and suggesting this program is designed to subsidize McDonald's, or any other particular firm, is an outrageous distortion of this program.

Let me read to you a memo written by the Poultry and Export Council about the McDonald's issue. It says in part:

> Yes, our Council has used MPP to help McDonalds sell more American chicken—but not to promote McDonalds. The facts are that McDonalds franchises in other countries are foreign owned and operated. They are under no obligation to buy U.S. poultry or eggs and can readily find lower priced (and lower quality) product in Thailand, Malaysia or elsewhere.
>
> But by allowing McDonalds to apply for and receive matching funds under MPP, requires their franchisees to be entirely supplied with U.S. products. The point is, we are NOT promoting McDonalds, we are getting McDonalds to advertise U.S. chicken and eggs. And it has been quite effective. In fact, the state of Arkansas has likely benefited more from this activity than any other state.

The point is this: The market promotion funds are made available almost 97 percent to non-profit and related U.S. trade associations, including state departments of agriculture. The National Cattlemen's Association says these funds have helped them break into the market in Japan, in Korea, and build market share.

We have seen the funds used in other countries for the same purpose, to try to overcome barriers to U.S. trade. The program has helped farmers, it has created jobs in America, and it has benefited every community.

I ask unanimous consent, Madam President, to print a copy of a letter from the Coalition to Promote U.S. Agricultural Exports in the RECORD, which shows a listing of all of the agriculture and farm commodity groups in America that benefit from this program because they can sell what they produce more effectively with this program's promotion money in overseas markets when they have to combat the unfair and competitive subsidies from other countries.

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

COALITION TO PROMOTE
U.S. AGRICULTURAL EXPORTS,
Washington, DC, March 28, 1995.

Hon. THAD COCHRAN,
U.S. Senate,
Washington, DC.

DEAR SENATOR COCHRAN: We are writing to urge your continued strong support for maintaining and strengthening funding for USDA's export programs, including the Market Promotion Program, when the Senate takes up the FY 1995 supplemental appropriation and rescissions package.

As approved by the Senate Appropriations Committee, the package includes $24.5 million to restore funding for USDA's Market Promotion Program to its authorized level of $110 million. Such an increase, we believe, sends a strong and positive message that U.S. Policies and programs will remain equally competitive with those of other countries as allowed under the Uruguay Round GATT Agreement.

For this reason, we are very concerned over possible amendments to reduce or even eliminate funding for the entire program when the package comes to the Senate floor. Such action would be devastating to U.S. interests—especially in the face of continued subsidized foreign competition.

The GATT agreement, it should be emphasized, did not eliminate export subsidies, it only reduced them. The European Union (EU), which outspent the U.S. by 6 to 1 over the last 5 years, will be able to more than maintain its historical advantage. As export subsidies are reduced, they and other competitors can be expected to redirect much of those resources into other GATT allowable programs, including market development and promotion, to maintain and expand their share of the world market.

In fact, the EU and other competitors, including Australia, Canada and New Zealand, are moving aggressively with their farmers and ranchers, and other exporters, in support of market development and promotion efforts. According to USDA, total expenditures for such activities are estimated at nearly $500 million—well above similar expenditures by the U.S. and are expected to increase.

American agriculture is the most competitive in the world. But, it is not enough to be economically competitive. U.S. policies and programs also must be competitive. Many of us supported the Uruguay Round agreement because of assurances that U.S. policies and programs would continue to be maintained and aggressively implemented to the full extent as allowed under GATT and U.S. law. Without this commitment, America's farmers and ranchers will be at a substantial disadvantage in the new global trade environment.

U.S. agriculture exports, which are projected to reach as high as $48.5 billion this year, account for as much as one-third of total production. In addition to helping strengthen farm income, exports are vital to our nation's economic well-being as highlighted below:

Jobs—Nearly one million Americans have jobs which are dependent on agriculture exports. A 10 percent increase in exports would help create as many as 100,000 jobs.

Economic Growth—U.S. agriculture exports help generate approximately $100 billion in economic activity and account for $8 billion or more in federal tax revenues.

Balance of Payments—U.S. agriculture exports result in a positive trade balance of nearly $20 billion. Without agriculture, the U.S. trade deficit would be even higher.

Again, such economic benefits can only be maintained to the extent that U.S. policies and programs remain competitive with those of our foreign competitors. America's farmers and ranchers, and others engaged in international trade, can not and should not be required to compete alone against the treasuries of foreign governments.

USDA's Market Promotion Program has been and continues to be an important element in our nation's trade strategy and in helping U.S. agriculture build, maintain and expand export markets in the face of continued subsidized foreign competition. As a cost-share program, it has been extremely cost effective with farmers and ranchers, along with other participants, required to contribute as much as 50 percent of their own resources in order to be eligible. It has also been highly successful by any measure.

For these reasons, we urge your continued strong support and that you oppose any amendment which would reduce or eliminate funding for this important program.

Sincerely,

AG PROCESSING, INC.
ALASKA SEAFOOD MARKETING INSTITUTE.
AMERICAN FARM BUREAU FEDERATION.
AMERICAN FOREST & PAPER ASSN.
AMERIAN HARDWOOD EXPORT COUNCIL.
AMERICAN MEAT INSTITUTE.
AMERICAN PLYWOOD ASSOCIATION.
AMERICAN SEED TRADE ASSOCIATION.
AMERICAN SHEEP INDUSTRY ASSN.
AMERICAN SOYBEAN ASSOCIATION.
BLUE DIAMOND GROWERS.
CALIFORNIA AVOCADO COMMISSION.
CALIFORNIA CANNING PEACH ASSN.
CALIFORNIA KIWIFRUIT COMMISSION.
CALIFORNIA PISTACHIO COMMISSION.
CALIFORNIA PRUNE BOARD.
CALIFORNIA TABLE GRAPE COMMISSION.
CALIFORNIA TOMATO BOARD.
CALIFORNIA WALNUT COMMISSION.
CHERRY MARKETING INST., INC.
CHOCOLATE MANUFACTURERS ASSOCIATION.
DIAMOND WALNUT GROWERS.
DOLE FRESH FRUIT COMPANY.
EASTERN AGRICULTURAL AND FOOD EXPORT COUNCIL CORP.
FARMLAND INDUSTRIES.
FLORIDA CITRUS MUTUAL.
FLORIDA CITRUS PACKERS.
FLORIDA DEPARTMENT OF CITRUS.
GINSENG BOARD OF WISCONSIN.
HOP GROWERS OF AMERICA.
INTERNATIONAL AMERICAN SUPERMARKETS CORP.
INTERNATIONAL APPLE INSTITUTE.
INTERNATIONAL DAIRY FOODS ASSOCIATION.
KENTUCKY DISTILLERS ASSOCIATION.
MID-AMERICA INTERNATIONAL AGRI-TRADE COUNCIL.
NATIONAL DRY BEAN COUNCIL.
NATIONAL GRAPE COOPERATIVE ASSOCIATION, INC.
NATIONAL ASSOCIATION OF STATE DEPARTMENTS OF AGRICULTURE.
NATIONAL CATTLEMEN'S ASSN.
NATIONAL CONFECTIONERS ASSN.
NATIONAL CORN GROWERS ASSN.
NATIONAL COUNCIL OF FARMER COOPERATIVES.
NATIONAL COTTON COUNCIL.
NATIONAL MILK PRODUCERS FEDERATION.
NATIONAL PEANUT COUNCIL OF AMERICA.
NATIONAL PORK PRODUCERS COUNCIL.
NATIONAL POTATO COUNCIL.
NATIONAL RENDERERS ASSOCIATION.
NATIONAL SUNFLOWER ASSOCIATION.
NATIONAL WINE COALITION.
NORPAC FOODS, INC.
NORTH AMERICAN EXPORT GRAIN ASSOCIATION.
NORTHWEST HORTICULTURAL COUNCIL.
OCEAN SPRAY CRANBERRIES, INC.
PRODUCE MARKETING ASSOCIATION.
PROTEIN GRAIN PRODUCTS INTERNATIONAL.
SIOUX HONEY ASSOCIATION.
SOUTHERN FOREST PRODUCTS ASSN.
SOUTHERN U.S. TRADE ASSOCIATION.
SUN-DIAMOND GROWERS OF CALIFORNIA.
SUNKIST GROWERS, INC.
SUN MAID RAISIN GROWERS OF CALIFORNIA.
SUNSWEET PRUNE GROWERS.
THE CATFISH INSTITUTE.
THE POPCORN INSTITUTE.
TREE FRUIT RESERVE.
TREE TOP, INC.
TRI VALLEY GROWERS.
UNITED EGG ASSOCIATION.
UNITED EGG PRODUCERS.
UNITED FRESH FRUIT AND VEGETABLE ASSOCIATION.
USA DRY PEA & LENTIL COUNCIL.
USA POULTRY & EGG EXPORT COUNCIL.
USA RICE FEDERATION.
U.S. FEED GRAINS COUNCIL.
U.S. LIVESTOCK GENETICS EXPORT, INC.
U.S. MEAT EXPORT FEDERATION.
U.S. WHEAT ASSOCIATES.
VODKA PRODUCERS OF AMERICA.
WASHINGTON APPLE COMMISSION.
WESTERN PISTACHIO ASSOCIATION.
WESTERN U.S. AGRICULTURAL TRADE ASSOCIATION.
WINE INSTITUTE.

Mr. COCHRAN. Madam President, let me give one example. The European Community this year is going to spend $89 million just promoting wine exports and subsidizing wine exports, a lot of that into the U.S. This entire program is $85.5 million, and the sponsors of this amendment are trying to knock out every dollar of it. We are not going to have any funds left to help combat the unfair and heavily subsidized trading practices of foreign countries if you take away this tool.

I am hoping that we can increase the funding. It used to be $200 million a year, and because of cuts in this and other programs, we had to downsize the program. It is now only $85.5 million, and they are trying to take away that.

The President and the administration requested additional funds to help companies, to help farm groups and State departments of agriculture deal with these competitors, to increase their market share. The administration asked for an increase from $85.5 million to $110 million, and this committee recommended it, the Appropriations Committee agreed to it, and we ought to approve it.

I am hoping the Senate will reject this amendment. I yield whatever time remains to the Senator from the State of Washington.

The PRESIDING OFFICER. The Senator from Washington has 1 minute 7 seconds.

Mr. LEAHY. Mr. President, I would like to say a few words about a program that I have not often praised in the past. The Market Promotion Program (MPP) is designed to help U.S. agricultural producers develop export markets overseas.

Most people do not associate Vermont with agricultural exports, but in fact the state exported almost 122 million agricultural products in 1994. The food products industry is the fastest growing sector of the state's economy. And profitable value added products make up a good part of that total.

In my state, the Market Promotion Program has fulfilled its potential to help small companies develop a niche in foreign markets. Thanks to the program Mexicans have discovered the joys of Vermont maple syrup, Canada is importing Vermont cheesecakes, Bermudans are drinking our cider and finding that they like it, and our friends in the United Kingdom are eating MacIntosh apples they never even knew Vermont produced.

Through MPP, the Vermont Department of Agriculture is introducing Vermont companies to new opportunities in Europe, Canada, Asia and Latin America. During the next year, Vermont companies will be participating in trade missions and export seminars in Hong Kong, Guangzhou, Canada, Brazil and Mexico. These opportunities would not be available to Vermont agriculture without the MPP.

Unfortunately MPP dollars are not always as well spent. As Chairman of the Senate Agriculture Committee, I held oversight hearings on MPP that uncovered a number of problems with USDA's management of the program. And, in 1993 I worked for real reform of the program to correct the abuses that were reducing MPP to a massive corporate welfare program.

The Market Promotion Program has come a long way from where it was 3 years ago. The Clinton Administration has reformed the program to curb abuses and focus the program where it should always have been targeted—toward small businesses. MPP is far from perfect. We must continue to look for ways to put scarce dollars where they are needed the most. But eliminating the program is not the way to do it.

Mr. GORTON. Madam President, I find it simply incredible that almost the only suggestion for the reduction in funds that we get from Members who, by and large, have been voting to increase funds for all sorts of income transfer purposes is to take away funds that help the United States sell its agricultural products abroad.

This program does more to benefit hard-working American farmers and food processors than almost any other program we have.

It helps to deal with a terrible deficit in our trade balance, the largest this country has ever had. It is a more positive impact on what we do to produce money for our farmers, for the people who work for them, for those who process food, than practically any other program.

By all means, we should not turn down the opportunity to help our economy become more and more competitive. We should reject this amendment.

Mr. COCHRAN. Madam President, is there time left in opposition to the amendment?

The PRESIDING OFFICER. All time has expired. The Senator from Nevada has 30 seconds remaining.

Mr. BRYAN. Thank you, Madam President.

Let me just say in response to my friends on the other side of this proposition, I am not arguing with the distinguished Senator from Arkansas that no agricultural promotion is defensible or justified.

We are spending $2.2 billion—$2.2 billion—on agriculture promotion for exports aside from this program. What I am saying is this particular program that subsidizes the wealthiest corporations in America cannot be defended, particularly when we are spending $12.2 billion, 63 percent of all the money spent for promotion around——

The PRESIDING OFFICER. All time has expired.

Mr. COCHRAN. Madam President, I move to table the amendment offered by Senators BRYAN and BUMPERS and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Under the previous order, the question is on agreeing to the motion to table amendment No. 461 offered by the Senator from Nevada [Mr. BRYAN]. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from North Carolina [Mr. HELMS] is necessarily absent.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

I further announce that, if present and voting, the Senator from Maryland [Ms. MIKULSKI] would vote ''nay''.

The PRESIDING OFFICER (Mr. FRIST). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 61, nays 37, as follows:

[Rollcall Vote No. 130 Leg.]

YEAS—61

Akaka	Exon	McConnell
Ashcroft	Feinstein	Moseley-Braun
Baucus	Ford	Murkowski
Bennett	Frist	Murray
Biden	Gorton	Nunn
Bond	Gramm	Packwood
Boxer	Grams	Pressler
Breaux	Grassley	Pryor
Burns	Hatch	Robb
Campbell	Hatfield	Shelby
Coats	Heflin	Simon
Cochran	Hutchison	Simpson
Cohen	Inouye	Snowe
Conrad	Jeffords	Specter
Craig	Johnston	Stevens
D'Amato	Kassebaum	Thomas
Daschle	Kempthorne	Thurmond
DeWine	Kerrey	Warner
Dole	Kohl	Wellstone
Domenici	Leahy	
Dorgan	Lott	

NAYS—37

Abraham	Graham	McCain
Bingaman	Gregg	Moynihan
Bradley	Harkin	Nickles
Brown	Hollings	Pell
Bryan	Inhofe	Reid
Bumpers	Kennedy	Rockefeller
Byrd	Kerry	Roth
Chafee	Kyl	Santorum
Coverdell	Lautenberg	Sarbanes
Dodd	Levin	Smith
Faircloth	Lieberman	Thompson
Feingold	Lugar	
Glenn	Mack	

NOT VOTING—2

Helms	Mikulski

So the motion to lay on the table the amendment (No. 461) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mrs. BOXER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. 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. DOLE. Mr. President, let me advise my colleagues I think we may have an agreement here if we can have everybody's cooperation, and we may be able to finish this bill tonight and we may be able to finish all other business by voice votes including the defense supplemental, the district board, kiddie porn and whatever else might be remaining. So it would mean that my colleagues will be able to tend to other business tomorrow either here or somewhere else.

AMENDMENT NO. 577

Mr. DOLE. Mr. President, I send an amendment to the desk on behalf of myself, Senator DASCHLE, and others, and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the pending amendment will be laid aside.

The clerk will report.

The legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE], for himself and Mr. DASCHLE, proposes an amendment numbered 577.

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

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

(The amendment will be printed in today's RECORD under ''Amendments Submitted.'')

Mr. DOLE. Mr. President, I ask unanimous consent there be 30 minutes for debate on the Dole amendment to be equally divided in the usual form and that no amendments be in order during the pendency of the Dole-Daschle amendment.

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN addressed the Chair.

Mr. DOLE. I am coming to the Senator's.

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

Mr. DOLE. I further ask that the following amendments be the only remaining amendments in order and limited to the following time restraints where noted, all in the usual form. And I have been advised by Senator LEVIN he will not offer the one amendment—he does have an amendment that has been worked out; an amendment by Senator WELLSTONE relating to seniors; a managers' amendment, a Hatfield/Byrd amendment; and a Harkin handback for CPB, and on that there be an up-or-down vote.

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

Mr. JEFFORDS. Reserving the right to object, Mr. President.

Mr. DOLE. Excuse me. I did not give times on those amendments: On Harkin, there will be 20 minutes equally divided; on the Wellstone amendment, 20 minutes equally divided; and the Hatfield/Byrd managers' amendment, 15 minutes equally divided.

Mr. HARKIN. Reserving the right to object.

Mr. JEFFORDS. Mr. President, reserving the right to object, I have an amendment for which I do not need more than 10 minutes which I intend to offer.

Mr. HARKIN. Mr. President, reserving the right to object, I ask the distinguished majority leader, on my amendment, I had initially asked for 20 minutes on our side. I do not know how much time the other side will take. I need 20 minutes because I have at least two other people who want to speak on it. If I can just have 20 minutes, that is fine.

Mr. DOLE. Twenty minutes and we will take 10 minutes.

Mr. HARKIN. Whatever. The amendment is not only CPB. It is also an add-back for the senior community appointment program.

Mr. DOLE. What is the total of the amendment?

Mr. HARKIN. The total of the amendment is $40 million.

Mr. DOLE. And it is offset?

Mr. HARKIN. It is offset by the cut in Radio Free Europe. Some of the money goes to get CPB back up to the inflation increase, and then some of it goes for the senior community appointment program. The Senator did not mention it, and I wanted to make sure that it was in there.

Mr. DOLE. So that will be 20 and 10, 20 minutes for Senator HARKIN and 10 minutes in opposition.

Mr. HARKIN. That is fine. My concern, when the unanimous consent was read, was that when I sent my amendment to the desk and it was also for somebody in the senior community appointment program, it would not be pulled out of order on this type of agreement.

The PRESIDING OFFICER. Is there objection?

Mr. JEFFORDS. Reserving the right to object, I am not sure where I stand, Mr. President.

Mr. JEFFORDS. Mr. President, I withdraw my objection.

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

Mr. DOLE. Mr. President, I further ask unanimous consent that, following the disposition of the above listed amendments, the Senate proceed to vote on the Hatfield substitute, to be followed by third reading and final passage of H.R. 1158, as amended, all without any intervention action or debate.

But before the Chair rules on that, I think it is best to have a colloquy at this time with the distinguished Senator from New York with reference to the amendment on Mexico, which would be critical to winding up this package this evening, as I understand from the Democratic leader and others.

So I am happy to yield to the Senator from New York.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, I thank the majority leader.

I recognize the situation and the dilemma that the Senate finds itself in in confronting the necessity of moving forward with this bill. I recognize that we are moving up against a time deadline.

Mr. President, I am going to say now that I am not going to pursue this amendment for two reasons. Number one, I do not want to be accused of scuttling a very difficult agreement that has been worked out, where other of my colleagues have stepped back, and insist that I be the only one that goes forward.

Having said that, I want to indicate very clearly that this Senator is deeply troubled by the manner in which we are discharging our constitutional responsibility as it relates to Mexico and the attempt of this administration to help them.

And I want to help. But this Senator wants to see to it that the dollars that we are committing are used appropriately. I think at the very least we are entitled to the kind of accountability that we would be if it were a foreign aid program and even more since it is a clear circumvention of the manner in which foreign loans should be made.

To that extent, I suggest that the second-degree amendment which was offered by Senator MURKOWSKI is absolutely, totally appropriate; that the legislative initiatives undertaken by Congressman Cox should be, without question, something that is carried out in terms of making information available to us as it relates to what preceded the crisis in Mexico before it became public and the collapse of the Mexican economy. What was our role and what has been our role since then? And what do we anticipate as we move along?

Again, I will press this matter. I do not claim that the legislative initiative that I have undertaken should be adopted in its present form, but I do believe that when we are talking about sending billions of dollars, taxpayers' dollars, to a program that may or may not work—and the administration has testified before the Banking Committee that it may not work—that we have an absolute obligation to know what is taking place and how it is administered, at the very least.

I do not think that those who say this is without doubt within the administration's prerogative would deny us that. I believe that is giving tremendous latitude.

When we come back from our recess, undoubtedly billions of dollars more of American moneys will have been placed into this program. The question as to whether or not we will ever have repayment is a very legitimate question. But how far do we go, in a very important but a very risky undertaking; how far do we go before we say, ''Wait, this may not be working''? Do we leave this just in the prerogative of the Secretary of the Treasury to determine if it is working, or should we not at the very least have that information?

Mr. President, I tell the majority leader that I will move forward by way of legislation, if necessary, to at least obtain that information, obtain the facts. And, in addition thereto, if we find, and if I am not convinced, that the program is working or that there is a chance of us recovering moneys, I will then move by legislative action again to accomplish the things that I have said before on this floor and to cut off further dollars.

By the time we come back, there is no doubt in my mind that we will have committed directly from the United States probably in the area of $10 billion or more. That is a lot of money. We are working on a rescission package to try to save money. We certainly, at the very least, are entitled to know that those dollars are being used wisely, appropriately, and that there is some chance of success, a bona fide chance of success. That is what troubles this Senator.

So with that statement, I will say that I do want to accommodate my colleagues, but I also want them to know that there may be more legislation moving through this Senate, and I reserve the right, as all of us have that right, to move forward with this initiative. It will be at a time when there is legislation that may be critical, that the administration needs or that people are interested in. I will not move on a piece of legislation that is not critical and therefore be denied bringing this matter to a vote.

At some point in time, it is my belief that this Congress and this Senate should be required to vote as to whether or not we should continue this program.

Mr. President, I ask unanimous consent to withdraw the pending amendment, amendment No. 427.

The PRESIDING OFFICER. The amendment is withdrawn.

The amendment (No. 427) was withdrawn.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I think we have the agreement.

I think I did ask unanimous consent that following the disposition of the above-listed amendments, the Senate proceed to vote on the Hatfield substitute, to be followed by third reading and final passage of H.R. 1158, as amended, without any intervening action or debate.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOLE. Mr. President, I want to say to the Senator from New York, I think he has raised a very important issue, and it is not going to go away. Sooner or later, Congress is going to have to become involved, because we are spending taxpayers' money. I think it is safe to say that Speaker GINGRICH and I indicated early on that we wanted to support the administration, the President. That is what we said at that time, and that is what I would say at this time, but with one caveat: We should know precisely what is happening. And I think that is the thrust of the Senator's amendment. It is an important amendment.

We have a responsibility. We are talking about $5 million here in one amendment we cannot agree on—$5 million. And you are talking about $5 billion. So I just suggest it is important, and I hope that we do not lose sight of that.

I thank the Senator for withdrawing the amendment. That will permit us to complete action on this bill, hopefully, tonight or tomorrow at some hour. I would like to do it tonight.

I ask unanimous consent that all the votes that we order be stacked, in effect, so we could have all the votes and then final passage, and then see if we cannot get some agreement to do the rest of our business by voice vote, if there is no objection to that.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOLE. I also ask unanimous consent that, if there is more than one vote, any succeeding votes be limited to 10 minutes.

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

Mr. DOLE. Mr. President, I would also ask my colleagues, even though they have 20 minutes or 15 minutes, different time allotments, that I think we could save some time.

I want to thank the distinguished Democratic leader for his cooperation throughout the day and throughout yesterday, and throughout part of the night last night.

I believe we are within striking distance of concluding a bill that now totals about $16 billion in rescissions—$16 billion. This bill will go to conference and some of the issues that some people have concerns about will be raised again in the conference. Regardless of what your concern may be, if you think it is too much or too little, it can be raised in the conference.

So I thank all of my colleagues for their cooperation. I think we have made progress. I can tell you that the end is in sight.

I yield the floor.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Mr. President, let me also thank all of our colleagues on both sides of the aisle for their cooperation in the effort that has been made to bring us to this point. It has been a long day. There have been a lot of people who have been responsible for bringing us to this point, and I want to publicly commend them and thank them for that effort.

We still have some very big decisions to make on amendments that are going to be offered. I appreciate everyone's willingness to accommodate a debate on each one of these issues, but I do think that we are getting close, and I think that it is an agreement we can all support. Obviously, people are going to come down on either side of the issue when we come to final passage, but I think this accommodates Senators in a way that allows us to get to that point.

So I think it is a good agreement, and I hope that we can work through the amendments and get to final passage sometime tonight. I yield the floor.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

AMENDMENT NO. 578 TO AMENDMENT NO. 420

(Purpose: To restore funds to the National Sea Grant's program on research to control and prevent the spread of aquatic nonindigenous species)

Mr. LEVIN. Mr. President, I ask unanimous consent to set aside the pending amendment and send an amendment to the desk which has been cleared by both sides, reference to which was made by the majority leader in the UC.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from Michigan [Mr. LEVIN], for himself, Mr. ABRAHAM, Mr. SPECTER, Mr. KOHL, Mr. GLENN, Mr. SANTORUM, Mr. SIMON, and Ms. MOSELEY-BRAUN, proposes an amendment numbered 578 to amendment No. 420.

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

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

The amendment is as follows:

On page 9, line 16, strike ''$13,000,000'' and insert ''$15,000,000''.

On page 9, line 12, strike ''$37,600,000'' and insert ''$35,600,000''.

Mr. LEVIN. Mr. President, I am sending this to the desk on behalf of myself, Senator ABRAHAM, Senator SPECTER, Senator GLENN, Senator KOHL, Senator SANTORUM, Senator SIMON, and Senator MOSELEY-BRAUN.

This amendment will restore $2 million to the research program on the zebra mussel, which is a pest which has infested the Great Lakes and is now spreading through the tributaries from and to the Great Lakes.

It is a very important program for the fresh water supply of this country. The reduction of $2 million will hurt the research program. Many, many States benefit by it, and the offset for the $2 million restoration comes from the NOAA construction money.

I understand that this has been accepted on both sides.

The $2 million rescission in the National Sea Grant Research Program will limit Federal, State, and university research to help stop the spread of the zerbra mussel, and other non-indigenous species.

Fifteen States' programs would likely continue efforts to educate natural resource managers as to the devastating impacts of zebra mussels if this $2 million is restored. They will study these pests' life cycles to determine when and where they are most vulnerable to pesticides or nonchemical control. The States that received funds in fiscal year 1994 besides the Great Lakes States include California, Louisiana, Massachusetts, Maryland, New Jersey, Delaware, Texas, Connecticut, and Florida.

This is not just a zebra mussels amendment. Sea Grant's Program is crucial. We need to keep cataloging the ways nuisance species reproduce. There are over 130 nonindigenous species in this country, two-thirds of which entered the country since 1959, when the St. Lawrence Seaway was opened.

Some of my colleagues may be familiar with some of the most economically damaging exotic species that industries, municipal sewerage and drinking water facilities, boaters, farmers, et cetera have been forced to confront besides the zebra mussel, such as the water milfoil, the water flea, purple loosestrife, the round Gobi, and the ruffe.

But, the zebra mussel invasion provides the most compelling reason to support research that will enable us to develop control methods and prevent infestation. The mussel has now spread to 20 States and continues to spread. Between July and September 1994, mussel densities on the southern Mississippi River increased from 10/sq meter to 40,000/sq meter.

A relatively new pest, the ruffe, is spreading throughout the far reaches of Lake Superior threatening commercial and recreational fisheries, and is heading toward Lake Erie's $800 plus million perch and walleye fishery.

The sea grant performs high-quality, peer-reviewed science. It does not duplicate other nonindigenous programs conducted by other agencies.

My bipartisan amendment would take an additional $2 million out of NOAA's construction account and restore it to NOAA's National Sea Grant Program for research on nonindigenous species.

Mr. GLENN. Mr. President, I rise to commend my colleagues from the Great Lakes region, on their efforts to restore needed funding for Sea Grant's critical research on aquatic nuisance species.

As the cochair of the Senate Great Lakes Task Force, I have worked hard to protect and restore the economic and environmental health of the Great Lakes. This aquatic ecosystem is home to nearly 30 million Americans who depend on these waters as avenues of commerce, as sources of drinking

water, and as recreational playgrounds attracting millions of visitors. Under the Nonindigenous Aquatic Nuisance Prevention and Control Act (P.L. 101–646) I sponsored in 1990, Sea Grant is authorized to conduct critical exotic species research which allows the Great Lakes to provide such a wide range of benefits.

Exotic species cause severe economic and ecological damage along our Nation's marine coasts and freshwater systems. In a surprisingly short time, the zebra mussel has spread to 20 States taking a heavy toll on biodiversity of hosting systems and forcing private and municipal waterworks and powerplants to withstand increased and costly maintenance efforts. However, Sea Grant aquatic nuisance species research is not exclusively dedicated to the zebra mussel. The restoration of $2.0 million for Sea Grant's nonindigeous species funding continues research on the serious Eurasian ruffe problem in Lake Superior which threatens the region's $4 billion fishing industry.

The increasing number of harmful nonindigenous species and their cumulative impacts continue to create growing economic and environmental burdens for the United States. Sea Grants research and outreach efforts complement other Federal programs and enable us to adopt a national approach toward stewardship of our natural resources. Reducing funding for the critical aquatic nuisance species research conducted by Sea Grant will curtail ongoing research which benefits the Great Lakes and the entire Nation.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, the Senator from Michigan is correct. This amendment has been accepted on this side.

Mr. LEVIN. I thank the Senator from Washington.

Mr. President, I ask unanimous consent that Senator FEINGOLD be added as a cosponsor of the amendment.

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

The question is on agreeing to the amendment.

The amendment (No. 578) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

AMENDMENT NO. 579 TO AMENDMENT NO. 420

Mr. HARKIN. Mr. President, I have an amendment at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for himself, Mr. LEAHY, Mr. REID, and Mr. KENNEDY, proposes an amendment numbered 579 to amendment No. 420.

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

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

The amendment is as follows:

Insert after page 7, line 18:

INTERNATIONAL BROADCASTING OPERATIONS

(RESCISSION)

Of the funds made available under this heading to the board for international broadcasting in Public Law 103–317, $40,500,000 are rescinded.

On page 27, delete lines 4 through 12.

On page 36, line 10, strike ''$26,360,000'' and insert ''$17,791,000''.

On page 36, line 12, strike ''$29,360,000'' and insert ''$11,965,000''.

Mr. HARKIN. Mr. President, I understand I have 20 minutes; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. HARKIN. I yield myself 10 minutes.

Mr. President, this amendment, offered on behalf of myself, Senator HOLLINGS, Senator LEAHY, Senator REID, and Senator KENNEDY, would rescind $40.5 million from the funding for the organization known as Radio Free Europe. Of that money, we would take $26 million and put it into the Corporation for Public Broadcasting in America, and the other $14 million would go for the Senior Community Service Employment Program.

Again, Mr. President, I point out that adding this money, this $26 million to the Corporation for Public Broadcasting, still leaves the CPB at $29 million less than what was appropriated last year. This does not even bring it up to the fully appropriated level. It would allow for only an inflationary increase for CPB.

But I want to point out very emphatically that this amendment does not even bring the Corporation for Public Broadcasting up to what was funded last year.

It does take $40 million out of Radio Free Europe, and I think it reflects an important historical reality; namely, the cold war is over, and it is time we take some of these old relics of the cold war and we start defunding them.

Mr. President, right now we have a lot of people who are opposing Federal funding for public radio and television in the United States. The same opponents who rail against U.S. contributions to public radio for Americans are willing to write, without question, a check of almost equal amount to fund public radio for Europeans to fight a war against an enemy that no longer exists. In short, sending U.S. taxpayer dollars abroad to fund public radio in Europe is OK, but using U.S. tax dollars to finance public radio and TV for Americans at home is not.

Our amendment attempts to correct that injustice by restoring federally financed public radio for Americans and cutting a little from U.S. financed public radio for Europeans.

I will also point out that this amendment, plus the $14 million that is in the agreement, provides for a $54 million total cut in Radio Free Europe. The Dole substitute, offered by the majority leader, had a $98 million cut in Radio Free Europe. So I am not even advocating cutting as much from Radio Free Europe as the Senator from Kansas did in his first proposal. He proposed to cut $98 million out of it. We are only proposing to cut $54 million.

Even with this cut in Radio Free Europe, Radio Free Europe's funding level will be $175 million. That is $100 million more than the $75 million the administration requested for this program in fiscal year 1996.

I point out further that President Clinton, in February of 1993, proposed eliminating Radio Free Europe. He said the cold war is over; there is no use to keep funding RFE.

Opponents of the Corporation for Public Broadcasting are working to phase out public broadcasting at home and are willing to sustain that same service in Europe. Make no mistake about it, this is public broadcasting in Eastern Europe; it is paid for by U.S. taxpayers. But there are existing alternatives available to Eastern Europeans and Russians—CNN, FM radio, AM radio, in addition to the Voice of America.

Mr. President, let me recite briefly the history of Radio Free Europe. It started 40 years ago as a covert operation of the CIA broadcasting shortwave signals behind the Iron Curtain. All three of these—Radio Free Europe, Radio Liberty, and Voice of America—played a tremendous role in bringing news and information to people in Communist countries. They all played a critical role in fighting and winning the cold war.

I would never have suggested this kind of amendment if the cold war were still on, but the cold war is over. And yet our overburdened American taxpayers are still paying more than $200 million for Radio Free Europe—I have dubbed it ''Radio Expensive Europe''; it is not Radio Free Europe, it is ''Radio Expensive Europe''—plus another $100 million for the Voice of America and another $2 million for the administrative costs for the Board of International Broadcasting.

Mr. President, you will hear arguments against my amendment. They will claim that RFE provides independent broadcasting, and therefore performs a different role from the Voice of America. Who is kidding whom? Radio Free Europe, created by the Central Intelligence Agency—the board that runs it is appointed by the President of the United States.

Second, Radio Free Europe continues to be funded to this day solely by U.S. taxpayers. Why? Why not the Germans? Their mark, as we know lately, is a lot better than the U.S. dollar. Why do the Germans not come in and

pay a little bit? Why do they not pick up the tab? Or how about the French or the Norwegians or the Swedes or the Poles or the Italians? Why do they not come in and contribute?

No, it is our U.S. taxpayers footing the whole bill for Radio Free Europe. Quite frankly, Mr. President, I want to make my feelings known. I think Radio Free Europe ought to be zeroed out. But I am not proposing to do that in this amendment. I am still leaving $175 million for RFE for Fiscal 1995. I think we ought to come back and zero it out, maybe next year, but we ought to use some of this money to at least provide an inflationary increase for public broadcasting here at home, and restore funding for the senior citizen community employment program.

Mr. President, let me just talk a little bit more about the Senior Community Service Employment Program. As I said, the amendment I have offered takes $26 million for the Corporation for Public Broadcasting. It still leaves it $29 million less than what we appropriated last year. And it takes $14 million and puts it into senior community service employment, the only work force program designed to help seniors, elderly, get jobs in community service.

I suspect all Members have gone to a senior citizens center providing meal programs, and we know how much good this program does.

I ask unanimous consent to have printed in the RECORD an article from the Washington Post of January 27, 1995, titled ''A Federal Program That Does It Right,'' and I also ask unanimous consent to insert a letter from the National Council of Senior Citizens in support of this program.

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

[From the Washington Post, Jan. 27, 1995]

A FEDERAL PROGRAM THAT DOES IT RIGHT

(By Judy Mann)

Let's say you run a small company and you need a filing clerk. A 67-year-old Latino woman applies for the job and so does a newly minted high school graduate. Which one would you hire?

Precisely. And that's one of the reasons behind the Senior Company Service Program, an organization that trains low-income people 55 and older and helps them find jobs. Participants usually receive minimum wage for 20 hours of training, and then they go to work, often in community service jobs that help the elderly. Those subsidized jobs often serve as bridges into permanent positions.

By last June, the program had placed 27.3 percent of its people in unsubsidized jobs such as bookkeeping in banks, driving delivery vehicles, tutoring in schools and working as health aides. That is a higher rate than the 25 percent job placement rate in California's program for its welfare parents.

The Senior Community Service Program is the backbone for most meals-on-wheels programs and for many day-care centers in rural areas. an essential feature of the program is that it matches seniors with the service needs of each community. The program also works closely with businesses to ensure that enrollees are getting indispensable job skills.

The program is administered by the Department of Labor, which contracts with national nonprofit organizations, such as the National Council of Senior Citizens (NCSC) and the American Association of Retired Persons, to run them. About 70 percent of the enrollees are women, 56 percent are 65 or older, a third have less than a high school education and about 40 percent are members of a minority group—one of the highest rates of minority participation for any domestic program.

Chris Oladipo, who runs the NCSC program in Prince George's County, says it is particularly helpful as a bridge for older immigrants who have trouble earning a living because of language barriers.

While most employment programs operate on the premise that they get more for their money by concentrating on young people, ''we look for the oldest and poorest people we can find,'' says Andrea Wooten, president of Green Thumb Inc., which trains 18,000 people a year.

The programs have also played an important role in retraining displaced workers, says Donald Davis, who directs the programs run by the National Council on Aging. He tells the story of a professional man in San Francisco who had looked for a job for eight months after being laid off.

''We worked with him for three months. He is now heading up a multilingual program and making $30,000 a year,'' Davis says. ''Every study that's been done of this program says it is one of the most effective ever developed by the federal government.''

In the three decades since the senior community service and job training program has evolved, it has enjoyed strong bipartisan support. But it is in danger of getting caught up in the current rush to decentralize welfare programs and to fund them through block grants to states, where various programs are having to compete with each other for fewer resources.

David Affeldt, the former chief counsel with the U.S. Senate Committee on Aging who developed legislation creating the program, says it came about because block grant programs historically have not served older workers well. He predicts that, at a minimum, 15,000 to 20,000 older workers served each year ''will get their pink slips'' if the program is funded through block grants.

''One of the main problems that older workers have is that they are not as visible or outspoken about their needs. . . .The program has given these people hope and an opportunity to help themselves while helping others, rather than be dependent upon public assistance.''

The Senior Community Service Program, also known as Title V of the Older Americans Act, costs $410 million a year and is supposed to serve about 67,000 people. ''We actually serve over 100,000 people because we've used this program to get people up and out,'' ''says Sheila Manheimer, of the NCSC.

Half the members of the U.S. House of Representatives have been elected since 1992, and many are riding a streamroller called ''mandate for change'' without having a very good idea of the territory they are rolling over. The Senior Community Service Program serves the poorest of the elderly while providing a wide variety of services that make our communities livable. Far from a candidate for dismantling, this is one federal program that everyone should look to as a model of what works.

NATIONAL COUNCIL
OF SENIOR CITIZENS,
Washington, DC, March 30, 1995.

DEAR SENATOR: The National Council of Senior Citizens (NCSC), in behalf of our five million affiliated members, asks you to vote in support of Senator Harkin's amendment of H.R. 1158, the 1995 Rescission bill. This amendment is expected to come before the full Senate today and your support would be appreciated by seniors and families throughout the nation.

This amendment would restore funding to many programs important to the elderly, children and our communities, including the Senior Community Service Employment Program (SCSEP), the Child Care Block Grant, the Safe and Drug Free Schools Program, Drug Courts and the Corporation for Public Broadcasting.

The Council is particularly concerned about the $14.4 million rescinded under H.R. 1158 from the Senior Community Service Employment Program. The SCSEP designs needed community service programs and provides subsidized training and part-time employment which maximizes the productive contributions of older persons in these community services. Senator, please note that the $14.4 million rescinded under H.R. 1158 would result in the loss of jobs for almost 3,000 low-income senior citizens now staffing community service programs nationwide under Title V of the Older Americans Act.

In a January 27 article in *The Washington Post,* which I have attached, Judy Mann said it best when she said, ''Far from a candidate for dismantling, this is one Federal program that everyone should look to as a model of what works.'' Every study has shown the SCSEP to be one of the most effective programs ever developed by the Federal government.

Again, please do right by the elderly, young and our communities by supporting Senator Harkin's amendment restoring funding to these critical programs. Short of the changes included in Senator Harkin's amendment, the Rescission bill does not merit support.

Sincerely,

LAWRENCE T. SMEDLEY,
Executive Director.

Mr. HARKIN. Mr. President, how much time is remaining?

The PRESIDING OFFICER. There are 2 minutes of the 10 minutes allotted yourself and another 10.

Mr. HARKIN. I yield 2 minutes or whatever more he needs to the Senator from Vermont.

Mr. LEAHY. Mr. President, the amendment Senator HARKIN and I are offering would partially restore cuts to public radio and television by reducing the appropriation for Radio Free Europe.

Radio Free Europe [RFE] is a World War II program, designed to broadcast news to people living behind the Iron Curtain.

News flash—The Iron Curtain has fallen.

The Cold War is over. While the rest of the world is moving ahead with satellite communication and other technological advances, we are still using U.S. tax dollars to support broadcasts by shortwave radio.

I find when I go on the internet, I can reach people in Eastern Europe. I think I can reach them quicker on internet than by shortwave radio on Radio Free Europe.

I really cannot see, when we are cutting out our own public broadcasting, why we are paying for this in Germany.

We are shortchanging an American audience in deference to overseas listeners.

Our amendment cuts $40.5 million from what U.S. taxpayer is currently paying to support Radio Free Europe. This will still leave $175 million for RFE.

The Corporation for Public Broadcasting would receive $26 million of this savings.

This is not a total restoration of the cuts in this bill for public television and radio—we understand that tough choices have to be made. This restoration will support CPB at the 1995 level with a small increase to compensate for inflation.

Continuing public television and radio programs are especially important in rural areas where residents might not be able to afford or have access to cable programs.

I hear from hundreds of Vermonters each week on how important Vermont ETV and Vermont Public Radio are to their lives. For some, it is the only news and educational programming they can get.

We should not be diminishing this valuable national resource.

The remaining savings from the RFE budget would restore cuts to the Community Service for Older Americans Program.

The war against communism is over. We must focus our efforts on another battle that is still being waged here at home:

Adoption of this amendment will send a clear signal that our priority is to support programs that will help educate and enrich the lives of Americans.

Mr. HARKIN. I yield 2 minutes to the Senator from Minnesota.

Mr. WELLSTONE. First of all, Mr. President, I ask unanimous consent to be included as an original cosponsor of this amendment.

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

Mr. WELLSTONE. I thank the Chair. Mr. President, it is difficult to cover the ground in less than 2 minutes.

Let me just make three points. First of all, I want to associate myself with the remarks of the Senator from Vermont. Second of all, I would like to focus on the import of this amendment, which is to restore as much funding as possible for public television.

I go back to just one gathering in Appleton, MN, in southwest Minnesota, where it is just crystal clear for anyone who wants to look at public TV that it is far from a ''sandbox for the rich.'' Public television is so important to the enrichment of lives of citizens in our country, both urban and rural, but I think especially in the rural communities it is vitally important.

Second of all, the community service for older Americans program is a huge success. The way I define ''success'' is we are talking about low- and moderate-income elderly people who, number one—it is kind of a marriage—are able to have the dignity of being able to work; and number two, their work is this service of community, whether it be delivery of meals to homebound, whether it be taking care of children, whether it be recreational services.

I remember in talking with citizens in Willmar, MN, we can get a wonderful feel for how important this program is on the basis of investment of really very few dollars.

I want to make it clear that I am in full support of this amendment and proud to be an original cosponsor.

Mr. PRESSLER. Mr. President, if the leader would yield 5 minutes.

Mr. HATFIELD. I yield 5 minutes.

Mr. PRESSLER. Mr. President, this amendment represents the complicated dilemmas that can be presented. Of course, I am in favor of senior citizens, and I also support public broadcasting. In fact, I contribute and have contributed to public broadcasting through the years.

As chairman of the Commerce Committee this year I have discovered that public broadcasting could well become self-funding. I agree with AL GORE that we need to reinvent and privatize wherever possible.

In talking to a lot of telecommunications people, I discovered that they plan to get into video dial TV and so forth, and I asked them where they are going to buy their programming? They would say from Arts and Entertainment, the History channel, or Learning channel. I said, ''Why not buy it from public television or radio? They have all kinds of public programming.'' And they said, ''Well, they do not try to sell it.''

I came up with a plan, along with some House leaders, and an agreement has been reached, or an informal agreement, with some of the leading people in public broadcasting to move towards self-funding.

Where would the money come from? First of all, public broadcasting can digitize and sell a lot of their programming. There is a good market for that type of programming. They can sell it to the channels I mentioned as the History channel, the Learning channel, Arts and Entertainment. Nickelodeon is marketing a lot of children's programming in France where it is dubbed—educational children's programming. There is money to be made in this. Public television has taught that.

Second of all, the spectrums that public broadcasting has throughout the country. Now we are finding that, with modern technology, we have extra spectrum. They can sell it or rent parts of their spectrum and make a great deal of money.

Third of all, they have a lot of overlapping spectrum that can be sold or represented. For example, in the Washington, DC, area, many homes get two or three public television signals with the same programming or virtually the same programming. The taxpayers of the country need some relief.

Fourth, the great bureaucracy that has grown inside the beltway here and the excessively high salaries that are paid to foundations that get grants directly from the corporation can be cut. There is great room for efficiency there.

By the way, our States are not getting their fair share of the money. In fact, our State legislatures support most of the public broadcasting in this country as well as private contributors such as myself.

Finally, public stations could make money by getting a bigger percentage of what is played on the free public platform. I have spoken out about this, and indeed I commend the board of directors of the Corporation for Public Broadcasting because they passed a resolution to start getting a bigger percentage of Barney and other programming that appear on the free public platform provided by the taxpayers of this country.

Mr. President, the States are not getting their fair share. My little State of South Dakota, which is vast in geography but small in population, gets $1.7 million, but they have to send $1 million back immediately for programming, which they might be able to buy elsewhere at a better rate.

The ''shields'' used by public broadcasting are children in rural areas. Let me say the State legislature in my State voted against a resolution to seek more funding for the Corporation for Public Broadcasting because it is such a charade they must go through.

So, I believe strongly in lowering the deficit. I believe in less Government involvement. This is an opportunity, a plan has been developed, and they are working with a big investment bank in New York to privatize, to become self-funding.

There is not a need for taxpayers money here. If we are going to transfer this money, we do not need to transfer it to the corporation. The House leaders reached an agreement to privatize, to work toward self-funding. I have outlined various sources of revenue the Corporation for Public Broadcasting can get. I have not mentioned additional advertisement. They already have a great deal of advertising. They call it ''enhancements'' or something. That is fine.

Even without further advertising they sit on a treasure trove of resources here. I recently wrote an article in the Washington Post outlining the five ways public broadcasting can get more revenue without any more advertising. They are sitting on a treasure trove of spectrum, of overlapping spectrum. Inside the beltway here their headquarters are bloated bureaucracies.

The States are really not getting the money that they are supposed to be getting.

Mr. President, I ask unanimous consent to have the Washington Post article I mentioned printed in the RECORD at the conclusion of my remarks.

[From the Washington Post, Mar. 8, 1995]

REALITY-BASED BROADCASTING

(By Larry Pressler)

''Public broadcasting is under attack!'' ''Congress wants to kill Big Bird!'' These and other alarmist cries have been common in recent weeks. The problem is they are lies. That's right, lies. I tried to conceive of a more polite way to say it. I could not. With rare exceptions the press largely has ignored the specifics of the position taken by members of Congress seeking to reinvent public broadcasting.

I have struggled to make my position clear. Yet the misrepresentations continue. I am convinced many simply do not care to report the facts—facts they do not find as interesting as the scenarios they create. That is too bad. The average American taxpayer would find the facts extremely interesting.

As chairman of the Senate Committee on Commerce, Science, and Transportation, I am not seeking to destroy public television and radio. I am a strong supporter of public broadcasting, both in my home state of South Dakota and nationally. Pull the plug? Absolutely not. Rather, my plan would expand opportunities and save taxpayer dollars.

Why do I seek change? Because times have changed. Today's electronic media are vastly different from those of the 1960s, when the current system of federal subsidies for public broadcasting was established. The old theory of ''market failure'' for educational programming is completely untenable in today's environment. Educational and cultural programs can and do make profits when their quality is good and marketing astute. The only money losers in today's arrangement are the taxpayers.

A Feb. 24 Post editorial stated it is time for the public broadcasting industry to face reality. The issue no longer should be whether federal subsidies for public broadcasting will be cut. I could not agree more. Congress now is debating when and how much. The House Appropriations subcommittee on labor, health and human services already has cut the public broadcasting budget. The House leadership promises more to come. I fully expect the Senate to follow suit.

Instead of crying over public cash, it would be more prudent for public broadcasting executives to use their talents and resources developing the numerous potential sources of revenue available to replace the federal subsidy rather than continuing to fan the flames of fear and exaggeration. As captains of a major corporation, their responsibilities should be clear. The Corporation for Public Broadcasting (CPB), National Public Radio (NPR) and the Public Broadcasting System (PBS) need to learn to stand on their own feet.

To help in that effort, I recently provided the chairman of the board of CPB with a plan to end its dependency on federal welfare in three years. Ideas to end CPB's addition to taxpayer dollars include:

PROFITS FROM SALES

CPB should renegotiate sales agreements and improve future agreements to get a larger share of the sales of toys, books, clothing and other products based on its programming. In 1990, Barney-related products retailed at $1 billion! Steps have been taken by the CPB board to improve its share of such sales. More should be done.

MAKE THE MOST OF NEW TECHNOLOGY

Use of new compressed digitization technology would permit existing noncommercial licensees to expand to four or five channels where once they had only one. Public broadcasting stations could rent, sell or make use of the additional channels for other telecommunications and information services.

END REDUNDANCY

At least one-quarter of public television stations overlap other public television stations' signal areas. Public radio also suffers from the inefficiencies of redundancy. Ending this overlap and selling the excess broadcast spectrum would provide substantial revenues to public broadcasting.

SWITCH CHANNELS

Moving public television stations from costly VHF channels to less costly UHF channels in certain markets would provide a substantial source of new revenue.

TEAM WITH OTHER INFORMATION SERVICES

CPB could increase commercial arrangements in the computer software market and with on-line services.

These are only a few of the ways in which the CPB could reinvent itself into a self-sufficient corporation for the '90s and, indeed, for the next century. Ending federal dependency does not end public broadcasting. Today's subsidy amounts to only 14 percent of the industry's spending! Indeed, my current plan asks the Corporation for Public Broadcasting to end its dependency on federal welfare in three years—that's one year more than what current proposals would give welfare recipients to get off federal assistance.

It would be tragic if the public broadcasting industry ignores its responsibilities when the federal budget is in crisis. It also would be tragic if the industry spurns exciting opportunities in new markets and technologies. Perhaps most tragic of all, however, would be continued retrenchment from public broadcasting executives crying, ''It can't be done.'' It can be done. It should be done.

Mr. PRESSLER. So, let me conclude by saying that it may well be that moneys could be transferred from here to there, but they do not need to be transferred anymore for the Corporation for Public Broadcasting. The committee level and the House level gives them more than they need.

I yield the remainder of my time to my chairman.

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

The PRESIDING OFFICER. Five minutes; 5 minutes and 8 minutes.

Mr. SPECTER. How much time remains for the opponents of the amendment?

The PRESIDING OFFICER. Five minutes.

Mr. SPECTER. How much time was there originally?

The PRESIDING OFFICER. Ten minutes.

Mr. SPECTER. We have 5 minutes left. Will the Senator from Delaware take 2½?

Mr. BIDEN. Mr. President, I will make it real quick. First of all, I think the characterization of my friend from Iowa is bizarre. It makes it sound like this is a CIA plot that is still underway. It is one of the most noble undertakings that the Western World has ever engaged in. If you ask any people in Eastern Europe, from Lech Walesa to Vaclav Havel to Boris Yeltsin, and others, who in fact were there before the Wall came down, they credit Radio Free Europe or Radio Liberty more than any single thing.

Number two, is it still needed? It is needed now. There is an enemy. The enemy is called censorship, and if you wonder whether or not it is true, some of us met this week with Mr. Gusinsky, the fellow who has the media empire in Russia now who is criticizing the present President. They are threatening to take down the television stations. They are taking down the radio and television access to the news for the people everywhere from Slovakia through Russia.

The third thing is this notion it is no longer needed. Mr. President, 25 million people still listen to it on a regular basis in Eastern Europe and Russia. Anyone who thinks democracy has taken root and the free market system is in place in those areas, I respectfully suggest they take another close look. And the notion that they can watch CNN—I would say to my friends, CNN is in English; it can be censored. It, in fact, can be impacted upon. And CNN communicates international news, not what is happening within those countries—as RFE/RL does. What we are doing is fully emasculating the ability of Radio Free Europe or Radio Liberty to continue to function.

I am a supporter, an unabashed supporter of public television. I believe it should be more than it is now. But this is like having the hearing impaired steal from the physically impaired, from those who are unable to walk. They are pitting two very important functions of government against one another. But we should not undermine Radio Free Europe and Radio Liberty.

Again, those who think democracy is secure in those areas, please stand and raise your hands and tell me that censorship is still not the single biggest enemy of the prospect for freedom to flourish and democracy to flourish in Eastern and Central Europe.

Let me give a few more examples. In Russia, we have heard about the media courageously reporting on the war in Chechnya.

But that does not mean that Russia is now blessed with completely free media.

Last year, the State Duma in Russia adopted a new media law which requires that State-owned media must inform the public of activities of the President, Government, and Parliament within 24 hours after any noteworthy event.

And although the State Department reports that ''print media [in Russia] functioned largely unhindered,'' this optimistic picture is clouded by the situation in many provinces:

> Regional political authorities [in Russia] resorted to various devices to close down critical newspapers.

Last winter and spring, during the parliamentary campaign in Kazakhstan, a television station went off the air for several days when local authorities, upset by broadcasts critical of the mayor of the capital, shut off electricity to the station.

In Slovakia, as the Washington Post reported last Tuesday, the newly elected Government has increasingly pressured—and at times forced—television, radio, and newspapers to accept wholesale changes or drop programs.

In my view, Radio Free Europe and Radio Liberty are as important today as they were during the past 40 years.

Because the establishment of free and independent media in the region has been a slow process, RFE/RL today have a dual role: To provide a model of how independent media should function in a free society, and to keep honest those who seek to reestablish repression and to silence the press.

This function is not one conceived in the abstract; the practical reality lies in the public response: The people of the region continue to tune in to RFE/RL.

In nearly every country in Eastern Europe and the former Soviet Union, the listenership of RFE/RL today equals or exceeds that of the Voice of America.

It also exceeds the audience of the British Broadcasting Corporation's World Service.

All told, some 25 million people in the region listen to RFE/RL on a regular basis.

Surveys conducted last fall of leading citizens in the region found that an average of nearly 75 percent supported the continuation of western radio broadcasts.

Equally important, every leader of the new democracies in the region continues to urge that these radios remain open.

Let me quote from a letter from Czech President Vaclav Havel to President Clinton:

[RFE broadcasts] remain important to the development of independent journalism and democracy in our country.

The Presidents of the three Baltic States expressed a similar view:

These broadcasts [are] an integral part of the continuing development of [our] democratic institutions.

These are not leaders whose budgets benefit from RFE/RL—these are leaders who recognize that RFE/RL still make a contribution to the establishment of democracy.

This year, the administration proposes to spend $100 million on the so-called ''Warsaw Initiative,'' a program to assist the new democracies of Eastern Europe to modernize their militaries.

I would argue that Radio Free Europe and Radio Liberty are as important as this military assistance in helping to secure the democratic foundation in the former East bloc.

Yet I predict that hardly anyone around here will blink an eye when the Congress votes on the $100 million ''Warsaw Initiative.''

RFE/RL IS CUTTING ITS BUDGET

I agree with the Senator's belief that we need to reduce our international broadcasting budget.

We are doing just that.

The State Department authorization bill, enacted last year, provides for the consolidation of all U.S. international broadcasting.

The plan will reduce operations at both RFE/RL and the Voice of America. By next October, VOA and REF/RL will have reduced their combined broadcast hours to Eastern Europe and the former Soviet Union by 32 percent.

RFE/RL will reduce its budget by 67 percent—from $220 million to $75 million annually by fiscal 1996.

In terms of employees, RFE/RL will be cut by a similar amount—from 1,600 in September, 1993 to about 420 in fiscal 1996.

The research arm of RFE/RL has already been privatized: Its operations have been taken over by the open media society—a project funded by the philanthropist George Soros.

The new institute will undertake the restoration and preservation of the invaluable archives owned by RFE/RL—40 years of material that trace the dark era of totalitarianism in Eastern Europe and Eurasia.

This is a project for which no Federal funds were available. But because of this public-private partnership, that important objective will be realized.

The changes that I have enumerated will produce $400 million in savings over the period from 1994 to 1997. All this is not a one-time phenomenon—it is a permanent structural change.

In addition, Congress has directed RFE/RL to begin an effort to privatize the radios—that is, that the funding should be assumed by the private sector by the end of the decade.

The radios are taking that directive seriously. Their ongoing move to Prague is a critical part of the effort to prepare for privatization.

Let everyone understand what this amendment will do—it will emasculate Radio Free Europe and Radio Liberty.

The fiscal year 1995 budget for the radios is $229 million. That includes $103.5 million for one-time downsizing costs.

Nearly $67 million of those costs are mandated by German labor laws.

Restrictive German labor laws require RFE/RL to pay severance and other benefits to the hundreds of employees who will be laid off—laws that RFE/RL, as a private corporation operating in Germany, must comply with. It is undisputed that RFE/RL, Inc. is subject to German labor laws.

A recent case, decided in February in the D.C. Circuit (*Mahoney* v. *RFE/RL, Inc.*), made clear that as a corporation with its principal place of business in Munich, RFE/RL would violate the laws of Germany if the corporation breached its collective bargaining agreements.

THIS WILL STOP AN IMPORTANT MOVE TO PRAGUE

In short, the effect of this amendment would be to place a dagger in the heart of the radios—at a moment when they are in the midst of a move from Munich to Prague, where they are preparing for the eventual privatization of RFE/RL.

This would break faith with a decision that the President and Congress jointly made last year.

Last January, the Senate voted to consolidate RFE/RL and the Voice of America.

Last summer, the President sent a reprogramming to Congress which provided for the move of the headquarters of RFE/RL from Munich to Prague.

I do not recall any of my colleagues objecting at that time to the continuation of RFE/RL.

But now the move to Prague is in motion. Four language services are now being produced in Prague: Russian, Ukrainian, Latvian, and the South Slav service.

RFE/RL plans to be out of Munich by June 10.

Because Munich is one of the most expensive cities in Europe, the move will achieve important savings. Per capita personnel costs will be reduced by one-third.

The President of the Czech Republic, President Havel, made an extremely generous offer to allow the radios to use the former Czechoslovak Federal Parliament Building for a nominal fee of one Czech crown per day—or 12 dollars per year.

The President of the United States accepted that offer last summer. This amendment would obviously undercut that commitment.

That is why the Clinton administration is strongly opposed to the Harkin amendment, as stated in the letter I read earlier from Joe Duffey, director of the U.S. Information Agency.

RFE/RL AND VOA ARE NOT DUPLICATIVE

It is not true that RFE/RL duplicates the Voice of America.

The two radios have different missions. The Voice of America's is mandated to tell America's story.

By contrast, Radio Free Europe and Radio Liberty, radios provide news and information about local events within the recipient countries.

In this manner, RFE/RL act as home service or surrogate radios in the absence of fully free and independent media in the emerging democracies of the Eastern Europe and Eurasia.

As a result of the broadcast consolidation, the amount of overlapping broadcasts—that is, broadcasts by both RFE/RL and the VOA in the same language at the same time—was reduced from 24 hours to zero.

It is ludicrous to suggest that the cable news network now suffices for the countries of the former Soviet Empire.

In most countries, there are only two ways to obtain CNN—by staying in an expensive hotel or to buy a satellite dish.

I do not have any data on how many such dishes are available, but I cannot believe they are widespread.

More important, the news of CNN is in English, and it is international news. The news on Radio Free Europe

and Radio Liberty is in the vernacular—the local language; and it focuses mainly on local news.

Do not take my word for it that these broadcasts are still needed. Listen to the results of a survey conducted last fall in the region.

A poll of decisionmakers in each country—government, military, media, and economic leaders—clearly demonstrates this point.

When the proposition was put to them that Western radio is needed despite the new media freedom, some 75 percent of those polled disagreed or strongly disagreed.

I sympathize with my friend from Iowa about the choice we face in this bill.

I am in favor of restoring the cuts to the corporation for public broadcasting—but not at the expense of one of the most valuable instruments in American foreign policy.

The last point I will make is the administration is opposed to the amendment of my friend from Iowa. And I hope I have done this within 2½ minutes.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I oppose the amendment. Much as I would like to see additional funding for public broadcasting, the subcommittee of which I am the chairman, the Subcommittee on Labor, Health, Human Resources and Education, has made a very careful allocation and has in fact reduced considerably the rescission by the House of Representatives for fiscal years 1996 and 1997. The House wanted to cut public broadcasting by $47 million. We limited the rescission to $26,360,000 for fiscal year 1996. For fiscal year 1997, the House of Representatives wanted to cut public broadcasting by $94 million, and our subcommittee limited that rescission to $29,360,000, leaving public broadcasting at its current rate of $285,640,000.

That is fairly complicated arithmetic, but what it boils down to is on the current mark, there has been substantial consideration given to public broadcasting. The responses which the committee has heard from those who are interested in public broadcasting is a sigh of relief that their funding has been maintained at its present level.

I would like to see more funding for public broadcasting. But in setting this mark we feel there has been a realistic and appropriate balancing of priorities.

When the Senator from Iowa talks about employment for older Americans and would like to add funding there, of course it would be fine to add $14 million additionally to the $396 million recommended by the committee. But here again, the Appropriations Committee has made a very careful balancing of priorities. It is possible to pick apart the appropriations bill in a thousand ways and to take accounts which sound wonderful, like older Americans or public broadcasting, and take them from accounts like Radio Free Europe which makes a great sound bite or looks complicated when the Sunday papers reprint the vote. But this has been very, very carefully worked out.

Senator BIDEN has made as good an argument as you can make in 2½ minutes. I am sorry he is not on the floor to compliment him, because it is seldom that Senator BIDEN makes that good an argument in 2½ minutes. Usually it is longer and proportionately it may not justify the additional time. I wish he were here to reply to that.

It is with some reluctance that I oppose my colleague, Senator HARKIN, who serves as ranking member on the subcommittee. We have worked together for a very, very long period of time. But as the allocations now stand, there is an appropriate allocation and balancing of priorities.

Mr. President, I ask unanimous consent for an additional 2 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. HATFIELD. Will the Senator yield for just a moment?

Mr. SPECTER. I yield.

Mr. HATFIELD. Mr. President, I ask unanimous consent to extend this debate for 10 minutes, to be equally divided between both sides.

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

Mr. SPECTER. If the time is extended for an additional 10 minutes—

Mr. HATFIELD. And I yield to the Senator from Pennsylvania 2 minutes.

Mr. SPECTER. I would want to reserve time until I hear from Senator HARKIN and reply, if I may.

Mr. HATFIELD. Mr. President, the 10 minutes has been agreed to, 5 on a side?

Mr. SPECTER. I yield the floor and will reply to whatever additional arguments remain.

Mr. HARKIN. Mr. President, I yield 3 minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, Senator SPECTER's argument on the Corporation for Public Broadcasting is we are not hurting the corporation nor public broadcasting as much as the House is. That is not a very good argument.

Let me point out one thing. This body, I am pleased to say, unanimously supported me in an effort to have an exemption to the antitrust laws so that the television industry could get together on the question of violence. The evidence is overwhelming.

The Presiding Officer is a physician. The American Academy of Pediatrics, the American Medical Association, the National Institute of Mental Health, the Surgeon General of the United States, all have issued studies saying that television violence that glorifies violence adds to violence in our society.

I am pleased to report to this body, thanks to your efforts and to voluntary efforts in the industry, broadcast television has reduced violence appreciably. Cable has moved very, very modestly. But one network and one network alone provides violence-free television for the children of America, and that is public broadcasting.

I think we have to put our vote where our mouth is on this. I think we have to encourage the only network in this Nation that provides violence-free television for our children. There is one children's program, for example, that is broadcast in this country which is produced in two versions. One is the violent version for the United States of America, and the other is the nonviolent version for all the other countries in the world. When the Christian Science Monitor asked the producer why, she said, ''Well, the United States people demand violence, and we get no complaints. We cannot sell it in other countries with the violence in it.''

The Corporation for Public Broadcasting is doing a superb job of giving us violence-free television for our children, and we ought to be supporting it and supporting them strongly.

I am proud to be a cosponsor of the Harkin amendment. If I am not already, I want to be added.

I thank the Senator from Iowa.

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

Mr. HARKIN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 10 minutes and 39 seconds.

Mr. HARKIN. Mr. President, I yield 4 minutes to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I thank my distinguished friend from Iowa for yielding to me. I congratulate him on trying to maintain a semblance of culture, decency, and civility in this Nation.

The Senator from Illinois spoke just before I did. He spoke about the fact that our children, by the time they graduate from high school, will have seen 18,000 murders, to say nothing of the other unspeakable violence they are going to see on network television. We have grappled in the Senate with how to control children's exposure to violence in light of the free speech provisions of the first amendment, and nobody has been able to come up with a workable solution.

I was speaking with a Senator's wife about a week ago and she said, ''You know, Dale, we don't subscribe to cable at our house. We have a 12-year-old son. We do not want him exposed to MTV.'' I tell you, there are an amazing number of people in this country who deplore what their children are watching on television, and some of them are opting, as she does, not to purchase cable television.

Mr. President, you can be assured that this is not the final definitive debate on the Corporation for Public Broadcasting. There is an assault in the U.S. Congress on public broadcasting. With NEWT GINGRICH leading the charge, the Republicans in Congress

have decided to take dead aim at Big Bird, rather than deal with the problems that really cause harm to our society.

Mr. President, we have heard the argument: ''CPB can be privatized; let them do as everybody else does.'' Let me ask you about the magnificent, unprecedented series on the Civil War which was so poignant. 14 percent of Americans tuned in to see it. I promise you, most Americans were in tears watching, but above all, learning about the most defining moment in American history—13 hours on public broadcasting. Can you imagine watching that series on one of the commercial networks and being interrupted every 5 minutes with a car being dropped on top of a mountain top, or a Budweiser beer commercial?

I cannot believe that the Harkin amendment is even being challenged. If the Senator from Iowa prevails on his amendment, there will be $175 million left in the Radio Free Europe account. That is $100 million more than the President requested. In addition, even if the Senator from Iowa prevails, we will still be $29 million short of what public broadcasting was supposed to get.

Mr. President, how many times during the balanced budget amendment debate did you hear the argument, ''Senator, how can you vote against the balanced budget amendment? Eighty percent of the people of this country favor it. You are going against the wishes of the people.''

So, for the Senators here who are prepared to vote against the amendment of the Senator from Iowa, let me remind you that between 65 percent and 70 percent of the people of this country do not want the Corporation for Public Broadcasting to be cut. Is it for dilettantes? The statistics show that the average salary of the people of this country who watch opera is $40,000 a year. Where else could they see Pavarotti, Kiri Te Kanawa, all of the magnificent voices; are they to be silenced? Are we going to say to the American people that other countries of the world are willing to spend up to $38 per household for the very same thing the American people are paying $1.09 for?

It is troubling to hear the assaults on things like the Corporation for Public Broadcasting and National Public Radio—I never move my radio off NPR. When I get in the car in the morning, that is what is on; and when I go home at night, that is what is on, because I want to know what is going on in the world and I do not want all those commercials interrupting it. I want a definitive, honest-to-goodness, analysis of what is happening all over the world. I wonder what the opponents of the Harkin amendment listen to in order to get their news.

Mr. President, I thank the Senator for yielding.

I yield the floor.

Mr. HARKIN. How much time is remaining on both sides, Mr. President?

The PRESIDING OFFICER. Five minutes on this side.

Mr. HARKIN. I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, first of all, I want to thank my colleagues who have spoken so eloquently on this amendment. I thank them for their support.

Second, I want to again thank and congratulate my colleague, Senator SPECTER, for doing a truly outstanding job in getting the provisions through our Labor-HHS-Education Appropriations subcommittee that he has done in this bill. Having been in his position, I know it is a tough job, a thankless job. I want to commend him for all the work he has done. He has done a good job. I support him in that effort.

I point out, however, that in this case, Radio Free Europe is not in our subcommittee. So I am not hanging that on his head. It is funded in another subcommittee. Senator SPECTER and our subcommittee does not fund Radio Free Europe.

Mr. President, I also want to say—and I do not have the time to do this. The compensation package that was agreed upon for the employees of Radio Free Europe because they are now moving to Prague, Czechoslovakia, you ought to read it. Let me read a couple of its provisions.

Employees having children shall receive a one-time payment in the following amount: One month of gross salary, but in no event more than deutsche mark 10,000—that is $7,500 in U.S. dollars—for every dependent child aged no more than 27. How about that?

Employees terminated effective as of July 30, 1994, shall receive in respective school fees for the children to go to school 10,000 deutsche marks per child. So they can go to school. That is $7,500 a year.

What is going on here? This is criminal. Talk about a golden parachute. And at the same time, we are saying we are going to cut broadcasting for Big Bird and for our kids in this country. What nonsense.

My friend from Delaware talks about censorship. If that is going to be our guiding light, let us start Radio Free Asia, Radio Free South Africa, Radio Free South America.

Mr. BIDEN. We have.

Mr. HARKIN. Censorship can rear its ugly head anywhere, anywhere—in Uruguay and Paraguay, in Chile and Argentina, in any country in Africa. But what we have is the Voice of America. Now, he talked about Lech Walesa. I have some statements from other people I will put in the RECORD telling about the Voice of America, the present Prime Minister of Albania saying it was the Voice of America that brought them through, not Radio Free Europe.

Second, Mr. President, here is a list—I ask unanimous consent to put these in the RECORD—of every country in Eastern Europe and all of the radio and TV stations they already have that are operating. I ask unanimous consent to put that in the RECORD.

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

Ukraine: Russian TV programming is widely viewed.

Belarus: European music stations and BBC TV programs have been on air since last year.

Latvia: 6 commercial stations broadcasting most of day.

Lithuania: Recent formation of an association of independent TV and radio stations. TV programs broadcast; also several TV and radio stations broadcasting in Polish.

Hungary: VOA and BBC rebroadcast on Kossuth, FM, a state radio network.

Poland: RWE, Inc. broadcasts on Polish Program 4, a nationwide mediumwave network; BBC and VOA rebroadcast locally on both MW and FM. A National Broadcasting Council has issued 3 private national licenses in addition to 115 local licenses. The first national private TV license was recently awarded to Polsat over competing bids involving well-established foreign firms such as Time Warner Inc., Bertelsmann AG, and Reuters.

Czech Republic: VOA and BBC broadcast on FM networks in locations throughout the country; 2 public radio networks. Many of the independent stations with music and news often broadcast 24 hours a day.

Slovakia: Slovak Radio broadcasts despite financial problems BBC broadcasts on FM networks throughout the country.

Bulgaria: Numerous local independent radio stations operate in Sofia and other major cities. VOA, BBC, Deutsche Welle and Radio France International broadcast on FM in Sofia; VOA and BBC in cities outside.

Romania: Romania Radio, with 3 national networks all due to go on FM in the near future, is a less controversial institution than state TV. Numerous local independent radio stations operate in Bucharest and other major cities. VOA, BBC, Radio France International and DW are currently being rebroadcast on FM in Bucharest; BBC and DW also broadcast on FM in other cities.

Azerbaijan: Iran and Turkey supply television and radio programs to Azerbaijan; radio and TV cooperation between Iran and Azerbaijan is expanding.

Georgia: ''Free Georgia'' radio reportedly has been set up in Mingrelia by Gamsakhurdia supporters. Western and Turkish TV is available in Tbilisi.

Kazakhstan: TV broadcasts from Russia. Almaty is home to several independent radio stations. Print media are diverse. BBC and VOA broadcast, but only in Russia.

Tajikistan: An opposition radio, ''Free Tajikistan,'' has begun broadcasting 90 minutes a day. BBC and VOA broadcast in Russian.

Uzbekistan: Voice of Iran and radio Saudi Arabia transmit to Uzbekistan in Uzbek; other regional broadcasters can be heard in Persian or Turkish. VOA broadcasts; BBC plans to begin broadcasting in Uzbeck in later 1994.

Mr. HARKIN. The Senator from Delaware says the administration is opposed.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. HARKIN. I will take 30 more seconds. Here is the OMB pass-back budget 1994:

Presidential decisions. The pass-back includes some specific policy issues that were personally reviewed and decided by the President and cannot be changed. BIB, RFE, RL will be terminated in 1995, capital assets will be transferred to and merged with USIA.

So if this is something new, then the President obviously has changed his mind. But the President made a decision to personally zero it out.

I would also point out that even in this fiscal year the President asked for $75 million.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HARKIN. And this is $100 million more than the President asked for.

I reserve the remainder of my time.

Mr. BIDEN. Mr. President, will the Senator from Pennsylvania yield me 2 minutes?

Mr. SPECTER. I yield the Senator 2 minutes.

Mr. BIDEN. I do not say this with any rancor, but it is clear the Senator from Iowa is correct; he is uninformed on this issue. The reason he is uninformed on the issue, Radio Free Europe or Radio Liberty, the administration is not opposed.

I will submit the letter for the RECORD. I ask unanimous consent it be put in the RECORD.

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

U.S. INFORMATION AGENCY,
Washington, DC, March 31, 1995.

Hon. JOSEPH BIDEN,
U.S. Senate.

DEAR JOE: It is my understanding that the Senate may take up an amendment that would rescind major funding for the operations of Radio Free Europe/Radio Liberty. We appreciate your past and continuing support for RFE/RL and hope you will join the Administration and me in opposing this amendment.

As you know, we are currently in the process of shutting down RFE/RL in Munich and moving the newly configured operation to Prague. We have managed to get major components of the operation off the government budget and all of those involved in this effort have proceeded in good faith on the basis of reductions agreed to last year. The budget is being drastically reduced.

The operation will be overhauled under the leadership of Kevin Klose, President of RFE/RL, and a new Board of Directors, chaired by David Burke, former Vice President of ABC News. We have, however, let go more than a thousand long-time employees in Germany and must meet major obligations (legal obligations) there for German Government mandated separation costs, pension and health costs, etc. A cut in this year's budget of the one-time expense set aside for this purpose will break faith with those who have moved ahead with creativity and no little courage to help reinvent this old institution and make it serve a new purpose in a new time. It will also create a monumental management disaster in Munich and Prague, which will cause operations to come to an abrupt halt and create obligations and penalties for the U.S. Government beyond the savings sought by the amendment's sponsors.

I stand ready to met you in the Senate Lounge at any time to talk with you about this, as does Mort Halperin, who can express President Clinton's and the National Security Council's strong opposition to the proposed amendment.

Thank you for your consideration.

Sincerely,

JOSEPH DUFFEY,
Director.

Mr. BIDEN. Let me clarify this for the Senator. At the beginning of this administration, the President proposed terminating RFE/RL. That decision was reversed in the spring of 1993. And that summer, the President proposed consolidating all U.S. sponsored international broadcasts. Congress accepted it. And we ordered budget cuts. We cut the costs. The reason it is $175 million, $100 million more that the request for Fiscal 1996, is that it costs more—in the current fiscal year—to reduce the size of the radios. That is what it cost under German law to reduce the operation. We are bound under German law. When we lay off people and fire people under German law, we are required to pay this severance pay. That is the reason why it is more money this year and drops to $75 million next year.

Thirdly, I point out to my friend from Iowa, he did vote for and we did vote for Radio Free Asia. We authorized the establishment of a new service last year, and began appropriating money last year. We did it because there is censorship in China and the other communist countries in Asia; because there is a gerontocracy in Beijing that does not let people express their points of view. We did do that. So he is ahead of himself without even realizing it. We did in fact vote and have voted to guarantee that where there is censorship in the world, we will be involved to the extent that we can.

So, Mr. President, if we do not send troops, and we are not going to send money, and we are not going to send information, and we are not going to send access to the truth, what the heck are we going to do? I resent the fact that this is being pitted against public television. The reason public television is cut is not because of Radio Free Europe. When we reach the point——

The PRESIDING OFFICER. The Senator's 2 minutes have expired..

Mr. BIDEN. When you reach the point your time has expired, you sit down.

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

The PRESIDING OFFICER. Three minutes 9 seconds remain.

Mr. SPECTER. How much for the opposition?

The PRESIDING OFFICER. One minute thirty-two seconds. But the Senator from Iowa yielded back his time.

Mr. HARKIN. No, the Senator did not.

The PRESIDING OFFICER. The Chair thought the Senator did.

In that event, 1 minute 32 seconds remain.

Mr. SPECTER. Mr. President, I yield myself 2 minutes.

When the argument is made by the Senator from Arkansas that there is an assault on public broadcasting, I would remind him that the major assault is on the deficit, and as chairman of the subcommittee we looked at $5.9 billion of rescissions by the House, and we reduced that to $3.05 billion, and asked public broadcasting to take a fair share, leaving them with the same amount they had last year. And that has received the comments of gratitude that they are able to function without the larger cuts recommended by the House.

The amendment is an attractive one, obviously, when they move into community service with older Americans, but that account already has $410 million. So the $14 additional million, while making this amendment look attractive, really is not very significant in the overall picture.

The distinguished Senator from Delaware has spoken about Radio Free Europe, but I think the point has not been made that the $229 million is being reduced next year to $75 million, and $7 million has been added this year for consolidation and wind-down purposes.

My colleague from Iowa, who was chairman and is now ranking member, worked with me over these sheets, and I can understand his interest in wanting more money for public broadcasting. And I understand the Senator from Illinois, who has done outstanding work to try to combat violence on television. But this is a fair allocation, and if we are going to reach a balanced budget——

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. SPECTER. I yield myself 1 additional minute.

If we are to reach the balanced budget by the year 2002, there is going to have to be a fair share reduction on many items which we would like to have. And I think it is a fair submission that the Corporation for Public Broadcasting is able to tighten its belt and do the job within the parameter of the existing budget, so additional funds should not be added at the expense of another worthwhile account.

I yield the floor and reserve the remainder of my time.

Mr. BIDEN. Will the Senator give me 5 seconds?

Mr. SPECTER. I do.

Mr. BIDEN. I would like to point out that in the Dole-Daschle compromise we are cutting the international broadcasting account by $35 million. The Senator from Iowa proposes to cut $40 million from RFE/RL in addition to what we are about to cut.

I yield the floor.

Mr. HARKIN. How much time is remaining?

The PRESIDING OFFICER. One minute 30 seconds.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. First of all, let us face it. The Voice of America is broadcasting all over the world, in China, in Europe. The Prime Minister of Albania said it was the Voice of America, not Radio Free Europe that they listened to, plus we have BBC, German. These countries all have other broadcasts. So it is just a question of choices.

This is deficit neutral. This does not increase the deficit. But the choice is just this. Are we going to privatize the Corporation for Public Broadcasting or are we going to privatize Radio Free Europe? Will we have a compensation package for the Germans that I just mentioned or will we have jobs for our senior citizens here in America?

I would also point out, Mr. President, that the Dole substitute had a $98 million cut in Radio Free Europe, much more than what we are asking for here in ours.

Lastly, Mr. President, I would point out again, this amendment provides $26 million more for the Corporation for Public Broadcasting. It also provides $14 million for the senior community service employment program.

I ask unanimous consent to put at the end of my remarks some supporting documents regarding the senior community service employment program.

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

(See exhibit 1.)

Mr. HARKIN. So, again, Mr. President, the choice is clear. Are we going to spend our taxpayers' dollars for Radio Free Europe when the Voice of America is already broadcasting? Or are we going to bring that money here and make sure we have public broadcasting and jobs for our seniors?

EXHIBIT 1

EXAMPLES OF VOA PROGRAMMING

GENERAL

They do news broadcasts (in English and native languages), descriptions of US foreign policy, pieces on popular US culture, information about studying in America, English lessons including Special English broadcasts in slow English, and editorials (which are criticized for being one-sided and potentially damaging the credibility of VOA.)

You can think of VOA as the public relations arm of the US Government for foreign publics.

SPECIFICS

During China's 1989 Tiananmen Square demonstrations and massacre, VOA correspondents broadcast in real time back to China eye-witness accounts of the massacre, and gave public exposure in China to the demonstrators demands for democracy and openness—information that Chinese authorities were censoring.

During the Gulf War, VOA stepped up broadcasts in Iraq and throughout the Middle East in English and Arabic to counter misinformation by Sadaam Hussein, and explain US goals and achievements in the world.

VOA reports on the Middle East peace process from the US perspective so that Arab populations, who live in countries where press is often censored, will hear additional views.

President Clinton broadcast an appeal for calm and non-violence to Burundi in February 1995 just as ethnic violence a la Rwanda is heating up between Tutsi and Hutu extremists: in this case the President is using VOA to circumvent hostilities without resorting to force or sanctions.

The Prime Minister of Albania, Dr. Alexander Meksi, praised VOA for its role during 5 decades of totalitarianism and during the 1990–1991 revolutions:

''On Voice of America we heard about the revolution in Eastern Europe as well as about internal developments in our own country. The role of the radio station was vital in the democratization of Albania. Through interviews that VOA conducted with prominent personalities in Albania we heard the first public criticism of the communist regime from within Albania.''

VOA correspondents were in Mogadishu to report on the US feeding mission, getting out information about where the US Marines were, what they are doing, and where feeding centers were.

When the Congress voted to lift the trade embargo against Vietnam, Vietnamese heard it on VOA along with appeals for continued cooperation on POW–MIAs—which well reflected US policy.

VOA broadcasts to Tibet news about international efforts for their struggles that China authorities would not allow. The Dalai Lama can address his people on Tibet on VOA.

English classes in the English Corner throughout the world. It's a language lesson everyday on radio.

VOA also feeds its broadcasts to local FM stations to expand distribution

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10 GOOD REASONS TO SUPPORT SCSEP

The Senior Community Service Employment Program (SCSEP) authorized under Title V of the Older Americans Act should be preserved and expanded for the following reasons:

1. The SCSEP is our country's only workforce development program designed to maximize the productive contributions of a rapidly growing older population through training, retraining, and community service. History has taught us that mainstream employment and training programs like JTPA and CETA are not successful in serving older workers. A targeted approach is needed.

2. The SCSEP is primarily operated by private, non-profit national aging organizations that are customer-focused, mission driven, and experienced in serving older, low-income people. These nonprofits work in close partnership with the Governors, Department of Labor, aging network, and employment and training system, actively participating in One Stop Service initiatives designed to streamline and integrate services.

3. The SCSEP is a critical part of the Older Americans Act, balancing the dual goals of community service and employment and training for low-income seniors. Many nutrition programs and other services for seniors are dependent on labor provided by the SCSEP.

4. The SCSEP has consistently exceeded all goals established by Congress and the Department of Labor, surpassing the 20% placement goal for the past six years and achieving a record 135% of goal in FY 1993–94. Virtually all appropriated funds are spent each grant year, in stark contrast to similar programs.

5. The SCSEP provides a positive return on taxpayer investment. One study found that the program returns at least $1.47 for every dollar invested by empowering individuals to become self-sufficient and productive members of their communities.

6. The SCSEP is a means tested program, serving Americans age 55+ with income at or below 125% of the poverty level, or $9,200 for a family of one. The program serves less than 1% of those who are eligible; long waiting lists are common in most areas of the country.

7. The SCSEP serves the oldest and poorest in our society and those most in need: 39% of enrollees are minorities—the highest minority participation rate of any Older Americans Act program; 72% are female; 32% are age 70 and older; 81% are age 60 and older; 41% do not have a high school education; and 9% have disabilities.

8. The SCSEP ensures national responsiveness to local needs by directly involving participants in meeting critical human needs in their communities, from child and elder care to public safety and environmental preservation. The SCSEP has been a major contributor to national disaster relief efforts, most recently resulting from floods in the midwest, hurricanes in the southeast, and the California earthquakes and riots.

9. The SCSEP has demonstrated high standards of performance and fiscal accountability unique to government programs. Less than 15% of funding is spent on administrative costs—one of the lowest rates among federal programs and despite a unit cost that has not been adjusted for increased administrative expenses since 1981.

10. The SCSEP historically has enjoyed strong public support because it is based on the principles of personal responsibility, lifelong learning, and service to community. In addition, the program is extremely popular among participants, host agencies, employers, communities, and the membership of our nation's largest aging organizations.

[From Green Thumb, Inc.]

IOWA SCSEP CASE HISTORIES

Donald Huntley of Boone county came to a Green Thumb pre-app day last spring out of desperation. He had worked for many years at a large turkey manufacturing plant that had gone out of business. HIs annual income for a family of two at the time was $1,380. Don had very good skills and life experiences and a wonderful personality. He began his assignment in June with the Iowa 4–H Education Center. Prior to his orientation his Area Supervisor, Denise Juhl, told him that this was a chance to prove to the agency that they couldn't live without him. Don told her, ''consider it done''. On January 1, 1992, Don became a permanent full-time employee of the Iowa 4–H Education Center. His beginning salary will be $18,400 with full benefits—an increase of more than 13 times his salary when he enrolled in June! Way to go, Don—we knew you could do it!

Jerry Burgett, a once very successful business owner and entrepreneur, found himself physically disabled and as a result lost his business. He had been a concrete sawer, which took an extreme amount of physical activity. At age 55 he experienced major back surgery and was unable to lift more than five pounds. He became homeless, living with different relatives. His life learned working skills were no longer of value to him. At the intake and assessment, he indicated that he wanted to learn computers and word processing. He was dual enrolled in Green Thumb and JTPA to begin an eight week course in computers and word processing. At the completion of his course, he finished with a perfect attendance and top scores in his class. Jerry began working for a local greenhouse firm the day he finished classes. He is in charge of a city wide satellite greenhouse system. He insures each satellite is staffed and ready for business each day. Jerry credits his new job to his recently acquired training. He now has a small apartment and rediscovered self esteem and self worth.

The PRESIDING OFFICER. The time has expired.

Mr. SPECTER. How much time remains on my side?

The PRESIDING OFFICER. Fifteen seconds.

Mr. SPECTER. Mr. President, this has been a lively debate. I think all of the issues have been aired. I think the accounts as they currently stand express appropriate priorities as best we can determine them, and I move to table the Harkin amendment.

The PRESIDING OFFICER. The motion to table is not in order under the unanimous consent agreement.

Mr. SPECTER. Mr. President, I understand there was an agreement on an up-down vote. I was not present at that time. I withdraw the motion to table.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The PRESIDING OFFICER. Under the previous order, all yea and nay votes will be stacked. We are ready for other amendments.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, may I inquire of the Chair the list of the amendments that were incorporated in the unanimous consent agreement?

The PRESIDING OFFICER. The Wellstone seniors' amendment, the Hatfield-Byrd managers' amendment, the Harkin add-back for Corporation for Public Broadcasting.

Mr. HATFIELD. Mr. President, so as far as the process of those needing to be disposed of, we have the Wellstone amendment and the managers' wrap-up amendment?

The PRESIDING OFFICER. That is correct.

Mr. HATFIELD. Mr. President, we have resolved the Wellstone amendment. We are now putting that together with the managers' wrap-up. Therefore, I believe that would complete the business at this point as far as amendments are concerned; is that correct?

The PRESIDING OFFICER. That would be correct.

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

Mr. WELLSTONE. Would the Senator from Oregon yield for a moment?

Mr. HATFIELD. I withdraw the request for a quorum call.

Mr. WELLSTONE. Mr. President, I just want to thank Senator HATFIELD for his graciousness in our negotiations. I wanted to say to the Senator and to my colleagues that this program, the insurance information counseling and assistance grant program, again, is a program that we have in every single State, with seniors receiving assistance from trained volunteers in dealing with all the Medicare forms and the Medigap policies to provide really good protection for people. It is a program, with very little by way of money, that has gone a long ways. I thank my colleague from Oregon for all of his help.

Mr. HATFIELD. I thank the Senator.

Mr. FORD. Mr. President, will the distinguished chairman yield for a question?

Mr. HATFIELD. I am happy to yield.

Mr. FORD. The only amendment left now will be the managers' amendment. When will that amendment be prepared to be offered and how much time will it take for that amendment, could I ask the good Senator?

Mr. HATFIELD. My estimate at this point is that we are in the process of putting that together and of alerting our colleagues who are involved.

I notice Senator MCCAIN is here. He will have an amendment in that wrap-up. Senator WELLSTONE will have one. Senator JEFFORDS will have one.

In each case, Mr. President, I say to the Democratic whip, each of these amendments that are in the wrap-up are totally offset amendments. So they do not add to the deficit. And they have been cleared on both sides. We should have that within the next few minutes.

Mr. FORD. Mr. President, I say to my good friend, I was not objecting to that amendment. I understand it is basically agreed to and it has complete offsets, so most people are satisfied with it.

The only thing I was trying to do is figure out how much longer it would be and when you think the votes will be occurring.

Mr. MCCAIN. I would like to make about a 4-minute statement.

Mr. HATFIELD. Mr. President, I say to the Senator, at this point, I would say it should all be wrapped up, as far as the managers' amendment, in about 15 minutes.

Mr. FORD. I thank the chairman very much.

AMENDMENT NO. 578, AS MODIFIED

Mr. HATFIELD. Mr. President, I will now make a unanimous consent request to make a technical correction. We had cleared the Levin amendment No. 578, but I ask unanimous consent to correct a drafting error by modifying it with the language that I now send to the desk.

What we are doing is we are, on page 9, line 12, striking one figure, $37 million, and putting in $25 million; and one figure $35 million and putting in $23 million. This does not change the basic content of the amendment. It was inaccurately drafted.

I ask that it be modified.

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

The amendment is so modified.

The amendment (No. 578), as modified, is as follows:

On page 9, line 16, strike ''$13,000,000'' and insert ''$15,000,000''.

On page 9, line 12, strike ''$25,100,000'' and insert ''$23,100,000''.

Mr. HATFIELD. Mr. President, that will appear in our wrap-up package now that it is corrected. It is easier to correct it now than correct it down the line. That is why I took the time to do that at this point.

I yield the floor.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I know the hour is late, and I will be brief. But I would like to make some comments on the compromise amendment that has been so long in its gestation period today and yesterday.

I want to start out by thanking the chairman of the Appropriations Committee and all those Members of the Senate who have worked to produce a good substitute rescission bill. I give them credit. I am only sorry we had not been able to do more.

Over the last week, freshman Senators have led a noble fight, in my view, to add new cuts to these bills. The amendment originally proposed by my freshman colleagues would have called for cuts in the Corporation for Public Broadcasting, AmeriCorps $206 million, IRS, Foreign Operations, Youth Build, and many other cuts that would have totaled $1.3 billion. Obviously, they sought to have that amendment passed. They were unable to do so for a variety of reasons which are not worth going into now.

But I really want to comment, Mr. President, about the difference that those freshmen bring to this body, which is the message of November 8, which is that we have to make tough decisions. We have to make difficult cuts in the budget and we have to do so because we have an obligation to the American people to balance the budget. Mr. President, we are not going to do that with this compromise amendment.

I especially thank Senator Santorum. I thank Senator Ashcroft, who is in the chair. I thank my colleague from Arizona, Senator Kyl, and many others who played such an important role in their efforts and came here to succeed and maybe will succeed next time. Those cuts that they proposed were difficult decisions. They alienated substantial constituencies in all of their States. But the fact is, we needed to enact those cuts and many more.

I have to say, Mr. President, I am a little bit disspirited because, if we cannot enact these cuts, I wonder what is going to happen when we take up budget reconciliation and we have to consider some really important and difficult reductions in the Federal budget. I am not positive we will have the courage to do so, particularly in light of the rejection of the so-called freshmen amendment.

I point out, in the compromise amendment, there are some good programs. I think they are very nice to have these programs. These add-backs

all have nice-sounding names to them, like TRIO and substance abuse and mental health and Goals 2000 and school-to-work, et cetera, et cetera. But Mr. President, the question is where the role of Government ends and our obligation to the American people to balance the budget begins.

I am particularly pained by the so-called offsets that are in this amendment, because the majority of the offsets, about $1.2 billion of the $1.6 billion, are contained in two so-called offsets. One is for the HUD section 8 project reserves and the other is for airport improvement. Both of those funds will have to be replenished within the next 6 months.

So the fact is what we have done is add back $834 million and really only subtract from that around a couple hundred million. So the offsets are illusory. The offsets are not meaningful.

And it was interesting that Radio Free Europe and foreign operations were two of the major so-called savings in offsets, neither of which have any domestic constituencies. The other one that I see here was Federal administration and travel, which is always a convenient one. If anyone believes that there will be a $337 million reduction in Federal administration and travel that is unspecified, I would say they have more optimism about the Federal bureaucracy's reactions to the mandates of Congress than I have seen in the past.

The PRESIDING OFFICER. The Senator's 4 minutes have expired.

Mr. McCAIN. I did not ask for unanimous consent.

The PRESIDING OFFICER. We are under controlled time.

Mr. McCAIN. I ask unanimous consent for an additional 2 minutes.

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

Mr. McCAIN. I am sorry for taking so much time.

I believe it is important for us to recognize the effort that was made by the freshman Senators. I think it is disappointing that they did not succeed. I urge them to continue in their efforts, because I think they best reflect the views, aspirations, and hopes of the American people, as expressed on November 8.

I am disappointed in this so-called compromise. I hope that in the future we will not agree to such compromises again.

Mr. President, I had yield back the remainder of my time.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 579

Mr. FEINGOLD. Mr. President, I voted for the Harkin amendment to transfer $40.5 million from the Board for International Broadcasting and Radio Free Europe/Radio Liberty, Inc. to the Corporation for Public Broadcasting and the seniors community service program because I believe they are higher national priorities than overseas broadcasting is.

Last year I led the fight to reduce RFE/RL's budget from $220 to $75 million—by two-thirds—and to slash their outrageous management perks because I believe that RFE/RL is a cold war relic, which also suffered from terribly sloppy fiscal management in the past. I do have some concerns about this formula, however,

During the debate on consolidation last year, we discovered that because of contractual obligations that the BIB never should have entered into on behalf of the U.S. Government, we have to spend some money this year in order to cap RFE/RL at $75 million next year. It seems to make little sense, but I have done the math many times, and unfortunately, concluded that these sums are necessary if we are to downsize. It actually demonstrates how this organization ran amok for years under the guise of national security interests. In any case, I am concerned that if BIB funds are rescinded this year, we may not be able to reduce fully to $75 million next year.

At the same time, I think CPB is a far better investment that so-called surrogate broadcasting—particularly when we already have radio services to the transitioning democracies through the Voice of America. I am carefully monitoring RFE/RL's budgeting and expenditures. If their request exceeds $75 million next year, I will be the first to propose their termination.

Mr. HOLLINGS. Mr. President, I support the amendment to reduce funding for Radio Free Europe and to restore $40.5 million for programs cut in this bill before us. Specifically, this amendment would restore: $26 million for the Corporation for Public Broadcasting; $14.4 million for the Community Services Program for Older Americans.

Mr. President, for many years, I have been a supporter of the continued operation of Radio Free Europe. Every year as chairman of the Appropriations Subcommittee, I supported the Board for International Broadcasting's appropriations. But, now I look at this rescission bill and I look at the reductions that are proposed for programs like the Corporation for Public Broadcasting, the National Oceanic and Atmospheric Administration, programs to prevent the use of illegal narcotics, and programs that serve the elderly and children—all programs that serve Americans here at home—and I can no longer support the appropriations for the radios. Programs for Americans here at home should and must have a higher priority.

I have listened to the attacks on the Corporation for Public Broadcasting, on support for National Public Radio and Public Television. The other side has argued that taxpayer funds should not be used to support public radio and television. I disagree. Public radio and television are among the finest investments made by this Government. They are an investment in the education of our people. But, if the other side is arguing against taxpayer support for public radio for Americans, how can they justify taxpayer support for Radio Free Europe. And, in this bill that the Appropriations Committee reported they have even proposed supplemental funding for Radio Free Europe while they are proposing rescissions in the Corporation for Public Broadcasting. That simply doesn't make sense.

One of President Clinton's first reinventing government proposals was to phase out Radio Free Europe and to consolidate it with the Voice of America. This country spends over $320 million per year for the Voice of America's operations and facilities, and almost $230 million per year for Radio Free Europe.

We did not phase-out Radio Free Europe. They conducted an impressive lobbying campaign to continue their existence, and the administration backed down. It agreed to reduce the Radios, but not to end their operation.

But, times are changing. The world has changed. The cold war has ended. Many of the nations in Eastern Europe and the former Soviet Union had developed their own media and radio stations, and without jamming, they now had access to the BBC, CNN, Sky Television, and other Western media. Just last week the Washington Post carried an article discussing Russia since the fall of communism. While the article bemoaned the outbreak of organized crime, it also noted that Russia has developed a vigorous, and free mass media.

And, as everyone can see from this rescission bill, times have changed here at home too. We have before us a $13 billion rescission bill. We are cutting programs that Americans rely on.

Mr. President, in the budget game, in the appropriations business, we are continually involved in a process of setting priorities—of determining what is more important than something else. And, when I look at the programs that Senator HARKIN, Senator LEAHY, and Senator REID have suggested in this amendment, for this Senator, there is no contest. They clearly are higher priority than continuing radio stations for Europe.

There is no one in this room that does not think the Older Americans Act Community Service Employment Program has been a success. The average participant is a 68-year-old woman who has just lost her husband and has little or no work history outside the home. There are both elderly men and elderly women in the program, but this is the typical situation. All of the participants are low income by definition.

This program provides a grant to nonprofit organizations to train participants and to place them in jobs. Initially, the program supports them at the minimum wage. For those who have good work skills, it moves them into full-time, unsubsidized employment. For the others, it provides either formal or on-the-job training to prepare for employment.

n any case, the work done by these seniors in libraries, home health agencies, child care centers, and other public, nonprofit, and private jobs is an absolute boon to the community and to the taxpayer. It would be pennywise and pound foolish to send these low-income senior citizens to the welfare line instead of letting them do work that is needed for the minimum wage.

Furthermore, we are talking in committee about getting people off of welfare and into work, and here on the Senate floor we are cutting a program that does just that.

Mr. President, 16,000 elderly people are being supported at the minimum wage nationwide through the Community Service Employment for Older Americans Program. There are 900 in South Carolina alone, and we will cut 106 if this amendment fails. The dignity of these elderly people is certainly more important than overextending our past commitment to taxpayer-funded European radio.

Mr. President, Senator HELMS, chairman of the Foreign Relations Committee, and Senator SNOWE have proposed a major reorganization of our international affairs agencies. They are, at this time, considering major reductions in international affairs agencies. Their proposed organization chart for the reinvented Department of State includes an ''America Desk.'' Well, it is clear to me that time has run out for Radio Free Europe, and we could well help their reorganization effort at this time. Clearly, Radio Free Europe no longer can pass the ''America Desk'' review.

I commend Senators HARKIN, LEAHY, and REID for bringing this amendment to the Senate. Phasing out Radio Free Europe is a tough decision to make. But, it is far preferable to the other reductions that have been proposed in this rescission bill.

I urge the adoption of the amendment.

Mr. SIMPSON. Mr. President, I rise in strong opposition to the pending amendment proposed by the Senator from Iowa.

Let me first state that I fully understand the valid impulses that give rise to an amendment such as this. It takes money from Radio Free Europe, and puts it into a small number of other domestic spending categories, some of them bringing benefits to children and to the elderly.

The point being made is clear. It is one that we always hear whenever we go to our town meetings. If a Senator such as myself stands up to describe the vast increases in direct transfer payments to American citizens—from the young worker to the older retiree—increases which indeed have driven our deficit to near extremity, one always hears the same old refrain in response: ''What are you going to do about foreign aid? What about Congressional perks?''

Of course, spending on those two items amounts to less than 1 percent of the budget. But as long as some of it is still there, one can always gain a few more political points by taking a little bit more out of international spending, and spending a little bit more on the domestic side.

Now, I come to this issue from an unusual stance, which I would hope the Senator from Iowa appreciates. Unlike some of my colleagues on the Republican side, I fully support public broadcasting. I think it is especially valuable in a rural State such as my own, where we simply do not have the market power to make available to our citizens all of the best that commercial programming has to offer in a cost-effective way.

But despite my general support for public broadcasting, I oppose this amendment. It would take $40.5 million out of Radio Free Europe in order to make it available for other domestic programs.

The first point I would make is that there has been a series of amendments here from the other side of the aisle, each of them designed to score big political brownie points by giving more money to children, to the poor, to the elderly. They're trying to make the crude charge stick, that somehow Republicans are wreaking havoc upon all these programs.

It is a war of symbolism, and it is being waged by various feints, jabs and deceptions. I would say to my colleagues over there on that side that I believe this tactic is getting quite worn and tired. The press, believe it or not, is beginning to figure this one out. They did fall a bit for the school lunch sophistry, buying the notion that we were snatching the food out of children's mouths, simply by giving the States more control over that program. But increasingly they are starting to understand what is a cut and what is a slower rate of increase. That's what we are proposing with all domestic and welfare spending generally—and if the American public can't figure that one simple gem of logic out, then they are, all of them, going straight to the poorhouse themselves.

So that's what gives rise to these partisan amendments. And of course, if you want to get some money for the ragged and downtrodden, there is no more politically popular place to get it than something that smacks of the evil term ''foreign aid''—as in Radio Free Europe.

I would say that the U.S. is still getting a very fine return on its investment in Radio Free Europe. One thing that the collapse of the Berlin Wall has shown to us is the power that Radio Free Europe had in beaming a message of hope and freedom to those striving for democracy. It is said by some that, now that the wall has come down, RFE has outlived its usefulness. But we have seen eloquent testimony that this is not the case.

Indeed, Radio Free Europe has moved its base of operations precisely because President Havel of the Czech Republic offered them various forms of subsidy assistance if only they would relocate in Prague. That's what he personally feels about Radio Free Europe's usefulness in the post-Cold War World. If the charge was to be made that Radio Free Europe was too expensive, then the people of Central Europe were willing to chip in their own bucks and give some help in order to enable it to stay.

Radio Free Europe has kept its operation up-to-date and relevant. It remains a tremendous source of reliable information on many subjects of international import, often giving more timely and profound coverage of events that the commercial news services. They have managed to stay ahead of the game in a number of areas of particular movement and importance in recent years—reports on the evolution of ethnic tensions as well as burgeoning controversies in economic and military matters. They provide translations of articles in major international newspapers, and academic analysis of events that cannot always be found in commercial papers and broadcasts.

In a budget in which we devote less than 1 percent of our resources to trying to affect the course of events beyond our borders in a way that is beneficial to us, it seems to me to be very pennywise and pound foolish, to take yet another whack at something which is so inexpensive to the taxpayer—indeed becoming less expensive as a result of the recent decision to move—simply to make the sudden, cynical political point that the loyal advocates of the amendment stand for more spending for the downtrodden.

So I regret to say to the Senator from Iowa that I cannot support his amendment. I would say to him and to the rest of this chamber that if we are squeezing funding for the programs that he has attempted to provide for here, it is not spending on Radio Free Europe that has caused the difficulty. Come the year 2013, unless we do something about entitlement spending, we not only will not have money for Radio Free Europe, but for national defense, highways, prisons—turn them all loose—upkeep of the national parks—nothing. So we should turn the spotlight onto the spending that got us here and we'll be looking for the Senator's vote, otherwise we won't be able to fund any of the programs that the Senator from Iowa or anyone else cares about.

Mr. KENNEDY. Mr. President, I will just take one or two moments at this time, prior to the time that we are going to have a final vote on this issue

on the rescissions, to, first of all, express my own deep personal appreciation for the leadership of Senator DASCHLE, on our side, over the course of this debate and his perseverance in pursuing the restoration of extremely important funding that had been cut in the areas which were targeted on children and on education. There is close to a billion dollars which has been returned to this measure as a direct result of his strong commitment and work over these past days.

Many of us were prepared to have extended debate on priorities, which I think the rescission issue basically brings forward, to try and reflect in this body what we think are the real priorities of the American people with regard to children and with regard to education.

We know that over this year and in the future, we are going to have to be much sharper in prioritizing this country's expenditures. Funding in and of itself is not necessarily the answer to all of our problems, but it is a pretty clear reflection of a nation's priorities. This is particularly true when we are talking about a number of the different items that were included in the measure which was supported by Senator DASCHLE and others, including some Members from the other side of the aisle.

I am speaking about the restoration of the funds at Head Start, Chapter 1, and the day care programs, which are so important for working families, particularly working mothers, and are an indispensable part of our planning if we are trying to be serious about welfare reform. I should also note the return of the funding on the Goals 2000, which will help some 1,300 schools to move ahead in terms of enhancing academic achievement and accomplishment.

Those were extremely important programs. Other important measures that were restored include the School-to-Work Program, which will provide additional opportunities for the 70 percent of the young people that do not go on to college and are facing dead-end jobs when they get out of high school.

Because of the School-to-Work Program that was passed last year and strongly supported with the leadership of President Clinton, we were able to work through a partnership with public and private sectors to try to offer a greater opportunity for young people. That, I think, is important.

I know that Senator KASSEBAUM is working through the restructuring and reorganizing of our youth training programs, and the role of the School-to-Work Program may very well be—I believe will be—the center focus of reform of youth training. It will also help in redesigning the outreach to the some 400,000 young people who drop out of school every year. With this program and some of the other efforts, these dropouts may be brought back into the educational system.

Finally, I want to mention the restoration of funding for the national service program. While we have had some debate and discussion on that measure, I wish we had had the chance to go into greater detail on the extraordinary contributions that so many of the young people in this country are involved in through community service.

If there was really a failing during the period of the 1980's, and we all have our list of shortcomings in national policy, I think one of the important areas was the failure to offer a vehicle and an avenue for young people, particularly, to give something back to their community in the form of voluntary service. We didn't give them an opportunity to repay what the community has done for them.

Under the leadership of President Clinton, we have seen service programs growing, not only in the AmeriCorps programs, but the other programs which are creating an opportunity for service while students are in school, from kindergarten through high schools. In my State of Massachusetts, enormously impressive programs are taking place.

I was talking recently to the service learning director of the community service programs, and she mentioned that Massachusetts is one of the top States in taking advantage of the service learning programs.

We could go on about other programs restored—the TRIO program—and about some that were not, such as the technology programs, which are so important in making sure young people are going to be able to get the best in terms of new technology, and not only technology but training programs in the use of these technologies. All of these are enormously important.

We are going to have debates on these measures as to funding levels in the future. But we want to make very clear in this body and to the country that there are going to be a number of Members that will stand for the children, stand for education, stand for investing in the future of this country by doing all that we can to strengthen the support for the youngest and the most vulnerable. We will support children in the Head Start programs and support strengthening our education system. Another issue we will watch closely will be aid to college students. We must ensure that young people that are taking advantage of the student loan programs, work study programs, and other higher education programs which have been targeted by Republicans over in the House of Representatives are not hurt by Republican cuts. We must make sure the Republicans bent on eliminating these programs are not going to be successful.

I believe that there is a bipartisan coalition for education. Perhaps, had we had more votes on education it would have been reflected in the course of this debate, but I believe it is there. It will be tested over the period of these future months.

I do think in this early skirmish that it is very clear that even though the funding levels are not what I would certainly like to see in these areas, the areas nonetheless where there has been the greatest restorations have been in children and in education. I think that that is what the American people would want. I know that these are what we will want as we go through the process of prioritizing this Nation's needs. We will keep them on the front burner.

Mr. President, I yield the floor.

Mr. DOLE. Mr. President, by my calculation, we should be voting by now. Could I be advised why we are still talking?

The PRESIDING OFFICER. We still have another amendment to be offered, the managers' amendment.

Mr. DOLE. Is anybody entitled to time on the managers' amendment, or are the managers entitled to time?

The PRESIDING OFFICER. There is a total of 15 minutes remaining on the managers' amendment.

Mr. DOLE. I just say to my colleagues, if they want to stay here all night, that is fine. But we are going to come back in the morning if we cannot close this down in about 5 minutes.

It is about 10 o'clock. Most everybody is here tomorrow, and we will come back if we cannot conclude this, come back tomorrow morning. If everybody needs to talk, let them talk and we will come back and vote tomorrow morning.

Mr. President, why can we not proceed to vote on the Harkin amendment?

The PRESIDING OFFICER. The unanimous consent provided that the votes would be stacked.

VOTE ON AMENDMENT NO. 579

Mr. DOLE. I ask unanimous consent that we now proceed to vote on the Harkin amendment.

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

The question is on agreeing to the Harkin amendment No. 579. On this question, the yeas and nays have been requested, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD: I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 46, nays 53, as follows:

[Rollcall Vote No. 131 Leg.]

YEAS—46

Akaka	Dorgan	Johnston
Baucus	Exon	Kennedy
Bingaman	Feingold	Kerrey
Boxer	Feinstein	Kerry
Breaux	Ford	Kohl
Bryan	Glenn	Lautenberg
Bumpers	Graham	Leahy
Byrd	Grassley	Levin
Cohen	Harkin	Lieberman
Conrad	Heflin	Moseley-Braun
Daschle	Hollings	Moynihan
Dodd	Inouye	Murray

Pryor	Roth	Warner
Reid	Sarbanes	Wellstone
Robb	Simon	
Rockefeller	Snowe	

NAYS—53

Abraham	Faircloth	McCain
Ashcroft	Frist	McConnell
Bennett	Gorton	Murkowski
Biden	Gramm	Nickles
Bond	Grams	Nunn
Bradley	Gregg	Packwood
Brown	Hatch	Pell
Burns	Hatfield	Pressler
Campbell	Helms	Santorum
Chafee	Hutchison	Shelby
Coats	Inhofe	Simpson
Cochran	Jeffords	Smith
Coverdell	Kassebaum	Specter
Craig	Kempthorne	Stevens
D'Amato	Kyl	Thomas
DeWine	Lott	Thompson
Dole	Lugar	Thurmond
Domenici	Mack	

NOT VOTING—1

Mikulski

So the amendment (No. 579) was rejected.

Mr. HATFIELD. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, may we have order.

The PRESIDING OFFICER. The Senate will come to order.

The Senator from Oregon.

Mr. HATFIELD. I ask unanimous consent to make a technical correction to an amendment previously offered by Senator GORTON and adopted by the Senate. It is a technical correction because the amendment is flawed.

The PRESIDING OFFICER. The Senate will be in order. The Senator will suspend until the Senate is in order.

Without objection, the amendment is so modified.

AMENDMENTS NOS. 580 THROUGH 592, EN BLOC

Mr. HATFIELD. Now, Mr. President, I would like to have the attention of the body.

Mr. President, this is the last act for this bill except final passage, and this is referred to as a managers' wrap-up. What we have done is incorporate into this one action amendments that have been agreed to on both sides. If there is any additional money, it is fully offset. So it is totally deficit neutral. And instead of having them offered one at a time, we are offering them en bloc. Let me enumerate them because those of you who have such amendments make certain that we have incorporated them. The following list: HATFIELD has three, LAUTENBERG, BURNS, MCCAIN, JEFFORDS, PELL, KENNEDY, AKAKA, KEMPTHORNE, INOUYE, and WELLSTONE.

Now, that is our listing of all of the amendments that have been agreed to, cleared.

Mr. President, I ask unanimous consent that the amendments be considered and agreed to en bloc and that motions to reconsider votes by which these amendments were agreed to be laid upon the table en bloc and any statements with regard to the amendments be placed in the RECORD at the appropriate place. And I yield to the ranking member of the committee.

Mr. BYRD. Mr. President, reserving the right to object, I shall not object, these amendments have been cleared on this side and they are fully offset.

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

The clerk will report.

The legislative clerk read as follows:

The Senator from Oregon [Mr. HATFIELD], proposes amendments numbered 580 through 592, en bloc.

The amendments en bloc are as follows:

AMENDMENT NO. 580

(Offered by Mr. HATFIELD, for himself and Mr. BYRD.)

On page 26, line 12, reduce the sum named by ''200,000,000''.

On page 26, line 20, reduce the sum named by ''$200,000,000''.

On page 27, line 21, strike ''$3,221,397,000'' and insert in lieu thereof: ''$3,201,397,000''.

AMENDMENT NO. 581

In Amendment number 437 to Amendment 435 strike the following:

''Of the funds made available under this heading in Public Laws 101–136, 101–509, 102–27, 102–141, 102–393, 103–123, 103–329, $1,842,885,000 are rescinded from the following projects in the following amounts:''

and insert in lieu, thereof:

''Of the funds made available under this heading in Public Laws 101–136, 101–509, 102–27, 102–141, 102–393, 103–123, 103–329, $1,894,840,000 are rescinded from the following projects in the following amounts:''

and strike:

''Tucson, Federal building, U.S. Courthouse, $121,890,000''

and insert in lieu thereof:

''Tucson, Federal building, U.S. Courthouse, $80,974,000''.

AMENDMENT NO. 582

On page 44 line 16 insert:

'': Provided further, Of the available contract authority balances under this hearing in Public Law 97–424, $13,340,000 are rescinded; and of the available balances under this heading in Public Law 100–17, $126,608,000 are rescinded.''

AMENDMENT NO. 583

(Purpose: To restore funding for the purchase of buses and the construction of bus-related facilities as authorized under section 3 of the Federal Transit Act)

(Offered by Mr. HATFIELD, for Mr. LAUTENBERG.)

On page 43, line 17, strike the numeral and insert ''$1,318,000,000.''

On page 46, strike all beginning on line 6 through the end of line 11.

AMENDMENT NO. 584

(Offered by Mr. HATFIELD, for Mr. BURNS.)

At the appropriate place insert the following:

(a) SCHEDULE FOR NEPA COMPLIANCE—Each National Forest System unit shall establish an adhere to a schedule for the completion of National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) analysis and decisions on all allotments within the National Forest System unit for which NEPA analysis is needed. The schedule shall provide that not more than 20 percent of the allotments shall undergo NEPA analysis and decisions through Fiscal Year 96.

(b) * * * other law, term grazing permits which expire or are waived before the NEPA analysis and decision pursuant to the schedule developed by individual Forest Service System units, shall be issued on the same terms and conditions and for the full term of the expired or waived permit. Upon completion of the scheduled NEPA analysis and decision for the allotment, the terms and conditions of existing grazing permits may be modified or re-issued, if necessary to conform to such NEPA analysis.

(c) EXPIRED PERMITS—This section shall only apply to permits which were not extended or replaced with a new term grazing permit solely because the analysis required by NEPA and other applicable laws has not been completed and also shall include permits that expired in 1994 and 1995 before the date of enactment of this Act.

AMENDMENT NO. 585

(Purpose: To address issues of equity in rehiring former Federal employees)

(Offered by Mr. HATFIELD, for Mr. MCCAIN.)

In title II—General Provisions, SEC. 2001 Timber Sales, add the following to the end of subsection (6) SALE PREPARATION: The Director of the Office of Personnel Management, and the Secretary of the relevant Department, shall provide a summary report to the governmental affairs committees of the House and Senate regarding the number of incentive payment recipients who were rehired, their terms of reemployment, their job classifications, and an explanation, in the judgment of the agencies, of how such reemployment without repayment of the incentive payments received is consistent with the original waiver provision of P.L. 103–226.

This report shall not be conducted in a manner that would delay the rehiring of any former employees under this Act, or effect the normal confidentiality of federal employees.

Mr. MCCAIN. Mr. President, I would like to make a few brief comments to describe the intent of the amendment I have offered today to S. 619. It addresses my concerns about the rehiring of former Federal employees who received a voluntary separation incentive payment to leave the Federal service, but now will be rehired under the provisions of this bill.

Under the terms of the ''Federal Workforce Restructuring Act''—popularly known as the buyout bill—Federal employees could receive an incentive payment as high as $25,000 if they voluntarily agreed to leave their agency. These buyouts will help achieve a reduction in the Federal work force of approximately 275,000 employees, which will significantly reduce the size of our Federal bureaucracy and save taxpayers hundreds of millions of dollars.

After receiving such a buyout, the Federal employee would be barred from rejoining the Federal work force for 5 years. A special waiver provision afforded former employees with unique capabilities to be rehired by a Federal agency if no other qualified individual was available.

I supported this legislation, and am pleased that it has already helped reduce the Federal work force by some 30,000 employees. I am concerned, however, by one provision of the recissions bill before us today that would allow individuals who received a buyout payment to be rehired without having to either repay their buyout, or meet the terms of the existing waiver provision.

Mr. President, I recognize the need for highly qualified individuals to be brought back to Federal service with

the Bureau of Land Management and the Forest Service to assist with new timber harvests. They must be brought back quickly, and are likely to be reemployed for a fairly short period of time.

I do believe, however, that the agencies rehiring these individuals should advise the Congress on the extent of former Federal employees who received a buyout and have been rehired. We have a responsibility to ensure that the spirit of the buyout legislation is not abrogated by this new rehiring authority. Furthermore, it would be wise for the Congress to monitor that the taxpayers investment in this buyout program is not improperly utilized.

My amendment is intended to allow the Congress to fulfill these obligations. It would require OPM and the relevant Federal Department to advise the Governmental Affairs Committees of the House and Senate their use of the rehiring authority established in S. 619. More importantly, it will require these agencies to explain how rehiring buyout recipients without a repayment of their separation incentive award is consistent with the original waiver provision of Public Law 103–226.

This requirement will provide the Congress with some idea of not only how many former Federal employees who received a taxpayer funded buyout have been rehired, but also whether their reemployment truly meets the congressional requirement of highly skilled individuals, and a shortage of similarly talented candidates. I do not want to see the expedited rehiring authority established in this bill to be used in such a manner that undermines the merits and purpose of the cash awards given to individuals.

I think it is important that we treat rehired Federal employees fairly in this regard, but we also need to ensure that taxpayers are protected due to the fact that they have paid for the cash buyouts that have been awarded. After all, these voluntary separation payments are intended to downsize the bureaucracy, and save taxpayers money. Individuals should not be able to take advantage of large buyout bonuses and then reenter the Federal service except under very special circumstances.

This amendment will help the Congress evaluate this rehiring program as it proceeds, without hindering the Forest Service or the BLM in their legitimate efforts to bring skilled individuals back into their work force on a short-term basis.

Mr. President, I want to thank Senator GORTON, Senator HATFIELD, and Senator BYRD for their assistance and acceptance of this amendment.

AMENDMENT NO. 586

(Offered by Mr. HATFIELD for Mr. JEFFORDS.)

On page 14, line 12 strike $81,500,000 and insert ''$71,500,000''.

On page 13, strike the figure on line 24 and insert ''$60,000,000''.

AMENDMENT NO. 587

(Purpose: To provide continued funding for the national center for research in vocational education)

(Offered by Mr. HATFIELD for Mr. PELL.)

On page 33, line 9, strike ''$236,417,000'' and insert ''$242,417,000''.

On page 33, line 14, strike ''$8,900,000'' and insert ''$14,900,000''.

On page 34, line 4, strike ''$60,566,000'' and insert ''$54,566,000''.

On page 34, line 7, strike ''$8,891,000'' and insert ''$2,891,000''.

AMENDMENT NO. 588

(Offered by Mr. HATFIELD, for Mr. KENNEDY.)

On page 36 after line 5, insert:

''PROGRAM ADMINISTRATION.

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $4,424,000 are rescinded.''

On page 34, line 18, Strike $57,783,000 and insert in lieu ''$53,359,000''.

On Page 35, line 2, strike $6,424,000, and insert in lieu of ''$2,000,000''.

AMENDMENT NO. 589

(Purpose: To restore certain funding for the demonstration partnership program which is administered by the Office of Community Services within the Administration for Children and Families)

(Offered by Mr. HATFIELD, for Mr. AKAKA.)

On page 31, strike line 9 and insert the following: ''Public Law 103–333, $10,988,000 are rescinded.''.

On page 31, between lines 9 and 10, insert the following:

''Of the funds made available under this heading in Public Law 103–333 and reserved by the Secretary pursuant to section 674(a)(1) of the Community Services Block Grant Act, $1,900,000 are rescinded.''

On page 32, line 5, strike $2,918,000'' and insert ''$4,018,000''.

AMENDMENT NO. 590

(Purpose: To make an appropriation for the Advisory Commission on Intergovernmental Relations and to increase the rescission amount for diplomatic and consular programs)

(Offered by Mr. HATFIELD, for Mr. KEMPTHORNE.)

On page 11, line 19, strike ''$2,000,000 are rescinded.'' and insert the following: $2,500,000 are rescinded.

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

For the Advisory Commission on Intergovernmental Relations for purposes of section 306 of the Unfunded Mandates Reform Act of 1995 (Public Law 104–4), $500,000.

AMENDMENT NO. 591

(Purpose: To strike the provision that prohibits the application of the Davis-Bacon Act to any contract associated with the construction of facilities for the National Museum of the American Indian)

(Offered by Mr. HATFIELD, for Mr. INOUYE.)

In chapter V of title I, under the heading ''CONSTRUCTION'' under the heading ''SMITHSONIAN INSTITUTION'' under the heading ''OTHER RELATED AGENCIES'' strike '': *Provided further*, That notwithstanding any other provision of law, the provisions of the Davis-Bacon Act shall not apply to any contract associated with the consideration of facilities for the National Museum of the American Indian.''.

AMENDMENT NO. 592

(Offered by Mr. HATFIELD, FOR MR. WELLSTONE)

On page 29, line 16, strike ''$2,185,935,000'' and insert in lieu thereof $2,191,435,000''.

At the appropriate place in the bill insert the following:

Notwithstanding any other provision of this Act, administrative expenses & travel shall further be reduced by $5,500,000.

So the amendments (No. 580 through 592) were agreed to.

Mr. HATFIELD. I thank the Chair.

I move to reconsider the vote by which the amendments were agreed to.

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

The motion to lay on the table was agreed to.

MARKET PROMOTION

Mr. LAUTENBERG. Mr. President, I rise to express my outrage at the provision in this rescission bill that would increase funding for the Market Promotion Program by $25 million in fiscal year 1995. A provision that would increase subsidies for major corporations, at the same time that we are cutting billions from programs that are vital to our Nation's children.

My opposition to the Market Promotion Program is long-standing. I do not believe that the U.S. Government should be spending $100 million a year to subsidize overseas advertising by large corporations.

In recent years, the Market Promotion Program has used taxpayer money to subsidizes such corporations as McDonalds, Miller Beer, Sun Maid Raisins, and General Mills: hardly struggling corporations in need of Government largesse.

It would be a travesty for the Senate to increase spending on this wasteful program while we are considering billions of dollars in cuts from far more important programs in the fiscal year 1995 budget.

How can we cut housing assistance for low-income families and seniors while we increase subsidies for large corporations?

How can the U.S. Senate cut the Head Start Program, the Youth Training program, the National Service Program, the Safe and Drug Free School Zones program, Child Care, Education, and so many other programs that benefit our Nation's children and families, help hard-working Americans, and prevent drug abuse and crime? How can we cut all those programs and then turn around and increase funding for multinational corporations?

Mr. President, this is wrong. Dead wrong. The market promotion program should not be increased. It should be eliminated. If we can cut funding for child nutrition programs and elderly housing, we certainly can ask billion-dollar multinational corporations to do their fair share as well.

I recently introduced legislation that would eliminate the Market Promotion Program and several other wasteful subsidy programs operated by the Department of Agriculture. I am pleased that the Senate has an opportunity today to cut some real waste out of the Federal budget.

I hope that my colleagues in the Senate will join with me in supporting the Bumpers-Bryan amendment.

FUNDING FOR THE UNITED NATIONS POPULATION FUND [UNFPA]

Mr. SIMPSON. Mr. President, I rise today to reaffirm my full support for U.S. funding for the U.N. Population Fund [UNFPA]. President Clinton resumed funding for the Population Fund last year after a 7 year suspension during the Reagan and Bush administrations. Last year, Congress appropriated $40 million for the fund, and $50 million was appropriated for 1995. Unfortunately—and I think unwisely—the House rescinded $25 million of the funding in its emergency supplemental and rescissions bill.

With Senator HATFIELD'S couragous support, the Senate did not rescind any money for the fund in its bill. I am most appreciative of my fine colleagues, Senator HATFIELD and his efforts and longstanding support for international population stabilization activities including the UNFPA.

I do understand that funding for all programs across the board needs to be reduced if we are to properly fund this supplemental bill. However, I do not want to see population programs unfairly targeted for larger reductions than other foreign assistance programs. Reducing the Population Fund's money by one-half is surely an unreasonable reduction in funding.

This huge reduction in funding will surely send exactly the wrong message to the rest of the developed nations across the world. Last year, the United States was seen as the world's leader on population and development assistance at the International Conference on Population and Development in Cairo. I was a congressional delegate at the Conference aid I came away very much impressed with the leadership and direction displayed by Vice President GORE and the assistance given him by our former colleague, Under Secretary of State Tim Wirth in guiding the Conference and its delegates in developing a consensus document on a broad-range of short- and long-term recommendations concerning maternal and child health care, strengthening family planning programs, the promotion of educational opportunities for girls and women, and improving the status and rights of women across the world.

We surely do not want to lose our moral leadership role and relinquish any momentum by abandoning or severely weakening our financial commitment to population and development assistance. The United States needs to continue its global efforts to achieve responsible and sustainable population levels, and to back up that leadership with specific commitments to population planning activities.

That is why it is so very important that we show our support by funding the U.N. Population Fund. The fund is supported entirely by voluntary contributions, not by the U.N. regular budget. There were 101 donors to the fund in 1993, most of which were developing nations. Japan and the United States are the leading contributors to the fund with the Nordic countries not lagging far behind. UNFPA assistance goes to over 140 countries and territories across the world. It would certainly be a real shame if the United States were to back away from its commitment to the world's largest source of material assistance for population programs.

Mr. CHAFEE, Mr. President, I want to join my colleague from Wyoming in expressing my strong support for the United Nations Population Fund (UNFPA). There are many challenges to be faced in the next century with regard to global population growth, and international programs such as UNFPA are critical to the world's population and development assistance efforts.

UNFPA, which receives funds from some 101 donor nations, has had a somewhat tumultuous history in the US over the past decade. Indeed, UNFPA funding was suspended altogether during both the Reagan and the Bush Administrations.

Under the Clinton Administration, modest funding for UNFPA has resumed. However, of the $50 million appropriated for UNFPA in Fiscal Year 1995, $25 million—or one-half—was rescinded by the House of Representatives in its Emergency Supplemental and Rescissions Bill.

Let me emphasize that in these difficult budgetary times, U.S. federal spending, including U.S. contributions to international foreign assistance programs such as UNFPA, need to be adjusted accordingly. However, in this process we must ensure that programs are not unfairly targeted for disproportionate funding reductions. Moreover, I believe it is important in this instance to continue the U.S. leadership role that was demonstrated at the 1994 International Conference on Population and Development in Cairo.

For these reasons, I believe that a 50 percent cut in funding for UNFPA is excessive, and thus unwise. I was pleased, therefore, to find that the Senate rescissions package does not cut the U.S. allocation for UNFPA. I particularly want to commend and thank the Chairman of the Appropriations Committee, Senator HATFIELD, for recognizing the importance of this international effort.

UNFPA will continue only if member nations continue to provide it with support. I believe that the United States has a clear interest in the success of UNFPA and similar population and development assistance efforts, and I join with Senator SIMPSON and my other colleagues in urging the Senate to maintain U.S. support.

Mr. BINGAMAN. Mr. President, as the Senate prepares to take final action on H.R. 1158, I rise to draw the attention of my colleagues to the provisions of the bill and the Dole-Daschle amendment making rescissions in U.S. foreign policy programs. Along with my distinguished colleagues, Senators SIMPSON, CHAFEE, SIMON, and others, I believe a direct and substantial benefit flows to the United States from our modest investment in sustainable development and population efforts. I am pleased the Senate bill rejects specific cuts to these vital programs and instead attempts to minimize harm to on-going, cost-effective foreign assistance programs.

Mr. President, I disagree with certain provisions of the bill before us. Nonetheless, I want to commend the distinguished Chairman and Ranking Democrat of the Senate Appropriations Committee, Senators HATFIELD and BYRD, and the distinguished Chairman and Ranking Democrat of the Appropriations Subcommittee on Foreign Operations, Senators MCCONNELL and LEAHY, for their very commendable effort to make equitable rescissions in U.S. foreign policy programs.

It is significant that the cuts recommended by the Foreign Operations Subcommittee are not based on a fundamental dislike for particular programs. Nor are they driven by a belief that one or two foreign aid programs are unnecessary. Rather, the Subcommittee's recommendation of $100 million in general reductions to programs within its jurisdiction reflects the laudable belief that deficit reduction can be achieved in a manner which minimizes harm to all programs.

Over the next few weeks, as my colleagues on the Appropriations Committee take this bill to conference with the House, I urge them to remain firmly committed to the Subcommittee's goal of making equitable rescissions in foreign policy programs. More specifically, I urge them to resist House efforts to target and cut vital population and development programs.

Under the House-passed bill, population and development programs would disproportionately bear the burden of foreign policy rescissions. Development assistance would be cut by $45.5 million and population assistance would be targeted for $9 million in cuts. In my view, these cuts are extremely shortsighted. In the long-term, they could end up costing the U.S. far more than we would save in fiscal year 1995. The Senate should remain firm in its commitment to making foreign policy rescissions that are rationale and fair, and the House rescissions should be rejected in Conference.

From my perspective, attention to global population issues and support for world-wide development is critical to our future successes here in the United States. Because I so strongly believe this, I joined with Senator SIMPSON—and Congressman BEILENSON and Congresswoman MORELLA—to introduce legislation called the ''International Population Stabilization and Reproductive Health Care Act,'' S. 1096, in the 103rd Congress. Our bill, which we are revising for re-introduction in this Congress, would have focused U.S.

foreign policy on a coordinated strategy to help achieve world population stabilization; encourage global economic development and self-determination; and improve the health and well-being of women and their children.

I believe these three objectives are inextricably tied to one another. The way I see it, all U.S. efforts to help develop economies and promote democracy around the world will be futile if we do not first address the staggering rate of global population growth. How can we expect under-developed countries to pull themselves up when the world's population is growing at a rate of more than 10,000 people per hour? When the women and men who make up a nation's workforce pool do not even have the right to plan their families? And when millions of women around the world do not have access to basic—and lifesaving—reproductive health care or educational opportunities?

Fortunately, national and international awareness of two fundamental concepts is growing: (1) population, poverty, patterns of production and consumption, and the environment are so closely interconnected that none can be considered in isolation; and (2) sustained economic growth, sustainable development and population are fundamentally dependent on advances in the education, economic status and empowerment of women.

Tonight, we in the Senate are re-affirming these principles, and we are rejecting the House's attempt to drag U.S. foreign policy backwards. I sincerely hope the Senate conferees carry this message into Conference. I urge them not to waiver from the Senate's position on this issue.

AMENDMENT NO. 445

Ms. MOSELEY-BRAUN. Mr. President, I rise today in strong support of the amendment proposed by the minority leader that would restore funding for several important programs that address the needs of our Nation's children.

Mr. President, the bill we are debating here today, H.R. 1158, would rescind $13.4 billion in previously appropriated funds—including $600 million appropriated last year for Federal education programs.

Needless to say, I am vehemently opposed to taking this kind of giant leap backward. In my view, it would be unconscionable for Congress to reduce the Federal Government's share of public education funding which has already fallen from 9.1 percent during the 1980–1981 school year to 5.6 percent during the 1993–1994 school year.

It is vital to the interest of our Nation that we maintain quality public education for everyone. Education is not just a private benefit but a public good. It is the cornerstone of a healthy democracy and, as a society, we all benefit from a well educated citizenry.

We are currently experiencing a new era in economic competition. All over the world, barriers to trade between nations are falling. We are witnessing the development of a truly global marketplace. I believe that America can lead the way in this marketplace. But if we are to succeed, if we are to retain our competitiveness into the 21st century, there must be a renewed commitment to education in this country.

Several international institutions recognized the increasing importance of education just a few weeks ago at the United Nations summit on social development when they urged developing nations to invest in education rather than on defense.

In fact, for the first time in history, over 130 world leaders also agreed to a non-binding goal known as the 20–20 proposal which recognizes that economic and social problems have global consequences by creating immigration problems, epidemics, markets too poor to buy exports, and economies too risky for investors.

This proposal encourages all donor nations and international institutions to earmark 20 percent of their foreign aid for basic social needs including education and health care. It also encourages developing nations to allocate 20 percent of their expenditures to the same underfinanced sectors.

Nonetheless, while leaders from around the world were recognizing the increasing importance of education, Members of the U.S. House of Representatives were busy passing H.R. 1158. If enacted, H.R. 1158 would rescind $17 billion—including $1.7 billion in education funding for our Nation's children and $2.3 billion in job training funding for our Nation's unemployed youth.

In fact, this legislation would also withdraw funding for all new education initiatives—including the education infrastructure act which I introduced last April to help local school boards ensure the health and safety of their students.

Mr. President, I simply do not understand why some of my colleagues are so determined to slash funding for programs that increase economic, social, and educational opportunities for our Nation's children. According to the Children's Defense Fund, every day in America: 3 children die from child abuse; 15 children die from guns; 27 children die from poverty; 95 children before their first birthday; 564 babies are born to women who had little or no prenatal care; 2,217 teenagers drop out of school; 2,350 children are in adult jails; 100,000 children are homeless; and 135,000 children bring guns to school.

Although S. 617 would reduce our investment in our Nation's children by less than H.R. 1158, it still asks them to bear too much of the pain created by this effort to pay for emergency spending.

The Daschle amendment would improve the bill by restoring $1.3 billion for some of the most important and successful education and job training programs in this country. More specifically, the Daschle amendment would provide: $42 million for the Head Start Program which has successfully given hundreds of thousands of pre-schoolers the chance to start school ready to learn; $100 million for the Safe and Drug Free Schools Program which is helping local school districts keep drugs and guns out of our Nation's $72 million for the Chapter 1 Program which has helped States and local school districts meet the educational needs of economically disadvantaged children for 30 years; $69.6 million for the goals 2000 program which is helping States create coherent frameworks for education reform founded on the national education goals; $30 million for the school-to-work program which helps States and local school districts improve the educational and employment opportunities of our Nation's high school students who do not plan to attend college; $8.8 million for the immigrant education program which helps local school districts meet the educational needs of recently arrived immigrant children; $16.3 million for the impact aid program which compensates local school districts for revenue losses incurred due to removal of Federal property from local tax rolls; $35 million for the WIC Program which provides important nutrition supplements to 6.5 million women, infants, and children everyday—including more than 3 million children under 5; $100 million for the Youth Training Program which helps States prepare youth and young adults for high skill, high wage careers; and $210 million for the Americorps Program which provides a $4,725 scholarship to individuals who serve the educational, environmental, public safety, and human needs of our communities.

By providing this needed and long overdue support, the Daschle amendment will begin to address our failure to adequately engage resources in behalf of preparing our children for competition in the emerging global economy. It will help our children to succeed—to make a living, to participate in the community, to enjoy the arts, and to understand the technology that has reshaped our workplace. This is in our children's interest; this is in our national interest.

Mr. President, I would like to conclude my remarks by urging my colleagues to support these investments in our Nation's children by voting for the Daschle amendment.

Mr. KERRY. Mr. President, while there are a number of features of the Daschle amendment which significantly improve this legislation, I would like to draw particular attention to two provisions that reinstate funding the original bill intended to rescind—$14.7 million for the Substance Abuse and Mental Health Services Administration [SAMHSA] and $100 million for the Safe and Drug-Free Schools Program—because it was my intention prior to their inclusion in the Daschle

amendment to offer amendments to restore these funds and to offset the consequent additional costs by rescinding funds from programs less vital to our Nation and its people.

SAMHSA funds both Substance Abuse Block Grants and the Children's Mental Health Program. Substance Abuse Treatment Block Grants are the most important vehicle of support for substance abuse treatment efforts in this country. Funding for these grants cannot be compromised if we are to succeed in our efforts to reform welfare, reduce crime, and contain health care costs. The grants account for over one-third of the funding for public substance abuse treatment nationwide.

The California Drug and Alcohol Treatment Assessment, July 1994 [CALDATA], found that each day of substance abuse treatment pays for itself on the day it is received, primarily through reductions in crime. The Rand Corporation reports that drug treatment is the most cost-effective form of drug intervention, compared with other potential drug strategy program options, such as interdiction or imprisonment.

Mr. President, every $1 invested in drug treatment saves taxpayers $7 dollars. There are several sources for this figure, including CALDATA and the National Institute on Drug Abuse.

The heavy toll drug use exacts on the United States is most easily measured by the criminal and medical costs imposed on and paid for by the Nation's taxpaying citizens. One major study, conducted by Dorothy Rice at the Institute for Health and Aging at the University of California at San Francisco, concluded that drug abuse costs taxpayers $67 billion, alcohol abuse costs $99 billion, for a total cost to the Federal Government of $166 billion per year. ''The impact of substance abuse and addiction on Federal entitlements is equivalent to more than 40 percent of the Federal deficit for 1995,'' states Joe Califano, former HEW Secretary and President of the Center on Addiction and Substance Abuse (CASA) at Columbia University. Ninety-two percent of the funds spent by health care entitlement programs as a result of substance abuse are used to pay for treatment of the consequences of such abuse; only 8 percent is spent to reduce dependency.

The costs to the Federal Government do not begin to account for the higher costs substance abuse wreak on the private economy. Every man, woman, and child in America pays nearly $1,000 annually to cover the costs of unnecessary health care, extra law enforcement, auto accidents, crime, and lost productivity resulting from substance abuse, according to a Brandeis University study.

The impact of substance abuse on crime is staggering. Substance abuse is linked to between one-quarter and one-third of all suicides, according to the Public Health Service, and the Alcohol, Drug Abuse, and Mental Health Administration. Substance abuse is linked to half of all homicides, rapes, spousal abuse, and traffic fatalities. Substance abuse is linked to two-thirds of all cases of manslaughter, drownings, burglaries, robberies, thefts, and assaults.

According to a study by the National Association of State Alcohol and Drug Abuse Directors [NASADAD], approximately 1 million people—40 percent of those in need—want and pursue substance abuse treatment at this moment but do not get it: instead of helping them to help themselves, the Government leaves them sitting on waiting lists across the country.

These individuals—the vast majority of which are mothers, workers, or professionals—are willing and eager to improve their lives and the lives of those around them, but the government fails to extend a helping hand. Not only taxpayers, but society at large, foots the bill for this neglect.

SAMHSA also funds the Children's Mental Health Program, which provides services for children with very serious emotional disturbances [SED]. This program is targeted at the 1 million children with SED—out of 7.5 million nationwide—who are in State-administered systems encompassing child welfare, juvenile justice, and special education programs. This amendment restores $1.3 million to this program that the bill would have rescinded. This money goes to 22 service sites that will not survive without the funds. The future of these children is at stake.

Even in the face of all these facts, Mr. President, the rescissions bill—prior to the Daschle amendment—would have taken a random, unexplained, unjustifiable slice out of the budget for SAMHSA.

At the same time, it would have taken $100 million out of the Safe and Drug Free Schools—Safe Schools—program.

Mr. President, on this subject, I would like to take a few moments to talk about a reality that is very separate from the one in which my colleagues and I live.

Someone who lives in this reality, Mr. President, wakes up worried that today he could very well be killed. He realistically expects that someone he knows might be shot this week, or stabbed, or beaten. He goes through his day fearing everyone who passes by, constantly alert for trouble and danger, always keeping an eye on the nearest exit or hiding place. He might carry a weapon, purely for protection, and hide it on his person—a crude knife hidden in his sleeve, a length of pipe tucked into his boot, a makeshift handgun in his pocket, a box-cutter taped to his stomach. One hand is probably always on this weapon, this small piece of security. If he makes it back to bed at the end of the day, he will be thankful, relieved, and certainly a little surprised.

This reality is not a war, and the people who inhabit this world are not soldiers. This reality is only blocks away from this Chamber, and is mirrored in towns across our country. And the participants in this reality are not adults, they are children, they are as young as 5 and 6 years old, and rarely over the age of 18. I am talking about the reality found in many elementary and secondary schools across the United States, where 150,000 students bring a gun every day; where shootings and stabbings are commonplace; where gangs are in control; and where 3 million violent crimes are committed each year. I am talking about a national disgrace, a monumental embarrassment, a failure on the part of all who care about the future of this country and the quality of life of our children.

I am talking about a state of events that we cannot tolerate, that we cannot allow to endure.

In the Steven Speilberg film ''Schindler's List,'' a Nazi soldier stands on the balcony of his home overlooking the busy center square of a Jewish concentration camp. Calm and precise, he aims his powerful rifle at random Jews passing through the crowded streets below, and effortlessly pulls the trigger. His aim is never faulty, and he always succeeds in ending a life. The people near the murder recoil in fright only momentarily, then continue on their way, perhaps a little quicker, perhaps a little slower, thankful for the moment that the gun was not trained on them, fearful that the next shot will terminate their existence. The bullet has struck them, too, and changed them permanently, leaving them forever horrified, forever damaged, forever in shock.

This sequence is brutally painful for so many reasons. The only relief I expected to feel when I watched this sequence was the lack of any connection between the events on the screen and present day reality in America. But such a connection is exactly what I felt. Violence in portions of our country has become so rampant and so deadly that almost all of us live in a collective state of fear and acceptance. Our cities and schools have become infested with random violence and bloodshed and criminals with no conscience and no check on their destructive impulses. And when this state of affairs has infected our Nation's schools, then we know that our children are going to be conditioned to accept this disease as normal. Not only are some of our children dying in our Nation's schools, but the ones who survive are learning that murder and violence are simply a part of life—in fact, the most important part. Mr. President, we are permitting our Nation's youth to grow up emotionally scarred, terminally frightened, and permanently embittered.

Mr. President, the Safe Schools Program is a necessity if this systemic child abuse and neglect is to cease.

A study examining the effects of the first 2 years of funding for the Safe Schools Program showed increases in

the number of school districts with formal drug and violence prevention programs in every State and territory in the United States.

The same study also showed increases in school-community collaboration on drug prevention issues in 50 States and territories; increases in parent involvement in drug education efforts in 49 States and territories; increases in the degree of community involvement in prevention programs for youth in 46 States and territories; and increases in the number of high-risk youth served in drug education programs in 38 States and territories.

Prior to the Daschle amendment, the rescission would reduce or eliminate violence and drug prevention programs serving approximately 39 million students attending the schools operated by 94 percent of local educational agencies in the Nation.

Also at risk would be every state Governor's drug and violence prevention programs designed for youth not served by local educational agencies. So would be the development and distribution of publications on school violence and drug/alcohol prevention, which have been the cornerstone of nationwide efforts to provide schools with information on models and effective practices. The Parent's Guide on Drug Prevention alone has been requested by over 30 million persons.

The original rescission would have eliminated assistance and model development in the area of alternatives to expulsion. With expulsion rates increasing dramatically in several regions, it is essential to provide leadership in this area, or more and more kids will go straight from the schoolhouse to the courthouse.

Consequently I commend the Democratic leader for his leadership and his sensitivity to the importance of these issues. I appreciate the opportunity to work with him to gain the inclusion of these important provisions in his amendment. And I am pleased that the ultimate goals of the amendments I intended to offer were realized. Since the House version of the rescissions bill rescinded no funds from SAMHSA, fiscal year 1995 funds for SAMHSA are now secure. I wish I could say the same about Safe Schools funds. The House bill eliminated Safe Schools funds altogether. I urge the conferees to the rescissions bill to protect Safe School funds. We owe the children and the future of this Nation nothing less.

AMENDMENT NO. 448

Mr. BRADLEY. Mr. President, I rise this afternoon to express my wholehearted support for the Sense of the Senate resolution proposed as an amendment today by Senator KENNEDY. As a member of the Finance Committee, I offered an amendment to H.R. 831 that would have closed a loophole that allows wealthy citizens who renounce their American citizenships to avoid U.S. taxes. My amendment would have dedicated all of the savings from closing this loophole to deficit reduction. According to estimates of the Joint Committee on Taxation, my amendment would have reduced the deficit by approximately $3.6 billion over the next 10 years.

Unfortunately, although the Finance Committee adopted this amendment on an undivided voice vote and the Senate approved it as part of H.R. 831, the joint House-Senate conference committee re-opened this loophole. Senator KENNEDY's resolution simply expresses the sense of the Senate that in the interest of tax equity and in the face of on-going Federal deficits, we must close this loophole.

Mr. President, the amendment that I proposed was fundamentally about fairness. Not only is it fair to those who enjoyed the benefits of U.S. citizenship to make billions and are now attempting to avoid paying tax on such gain, it is also fair to those Americans who stay behind to shoulder the burdens of citizenship. All my amendment would have done is treat those who renounce their citizenship on par with Americans who stay and pay their share of the tax burden.

While U.S. citizenship confers tremendous benefit, it also requires responsibility. Although we may not always be happy about the amount, most of us willingly pay our fair share of the tax burden. However, for many Americans it becomes just too much when they have to pay not only their share of taxes, but also an additional share for those few, wealthy individuals who made their money in this country, but are now trying to skip town without paying their portion of the tab.

Significantly, my amendment would have excluded pension income, real estate assets, and the first $600,000 in gain. As a result, of the roughly 850 U.S. citizens who renounced their citizenships in 1994, only a handful would be affected by the closing of this loophole. In fact, representatives from the Treasury Department testified that the amendment would have affected only 24 Americans each year.

Mr. President, significant deficit reduction will be necessary to put our country back on the right track. However, until we close these special-interest tax loopholes for the few, we cannot ask for the shared sacrifice from the many that will be necessary to reduce the deficit. Therefore, I urge all of our colleagues to support the Kennedy sense of the Senate amendment.

AMENDMENT NO. 470—RENEWABLE ENERGY

Mr. JEFFORDS. Mr. President, the rescissions bill we are discussing today, H.R. 1158, cuts $35 million from the Department of Energy's solar, wind and renewables research and development budget. The amendment I offer today will limit to $25 million the amount to be rescinded from this account, thereby protecting vital renewable energy programs. I offer this amendment on behalf of myself, Senator WELLSTONE, Senator CHAFEE, Senator DASCHLE, Senator ROTH, Senator CAMPBELL, Senator HARKIN, Senator LEAHY, Senator Kerry, Senator PELL, Senator KOHL, Senator KENNEDY, Senator MURRAY, and Senator FEINGOLD.

Mr. President, this amendment is about creating jobs, reducing our foreign debt, reducing our reliance on imported oil, making American business more competitive, maintaining our commitment to these small energy companies and continuing on the path of developing clean, cheap, efficient energy.

Mr. President, we are proposing to restore $10 million to the Department of Energy's solar, wind and renewables R&D budget. This money is primarily used for research, joint ventures with small U.S. companies, market development and commercialization. Federal support for renewable energy research and development has been a major success story. Costs have declined, reliability has improved and a domestic industry has been born. More work still needs to be done in basic research at our national labs and applied development to bring down costs and work with industry.

The $10 million we restore to renewables will come from the $1 billion Army Corps of Engineer's construction account.

Mr. President, I hope my colleagues will vote for clean domestic energy, domestic jobs, reduced trade deficit and a stronger economy. I would like to thank the managers of this bill for their support.

Mr. WELLSTONE. Mr. President, I just want to express my appreciation to the Senators from Oregon, West Virginia, New Mexico, and Louisiana for their help in allowing this amendment to go forward. The amendment decreases the recission from renewable energy research and development by $10 million, paying for it by increasing the recission for the Army Corps' general construction activities by the same amount.

This amendment reflects the growing recognition that funding for research and development of renewable energy technologies is money well-spent. The recission provided in the Committee Substitute was just too high.

There is a nationwide movement toward funding only R&D that is going to lead to commercially viable, economically realistic technology in the relatively short-term. Renewable energy R&D fits that description. Renewable energy R&D has been and continues to be a major success story. Costs have declined, reliability has improved, and a domestic industry has been born. While the United States is currently the world leader in renewable energy technologies, other nations are investing heavily in this area. Given that many utilities are averse to investing in new technologies, the continued strength of DOE's programs is necessary to protect our position in the world market.

The American people agree that renewable energy R&D ought to be a priority for Federal R&D funding. According to a December 1994 survey by RSM Inc., when asked what energy source should be highest priority for R&D spending, Americans overwhelmingly supported renewables. The top finisher was renewable energy, receiving 42 percent of the vote.

Again, I appreciate the help of my colleagues in making acceptance of this amendment possible. It is time that our federal energy R&D dollars reflect the public's funding priorities.

AMENDMENT NO. 490

Mr. PELL. Mr. President, I offer this amendment on behalf of myself, Senator FEINSTEIN, Senator FEINGOLD, and Senator SIMON.

The amendment will insure continued funding for the National Center for Research in Vocational Education. The Center is a consortium of institutions of higher education in California, Wisconsin, Illinois, New York, and Virginia. The Center is widely recognized for the important research work it does in vocational education, and it would be very unfortunate, indeed, if funding to permit it to continue its work were curtailed.

As my colleagues know, we will soon be considering reauthorization of the Vocational Education Act. The work of the Center has provided the authorizing committee invaluable information to help guide and facilitate our work. But even more critical, their research efforts are vital to improving the quality of vocational education throughout our Nation.

I view the amendment as an important placeholder so that when the Senate and House conferees meet on this legislation, they will have the opportunity to give this matter full and complete consideration. I am very hopeful they will ultimately decide to retain funding for the Center, but without this amendment there will be no chance whatsoever to provide continued funding for the Center and the important work it does.

CITIZENSHIP TRAINING AND NATURALIZATION SERVICES

Mr. SIMON. Mr. President, I and my colleagues from California and Illinois, Senators FEINSTEIN and MOSELEY-BRAUN, had intended to offer an amendment restoring $6 million dollars for citizenship training and naturalization services that had been rescinded in the Senate, but not in the House.

Although naturalization has been identified as a priority by the administration in its immigration policy, naturalization services have been chronically underfunded and naturalization backlogs begin to grow. It is my believe—and I belief that of my colleagues—that these funds are essential to the important goal of providing those who want to naturalize with an opportunity to do so. Admittedly, $6 million dollars is a small amount of money, but the program rescinded in the Senate is crucial to the continued health of those providing citizenship training.

In discussing my intention with the Honorable Chairman of the Labor/HHS Appropriations Subcommittee, Senator SPECTER, I was impressed with his willingness to attempt to resolve this problem in conference with the House of Representatives, which, as I mentioned before, did not rescind the $6 million in citizenship training money. I would like to ask the Honorable Chairman if it is in fact his desire to take a second look at the $6 million citizenship money in conference.

Mr. SPECTER. I thank the Senator from Illinois. The committee's intent, in recommending this rescission, was to revisit funding once authorizing legislation has been enacted through the regular process of Judiciary Committee consideration. There is some concern that adding this responsibility to the Office of Refugee Resettlement in the Department of Health and Human Services could increase pressure on already underfunded domestic resettlement activities, as opposed to placing responsibility under the Immigration and Naturalization Service. I believe this is an issue the authorizing committees need to address. Nevertheless, it is indeed my intention to resolve this matter in conference to the satisfaction of all those who—like myself—value legal immigration and recognize the importance to our immigration policies of an effective naturalization process. I look forward to working with the distinguished Senate Appropriations Committee Chairman, Mr. HATFIELD; my counterpart in the House, Congressman PORTER, chairman of the House Labor/HHS Appropriations Subcommittee; and the other conferees to address this issue, and I thank Senator SIMON, Senator FEINSTEIN, and Senator MOSELEY-BRAUN for their attention to this important matter.

Mr. SIMON. I thank the Senator from Pennsylvania. His concern for issues of legal immigration and naturalization has long been recognized, and I am gratified that he will undertake to review seriously, and hopefully restore, the $6 million Senate rescission with our colleagues in the House.

THE MILDGAS PROCESS UNIT

Ms. MOSELEY-BRAUN. Mr. President, this amendment has a simple purpose—to restore $4.8 million in fiscal year 1995 fossil energy research and development funds to help complete a small coal technology testing facility, the Mildgas Process Unit.

I am joined in this amendment by my distinguished senior Illinois colleague, my good friend, Senator SIMON.

The Mildgas Process Unit is a facility that will test a technology known as mild gasification, a process where lower-grade domestic coals are heated at moderate temperatures and pressures to produce a variety of gaseous fuels, liquid hydrocarbons, and a solid product known as char.

Char, the primary product of the Mildgas facility, can be briquetted into form coke, creating a new alternative to conventional coke now used by American steel firms and foundries. This is particularly important because the Clean Air Act Amendments of 1990 imposed strong restrictions on the emissions from coke ovens.

Those are two major reasons why my amendment is important, Mr. President. For a modest investment today, the Mildgas experiment promises hundreds of millions of dollars in new uses tomorrow for Illinois Basin and Appalachian high-sulfur coals. And those new uses solve a significant economic and environmental problem of our Nation's iron and steel industries.

However, I am concerned that the decision to cut funds for the Mildgas Process Unit has been based principally on deficit reduction, and on a belief that this technology is unwanted and unneeded.

This year, overall Federal spending will be in excess of $1½ trillion, and it will take $1.2 trillion in deficit reduction to achieve a balanced budget by the year 2002. Laid along figures of that size, the $4.8 million we seek for the Mildgas project may seem to be a small matter.

That is not to say that its relatively small size should not immunize the Mildgas project from review. After all, to paraphrase a famous Illinoisan who preceded me in the Senate, the Senate Republican leader of his day, Everett Dirksen, ''A few dollars here, a few dollars there, and pretty soon you're talking about serious money.'' What that means, it seems to me, is that nothing can be off limits—not small items, not large items, not any item.

I therefore agree that review of Federal support for mild gasification technology demonstrations is both necessary and appropriate. It is because my own review of the facts convinces me that going forward is the right decision, the prudent decision, and the right budgetary decision, that I am offering this amendment to restore funding toward completing the Mildgas project.

It is worth noting, in this era of concern about earmarks and pork-barrel spending, that this project did not originate with the Congress. The Department of Energy originally selected this project in 1991 in a competitive solicitation. The Mildgas project had to compete with a number of other proposals.

In the years since the Mildgas project won that competition, over $7.5 million has been provided by Congress—half of the Federal share. The State of Illinois has funding that amounts to 20 percent of the total cost. A team of participants, which includes Kerr McGee Coal Corp., Southern Illinois University, and the Institute of Gas Technology in Chicago, has broken ground at the Coal Development Park in Carterville, IL, in preparation to test this technology.

The contracts are now in place to turn this demonstration into reality. Construction of the facility will end

late 1995, followed by 1 year of testing, after which the project will be shut down.

I am well aware that there are several similar projects currently being funded by the Department of Energy. But, success cannot be defined as simply demonstrating one example of a broad class of mild gasification technologies. The spectrum of mild gasification techniques is quite broad. There are different types of coals used, products produced, and markets served.

That is why the Mildgas process unit is important. It does not reinvent the wheel. It does not duplicate other mild gasification technologies. It is unique.

Mildgas can use many types of coals. The Encoal clean coal demonstration project in Wyoming, a project often compared to Mildgas, utilizes only Western coal. Mildgas technology makes use of Illinois, Wyoming, and West Virginia coals.

And although Encoal's primary product is a value-added fuel, its market is still only a boiler fuel. Mildgas's product, char, creates an entirely new market for high-sulfur and lower-grade coals, and solves an environmental problem for the Nation's steel industry. And as aging coke ovens are shut down and not replaced, Mildgas can provide American steel industries with a domestically produced alternative to importing coke from the same countries that are our steel-making competitors.

Encoal and the other mild gasification technologies have been, and I hope will continue to be, successful, but their success will not address the Illinois Basin and Appalachian coals that Mildgas will use, nor meet the environmental needs of the steel industry like Mildgas will.

Mr. President, the Mildgas Process Unit is based upon years of detailed planning, investment, and careful research by industry and scientists in close cooperation with the Department of Energy. It deserves to continue.

Mildgas does not break the bank. For a minor investment today, Mildgas can open hundreds of millions of dollars in markets tomorrow.

Mildgas can help the coal industry, by exploring a way to shift high-sulfur coals from markets reduced by the Clean Air Act, to markets opened.

And, Mildgas is unique. Mildgas uses coals, produces products, and serves markets that other mild gasification technologies simply do not. I think it is worth investing a few more years to complete this experiment.

I strongly urge my colleague, the distinguished Senator from Washington, to give every consideration in conference to providing the necessary funds to complete the Mildgas Process Unit.

Mr. GORTON. I thank the Senator from Illinois for her comments regarding the mild gasification facility planned for southern Illinois. As I am sure the Senator knows, given the budget constraints that the committee was forced to confront, we were simply unable to include the funds needed to initiate construction of the Mildgas Process Unit. I can assure the distinguished Senator, however, that I will give appropriate consideration to this project within the budget limitations that we will continue to face in conference.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Mr. PRESSLER. Mr. President, I rise at this time to voice my concerns with apparent inconsistencies in the administration of disaster recommendations by the Federal Emergency Management Agency [FEMA].

As my colleagues well know, H.R. 1158, the fiscal year 1995 Disaster Supplemental/Rescissions Bill, contains $1.9 billion for outstanding expenses accrued from previous disasters in 39 States, including recent flooding in Southern California.

I am sure all of us have seen news footage of the raging winter storms that have wreaked havoc across virtually the entire State of California. The devastation families have endured is terrible. As a result, the President—acting on recommendations made by FEMA—declared many California counties disaster areas. This includes Ventura County, which is located along the Southern California coast north of Los Angeles.

There is one particular area of Ventura County I would like to call to the attention of my colleagues. Homes located on a hillside in La Conchita, CA recently sustained considerable damage. Because of the President's declaration, private and public property damaged by the disaster is eligible for four different kinds of FEMA assistance. These homeowners rightfully have the hope of relief.

My concern is not with the fact that relief is being made available to those affected by the La Conchita mudslide. Rather, I am concerned with what I believe could very well be an inconsistent approach to disaster recommendations made by FEMA.

Permit me to explain. Mr. President, geologists have known for several decades that the La Conchita hillside has been moving for 23,000 years. In other words, La Conchita was a potential disaster waiting to happen. Thus, FEMA is making relief available in response to a disaster resulting from a preexisting condition. This is a policy vastly different from one FEMA applied last July.

I see my colleague, the chairman of Appropriations Committee, is now on the floor. I ask the Senator if he is familiar with a similar situation that occurred in Lead, SD.

Mr. HATFIELD. No, I am not familiar with the situation. Could the Senator from South Dakota please explain.

Mr. PRESSLER. I thank the Senator from Oregon for inquiring.

Last May, a slow moving landslide damaged homes, businesses, and infrastructure. This landslide was exacerbated by excessive precipitation. Despite a request by the governor of South Dakota and the urging of the State's Congressional delegation, FEMA recommended that the President deny South Dakota's relief request for the Lead landslide. According to FEMA, the landslide resulted from a preexisting condition and did not pose ''an immediate threat to public health, safety, and improved property.''

The Lead landslide forced the community's only grocery store, pharmacy, and discount store to close. Some of the stores were forced to relocate to the community hall and church basement.

Clearly, the people of Lead suffered a great deal. This isolated community has yet to reopen the only grocery store in the area. Although the Economic Development Administration has offered a grant to help mitigate the slide, the city will have to sacrifice vital repairs to streets, gas lines, and water lines.

By contrast, the residents of the La Conchita hillside in Ventura County will have access to expedited FEMA assistance. This lack of consistency concerns me.

I would like to verify with the Senator from Oregon that monies provided in H.R. 1158 will be used, in part, to assist the victims of this winter's storms in California. Is this correct?

Mr. HATFIELD. The Senator from South Dakota is correct. The bill, in its current form, provides $1.9 billion to FEMA for disaster relief functions including expenses resulting from disasters in 39 States. Report language accompanying this bill acknowledges that these funds may be used to ensure unforeseen expenses associated with the recent disaster in California resulting from winter storms.

Mr. PRESSLER. I also understand my concerns regarding the consistency of disaster declarations are shared by others. As Chairman of the Committee, I am sure the Senator from Oregon is very familiar with questions regarding disaster declaration criteria. Does the Senator from Oregon agree this is a common concern?

Mr. HATFIELD. Yes, I do agree with the senior Senator from South Dakota. As he well knows, the General Accounting Office, the Congressional Research Service, and the Congressional Budget Office recently released a comprehensive study of the entire relief process.

Mr. PRESSLER. Will the distinguished Senator from Oregon agree that it is imperative that FEMA apply its declaration criteria consistently, regardless of where the disaster is taking place?

Mr. HATFIELD. I could not agree more with my friend from South Dakota. Consistency in the disaster declaration process should be a reasonable expectation of all Americans.

Mr. PRESSLER. I think it is clear, Mr. President, that FEMA needs to take a close look at its current declaration policies.

The similarities surrounding the landslides in Lead and Ventura County are striking. For the residents of Ventura County, FEMA's response is reassuring. For the people of Lead, the response from FEMA is disconcerting. I must stress a point I have made on this very floor in the past: Disasters occurring in isolated rural areas do not seem to capture the attention of the national media, Federal agencies, or the President. Lead, SD, does not compare to Southern California glamour, and it certainly is not near a major media outlet.

However, as we all know, the size of a community or its media outlets should not dictate whether or not Federal relief is granted or how fast the assistance gets to those in need.

I believe the time has come for FEMA take a close look at its policies. In the meantime, I have asked GAO to examine FEMA's responsiveness to urban and rural disasters. I hope Congress will be able to maintain an oversight role. If there is an inconsistency we should not hesitate to consider legislation to ensure emergency assistance is provided consistently and judiciously.

In fact, I believe it would be appropriate for the conferees of this bill to include language in the accompanying report to direct FEMA to report to Congress on how it found that disaster assistance could be provided in response to the identified preexisting condition in Ventura County, but came to a different conclusion with the preexisting condition in Lead. I believe this instruction is an appropriate first step in what I hope will be a comprehensive review by FEMA of its current declaration policies and criteria.

Would the distinguished chairman of the committee agree that this review is necessary?

Mr. HATFIELD. I agree with the Senator from South Dakota that a review of the disaster declaration process may be appropriate. His concerns have merit. The people of Lead, SD, deserve to be assured that they are being treated fairly by the federal government. The Senator from South Dakota is to be commended for his diligent attention to the needs of his constituents. The Senator can be assured I will deliver this message to the conferees and will do my best to include a directive to FEMA regarding its declaration policies and criteria in the conference report to this bill.

Mr. PRESSLER. I thank my good friend the Senator from Oregon and thank him for his leadership. I yield the floor.

HEALTH CARE FINANCING RESEARCH AND DEMO PROJECTS

Mr. HARKIN. Mr. President, I would like to clarify the situation with respect to funding of research and demonstration projects by the Health Care Financing Administration. The Senate recommendation calls for a rescission of $11 million, which would reduce fiscal year appropriations to $45.1 million for research and demonstration projects. This is an increase of nearly $2 million over the amount needed to fund continuations of on-going activities, so that even if the entire Senate rescission is enacted into law, the Health Care Financing Administration should be able to fund about $2 million of new projects. I would ask Senator SPECTER, the chairman of the Labor, Health and Human Services, and Education Subcommittee, is that his understanding.

Mr. SPECTER. Yes, based on information supplied to me by the Department of Health and Human Services, there would still be about $2 million available for new research and demonstration projects by the Health Care Financing Administration, even after the Senate recommended rescission.

ESSENTIAL AIR SERVICE

Mr. PRESSLER. Mr. President, I am very concerned about a section in chapter IX of this legislation that in my view could have an adverse impact on the future of the Essential Air Service (EAS) Program. Specifically, I am very concerned about the language affecting ''Payments to Air Carriers,'' otherwise referred to as EAS subsidies.

I see the distinguished chairman of the Appropriations Committee on the floor. Would the chairman be willing to enter into a short colloquy on this issue and explain the intent of this section of the bill?

Mr. HATFIELD. Certainly. I understand the chairman of the Senate Committee on Commerce, Science, and Transportation has always supported EAS. Therefore, I would be pleased to explain the intent of these provisions and answer any questions posed by the Senator from South Dakota.

Mr. PRESSLER. I thank my friend from Oregon. First, I understand this legislation would rescind $5.3 million in ''Payments to Air Carriers.'' What is the impact of this rescission?

Mr. HATFIELD. This rescission should have no real impact on the program. The Appropriations Committee was informed sufficient funding would remain available to continue the EAS program through the end of this fiscal year. In other words, all communities currently provided air service with EAS assistance will continue to be served through this fiscal year.

Mr. PRESSLER. I understand about 79 cities rely on EAS to remain linked to the national air transportation system. I am pleased the chairman of the Appropriations Committee will continue to uphold our commitment to these small communities.

Now, as my friend from Oregon knows, there are EAS agreements in at least 13 States that will expire before September 30 of this year. The committee amendment to the bill before us includes a provision to prohibit the Secretary of the Department of Transportation [DOT] from entering into any new EAS agreements beyond September 30, 1995. I am concerned about the purpose of this restriction. In my view, it implies congressional support for EAS ends September 30, 1995—the end of the current fiscal year. My support for EAS will not end on that date. Would the chairman explain the purpose of this specific provision?

Mr. HATFIELD. Yes. First, let me assure the Senator from South Dakota this provision should not be read by any Member of Congress as an attempt to jeopardize future congressional support for EAS. This provision applies only to fiscal year 1995. Further, as the chairman of the Appropriations Subcommittee on Transportation, I intend to work with my friend from South Dakota on an appropriate level of EAS funding for Fiscal Year 1996.

Mr. PRESSLER. I am very pleased to know my friend from Oregon does not view the provision in question as a threat to the future of EAS. However, I still have strong concerns about the language in this bill. Specifically, I remain concerned the most economic continuation of EAS may be hindered by this provision. Permit me to explain.

As my friend from Oregon knows, when an EAS agreement is about to expire, current law requires the Department of Transportation to invite and consider competing proposals from any interested air carriers. The objective of that policy is to maximize the carriers' incentives to be efficient, to control costs effectively and to develop demand in the EAS market. This process yields two primary benefits: subsidy burdens are minimized and service to the community is often enhanced. That process has served the EAS program very well.

As I mentioned, EAS agreements will expire in 13 states before September 30th. Several already have expired. The practical reality of the proposed restriction to limit contract commitments would result in very short contracts at much higher costs in order to continue air service to those 13 states for the remainder of this fiscal year.

I am concerned efficiencies will be jeopardized if the DOT is prohibited from entering into any agreements beyond September 30th. I do not believe new carriers would seek to serve any of these 13 states for such a limited time period. In turn, those EAS carriers serving the 13 states will almost assuredly demand higher subsidies if they are held into those markets through the end of the fiscal year.

Further, DOT already issues notification to carriers that subsidy payments under EAS agreements are subject to the availability of funds in future fiscal years. Therefore, EAS carriers already know their subsidies are contingent on the annual approval of the Congress.

In my view, competition could be eliminated by this provision. In turn, subsidy rates will go up. What is the view of the Chairman?

Mr. HATFIELD. This language simply forces the EAS office to have EAS contracts conform to the federal fiscal

year. The office has had almost twenty years to make this adjustment. When the Appropriations Committee tries to get data from this office it often does not comport to the fiscal year basis that the Committee must consider in its deliberations.

Mr. PRESSLER. As the Chairman knows, I am prepared to offer an amendment to strike all the language after the rescission provision. I am willing to modify my amendment to further ensure the future of EAS is not jeopardized. Would the Manager of the bill be willing to accept my amendment?

Mr. HATFIELD. I would be happy to accept the Senator's amendment which would strike lines 1 through 3 on page 42. As he knows, the language which was provided by the Department had the effect of totally canceling the EAS program which was not the Committee's intent.

Mr. PRESSLER. I thank the Chairman. I very much appreciate his support for EAS and his leadership on this overall legislation. I also thank him for his support of my amendment and urge its adoption.

COLLOQUY ON SMITHSONIAN INSTITUTION FUNDING

Mr. HELMS. Mr. President, when debate began on the House rescissions bill I intended to offer an amendment prohibiting the Smithsonian Institution from using appropriated funds to develop, plan, or build any new museum before congressional authorization had been obtained.

After speaking with the distinguished chairman of the Interior Appropriations Subcommittee, Senator GORTON, I chose to forgo proposing the amendment. Senator GORTON assured me that the Smithsonian has no intention of beginning any new museum without first seeking the appropriate authorization from Congress.

Mr. President, as a member of the Senate Rules Committee, which is the authorizing committee with jurisdiction over the Smithsonian, I have seen the Smithsonian initiate a new project without congressional authorization and then come to Congress to authorize the project bemoaning the waste of funds already spent should the project not be authorized.

It is important to stress that any new project requesting taxpayer funds, should first go to the committee that has authorizing authority and then, if and only if, the project has been authorized should the request go to the Appropriations Committee for funding.

The Smithsonian must not ignore this process.

Mr. GORTON. Mr. President, will the Senator from North Carolina yield?

Mr. HELMS. I welcome comments from the able Senator from the State of Washington.

Mr. GORTON. Mr. President, I appreciate the decision of the Senator from North Carolina, Senator HELMS, not to offer his amendment so we can speed up debate on this important bill.

The issue that Senator HELMS has brought to our attention is a serious one that deserves emphasis. I am confident through my conversations with the current Secretary of the Smithsonian, Mr. Heyman, that the Smithsonian intends properly to fulfill its obligations as steward of this public trust. Secretary Heyman agrees that no Federal appropriation will be used for projects that have not yet been authorized by Congress.

Mr. HELMS. Will the Senator yield for a point of clarification?

Mr. GORTON. I yield.

Mr. HELMS. Senator GORTON, I am not sure that all of our colleagues realize that 72 percent of Smithsonian operating funds are public, taxpayer funds.

Mr. GORTON. Mr. President, Senator HELMS is correct.

Therefore, it is important for the Smithsonian, like all other entities that receive taxpayer dollars, to take note of the budgetary constraints under which we are working. It is a time for fiscal responsibility and the careful allocation of increasingly scarce resources.

I have been assured in all conversations I have had with Secretary Heyman that he is aware of his institution's role and its attendant responsibilities. The Secretary has underscored the importance of prioritizing projects during his tenure.

Mr. HELMS. Will the distinguished subcommittee chairman yield for a moment?

Mr. GORTON. Certainly. I yield the floor to the Senator from North Carolina.

Mr. HELMS. I sincerely appreciate the work the Senator from Washington has done in this area. The Senate Rules Committee has yet to meet with the current Secretary of the Smithsonian, Mr. Heyman, but I have been assured we will soon be given that opportunity. I will welcome that important hearing.

NATIONAL BIOLOGICAL SURVEY'S GREAT LAKES SCIENCE CENTER IN ANN ARBOR, MI

Mr. LEVIN. Mr. President, I would like to engage the distinguished chairman of the Senate Appropriations Subcommittee on Interior and Related Agencies in a brief discussion regarding the impact of S. 617 on the National Biological Survey's Great Lakes Science Center in Ann Arbor, MI. The committee's report accompanying S. 617 recommends rescinding $4.136 million less than was included in the House-passed recission bill, H.R. 1158. That is almost exactly the amount appropriated in fiscal year 1995 to maintain operations at the Great Lakes Science Center. If the Senate approves the committee's recommended recissions from funds already appropriated for NBS research, will this center remain in business in fiscal year 1995?

Mr. GORTON. Yes. While there is not a correlation between the funding levels rescinded by the House and by the Senate and the fiscal year 1995 appropriations level necessary for keeping the Great Lakes Center open, it is the committee's intent to provide sufficient funds for NBS research so that the Great Lakes Center and other NBS centers can continue to operate in fiscal year 1995.

Mr. ABRAHAM. Mr. President, if the subcommittee chairman would answer an additional question, I would like to know whether he will continue to support funding to keep the Great Lakes Center open in fiscal year 1995, during the conference on S. 617 and H.R. 1158?

Mr. GORTON. I am aware that both of my colleagues from Michigan and from elsewhere in the Great Lakes region strongly support the work being done by the NBS Great Lakes Science Center. Hopefully, in conference, we can arrive at a compromise which will prevent cuts in the NBS research budget that would close or hamper operations at NBS centers and cooperative units.

Mr. ABRAHAM. I thank the Senator from Washington for his responsiveness to our concerns. As he may know, the Great Lakes Center conducts fishery stock assessments that are relied upon by States, tribes, and Canada. And effective management of fish stocks in the Great Lakes is important to the $4 billion fishing industry in the region.

Mr. LEVIN. I would also like to thank my colleague from Washington for his assistance in this matter. As my colleague from Michigan has indicated, the Great Lakes Center has important duties. Besides the fishery stock management element of its activities, the center conducts invaluable scientific research on preventing, controlling and mitigating the impacts on nonindigenous species, such as the zebra mussel. And, the center is conducting essential studies on the sources and health effects of toxics in the Great Lakes ecosystem.

WIC

Mr. LEAHY. I am very worried that the House Republican welfare reform bill ultimately could throw millions of pregnant women, infants and children off the WIC program [the Supplemental Nutrition Program for Women, Infants and Children].

That part of the Contract with America guts strong competitive bidding requirements which have put millions of pregnant women, infants and children on the WIC program at no cost to taxpayers in recent years.

These are provisions which I and my Senate colleagues from both sides of the aisle included in child nutrition legislation in 1987 and in 1989 and which the Senate Appropriations Committee mandated in 1988 with strong bipartisan support.

I am concerned that this victory is eliminated by the House bill.

These efforts on the House side raise serious concerns about why House members want to provide millions of dollars to the four huge corporations that manufacture infant formula.

The details of this tragedy are set forth in articles in the Wall Street

Journal ''Four Drug Firms Could Gain $1 Billion Under GOP Nutrition-Program Revision,'' Hilary Stout, February 28, 1995; the New York Times ''Formula for Tragedy,'' Bob Herbert Op Ed, March 25, 1995; and the Washington Post ''Food Program Defender Becomes a Dismantler,'' David Maraniss and Michael Weisskopf, April 4, 1995.

WIC serves children at some of the most critical times of their lives. It feeds mothers when they are pregnant or breastfeeding. And it feeds children during their important, early development years.

WIC is a proven success story. A 1991 USDA study showed that for every WIC dollar spent on a pregnant woman, between $2.98 and $4.75 was saved in Medicaid costs for the newborn during the first 60 days after birth.

Thus competitive bidding saves taxpayers doubly—first, it puts 1.5 million more eligible women, infants and children on the program at no costs to taxpayers, and it saves millions in Medicaid and other Federal costs, in addition to saving millions of dollars in family, local and State medical costs.

The details of this system are easy to explain. At retail stores, WIC participants exchange special vouchers for infant formula. The recipients pay nothing; the State reimburses the store for the full retail cost of the formula. The infant formula manufacturers then rebate a portion of the retail price to the State. The States are required to use the rebates to serve more persons who are eligible for WIC.

Under current law States are required to use competitive bidding, with certain exceptions, to buy infant formula for the WIC program. USDA has calculated that this provision now saves $1.1 billion a year and thus puts 1.5 million more women, infants and children on WIC at no extra cost to taxpayers.

That provision is eliminated by the Contract with America. That Contract should be renamed the ''Contract to Increase Profits of Drug Companies.''

That part of the Contract is a sham. It contains an extremely weak cost containment provision which will allow infant formula manufacturers to make a killing off the WIC program while allowing them to pretend to help WIC.

It will let drug giants donate small amounts of formula to State WIC programs, in front of their cameras, while making hundreds of millions of dollars in increased profits.

How have they been able to get this done in this Republican Congress? The Washington Post article that I referred to earlier, ''Food Program Defender Becomes a Dismantler,'' explains the influence of large corporations on the House. A short history lesson is in order.

Some years ago these drug giants hired the former Republican Ranking Member of the House Agriculture Committee and a former Republican Assistant Secretary of USDA who was in charge of WIC to fight competitive bidding at the State level.

Unfortunately, actions of the infant formula and infant cereals manufacturers have made such mandatory competitive bidding language necessary and demonstrate why the House bill will be an invitation to drug companies and cereal companies to siphon millions out of WIC.

As reported in Senate Hearing 101–979 (''Competitive Issues in Infant Formula Pricing,'' May 29, 1990) efforts were made by two major manufacturers Ross Laboratories—a division of Abbott Laboratories—and Mead-Johnson—a division of Bristol-Myers Squibb—to prevent individual States from using competitive bidding procedures. In 1985 three States—Tennessee, Oregon and South Carolina—announced plans to institute a competitive bidding system for the purchase of infant formula for WIC.

A group called the Infant Formula Council, an association of formula manufacturers, immediately opposed these cost containment ideas. The IFC sent letters to USDA and State officials opposing the plans and testified against this approach.

The Council retained a Washington law firm to raise legal concerns with such attempts by States to buy formula more cheaply. The IFC argued that State efforts to buy formula through competitive bidding would disrupt commercial channels of distribution of infant formula.

Tennessee went ahead anyway and set a deadline for bids from the companies to supply formula to WIC participants. However, not a single company submitted a bid.

That is why I, and many of my Senate colleagues, are very worried. Under the House Republican bill any State could fall prey to these same practices today as already discussed in the April 4, 1995, Washington Post article.

The former ranking Republican member of the House Agriculture Committee, Congressman Wampler, was hired to oppose these State voluntary efforts to use competitive bidding. Congressman Wampler was one of several well connected lobbyists hired by Mead Johnson and Ross Laboratories to persuade USDA either directly, or indirectly through Congressional intervention, to prevent States from moving ahead with plans to institute competitive bidding. Senate Hearing 101–979.

Mead-Johnson also hired the former Republican Assistant Secretary, Mary Jarrett, to help make sure that States did not use competitive bidding.

The new plan of attack by the companies was to only offer paltry cost containment deals to States. This would include giving States some free formula, or modest cash rebates, or free coupons instead of participating in competitive bidding.

I am very worried that smaller States such as my home State of Vermont could be easily victimized by the drug companies under the House bill.

The lawyers hired by the formula manufacturers then raised legal objections at the State and Federal level to competitive bidding. They also tried to convince States not to use competitive bidding but to instead offer States formula at discounted prices under a system then called open bidding which is fully described in that report.

A full description of the efforts of Republican lobbyists and the drug companies to promote cost containment instead of competitive bidding is detailed in Joint Hearing Report 102–135—Pricing and Promotion of Infant Formula, March 14, 1991.

Also, on Mach 6, 1990, Mead-Johnson sent letters to the other formula manufacturers advising them that Mead would only provide a 75 cent rebate for each can of formula purchased through WIC. Ross Laboratories and Wyeth-Ayerst Laboratories—a division of American Home Products Corporation—followed suit and put in much lower rebate bids at or around 75 cents.

During the next 8 months, Mead submitted 75 cent rebate bids to 12 different States. In several States, Ross and Wyeth followed Mead's lead. Ross bid 75 cents 9 times, and 75.7 cents once.

When one company bids a rebate of $0.75 and soon after another bids $0.757, as Mead and Ross did in Wisconsin and Montana in early 1990, it does not take a genius to see how this could frustrate competitive bidding.

A very unusual development also took place which tipped off Federal investigators with the Federal Trade Commission. The same companies offered a better bid under what was called an open market system—whereby all companies matching a discounted price could sell formula to WIC in that State.

This higher rebate bid of $1.00 made no economic sense since the companies would have made more money off the exclusive competitive bid of 75 cents rather than the open market bid. This apparently was done to discourage states from using competitive bidding since it signalled states that the companies would bid $1.00 in an open market setting but only around 75 cents for a competitive bidding system. The chronology of infant formula rebate bids for 1990 shows this point.

I asked the FTC to investigate allegations of price fixing and bid rigging in the WIC program and the efforts to discourage states from using the best system for purchasing infant formula. The Federal Trade Commission found merit to the charges and filed actions against the three companies. Also, several States filed actions against formula companies for anti-trade activities which have been well detailed in the press.

In June, 1992, the Federal Trade Commission found that three pharmaceutical companies tried to fix prices of infant formula they supply to the WIC program.

The FTC also concluded that competition was reduced because Mead Johnson announced in advance the amounts to be submitted in sealed bids to provide formula to the WIC program. Also, it was alleged by the FTC that Mead Johnson sought to limit advertising to the public and provided information to competitors signalling bidding preferences.

Two of the drug companies consented to having a Federal court issue relief against them. The companies—Mead Johnson and American Home Products—were ordered to provide formula to the WIC program free of charge as partial restitution.

The Center for Budget and Policy Priorities analyzed the harm to States from the advance price signaling in 1990. It concluded that after the Mead-Johnson letter announcing what it would bid in the future that States were harmed by over $14 million by increases in annual infant formula costs including the following: Indiana, $3.7 million cost increase; Minnesota, $1,811,000 increase; Mississippi, $1.7 million increase; Oklahoma, $1.4 million increase; Kentucky, $868,000 increase; Oregon, $867,000 increase; Colorado, $820,000 increase; West Virginia, $650,000 increase; Iowa, $539,000 increase; and Montana, with a $324,000 cost increase.

I am very worried, as are many of my Senate colleagues, that allowing these companies the opportunity to take more than one million participants off the program so the drug companies can make more profits is outrageous. The fact that the House cut $25 million out of the WIC budget for fiscal year 1995 also raises some concern. We will work to see that no one is taken off the WIC rolls in fiscal year 1995 because of funding limitations.

Senator BUMPERS also took the lead in supporting and defending these competitive bidding requirements. What are the views of the Senator from Arkansas on this matter?

Mr. BUMPERS. I am also worried and concerned about the provisions in the House bill that eliminate the current WIC competitive bidding requirements. I have supported these efforts right from the beginning and will strongly oppose efforts to eliminate competitive bidding.

I share Senator LEAHY's concern that the new plan of attack by the companies will be to only offer paltry cost containment deals to States. This would include giving States some free formula, or modest cash rebates, or free coupons instead of participating in competitive bidding. This could mean that millions of infants, women and children would be forced off WIC.

Senator PRYOR has been a leader regarding child nutrition programs and I would like his views on this issue.

Mr. PRYOR. As I said at an Agriculture Committee hearing, I am also very troubled by the House efforts to cut child nutrition programs. The worst aspect of their bill relates to efforts to give these drug companies the opportunity to increase their profits at a high cost to poor pregnant women and children.

The Senate reports show the efforts drug companies have exerted over the years to sell formula at a high cost to WIC. Since WIC is 100 percent federally funded, the Federal Government should insist that it get the best return on each dollar spent.

Competitive bidding, which is used by the Federal Government for much of its procurement, should be required as under current law. Clever efforts to hide profiteering under the cloak of weakened, so-called cost-containment measures, will hurt the WIC program in my State, and throughout the Nation. I know the drug companies may already be celebrating, but the Senate took the lead in the past in standing up to these corporate interests. I believe that despite all the money spent by the drug companies to influence opinion, the Senate will do the right thing.

Mr. DASCHLE. I fully agree with the views expressed by my fellow Democratic colleagues. We cannot give the WIC program to the drug companies and allow them to turn WIC into a formula for profit.

WIC is one of America's most effective child nutrition programs and I intend to fight any efforts of the House to repeal the WIC program. Senator HARKIN led the fight against the practices of one infant formula company that sold powdered formula to third-world countries. Low-income families would mix the formula with contaminated water and the formula would do more harm than good. I ask Senator HARKIN what are his views on competitive bidding?

Mr. HARKIN. I was very proud of my role in leading the fight against companies that tried to push formula in the third-world. While I am a very strong supporter of breastfeeding I recognize the formula does play an important role in the WIC program.

I agree fully with the remarks that Senator LEAHY has made about the importance of competitive bidding for WIC infant formula, and the comments of my colleagues on the subject, and I commend Senator LEAHY for his work on this issue as Chairman of the Committee on Agriculture, Nutrition, and Forestry and now as ranking member.

To get the best deal for taxpayers I believe it is essential that we require that competitive bidding be used for WIC infant formula so that we can ensure that the States are not subjected to the kinds of pressure tactics to eliminate competitive bidding that have been so thoroughly documented. We owe it to taxpayers and to over a million and a half additional people who are served each month with the savings from competitive bidding. I do not want this provision watered down so that companies can increase their profit margins at the expense of WIC participants and taxpayers.

I have had a long involvement in the efforts to implement competitive bidding for WIC infant formula. As Chairman of the Subcommittee on Nutrition and Investigations, I worked to include the provision in the 1987 Commodity Distribution Reform Act that allowed States to keep a portion of savings they achieved through competitive bidding in order to cover the increased administrative expenses of bringing additional participants into WIC.

Without that provision, the States could not have used the savings from WIC cost containment to serve more people in the WIC program. Unbelievably, the Republican Deputy Secretary of Agriculture wrote a letter to Chairman LEAHY officially opposing that provision in the bill.

I also requested the study by the General Accounting Office that was issued in October of 1987 demonstrating the savings that could be achieved through competitive bidding for infant formula.

And in 1989, as Chairman of the Nutrition and Investigations Subcommittee, I introduced the Child Nutrition and WIC Reauthorization Act of 1989, which included the provision requiring the use of competitive bidding or equally effective cost containment measures for WIC infant formula. Again, it was my privilege to work with Senator LEAHY, as Chairman of the Agriculture Committee, in getting this provision enacted into law.

The benefits of competitive bidding are simply too large to give up. The national benefits have already been described. In Iowa, as of late last year our State was gaining approximately $630,000 a month for its WIC program through infant formula rebates, which allows approximately 12,000 additional Iowa women, infants and children to be served each month without increasing spending.

WIC is one of our Nation's most successful and cost-effective efforts. Competitive bidding makes WIC remarkably more cost-effective. We hear a lot about the importance of letting States have more freedom in administering programs. WIC already involves a partnership between the Federal Government and the States—it is already administered by the States, but it is funded entirely with Federal money. This proposal to do away with the competitive bidding requirement stands the idea of State flexibility on its head. It basically says that if the States want to squander federal taxpayer dollars by lining the pockets of the infant formula companies, that is just fine, have at it.

All I can say is that we have made too much progress and there is far too much at stake for this Senator to stand by and watch a proven and practical tool like competitive bidding be thrown out the window for the sake of some half-baked, radical theory. Not without a fight, not without a huge fight.

Finally, I am also concerned, as are my colleagues, about the ramifications of the $35 million cut in WIC in this rescissions bill. The Congress should be fully funding WIC as per the President's proposals and should be very cautious about cutting the funding available for carrying out WIC efforts in the States. I too will work to see that no one is taken off the WIC rolls in fiscal year 1995 because of funding limitations.

I understand Senator BOXER also has concerns about the WIC program.

Mrs. BOXER. I also am very concerned about the Contract With America and how it will seriously hurt the WIC program. I am very proud to support the WIC program, and it is important to ensure that the competitive bidding process stays in place so that the largest number of women and children possible can be effectively served by this enormously successful program.

STUDENT AID

Mr. LEAHY. Mr. President, students on college campuses throughout Vermont have mobilized against cuts in student aid. The strong opposition around the country to these cuts has prevented most student aid programs from being included in the rescission bill we are debating today. The next step will be to make sure that students do not get short-changed in next year's budget.

On Monday, I had the pleasure of meeting with 19 exceptional college students in my office in Burlington, Vermont. These students: John Boyle of Landmark College; Stephen O'Keefe and Sean Brown of Southern Vermont College; Terri Taylor of Lyndon State College; Eric Sorenberger and Marlene Rye of Sterling College; Cecily Muller of Woodbury College; Beth McDermott of the University of Vermont; Alison Maling of Trinity College; Courtney Ryan of St. Michael's College; Kevin Canney of Burlington College; Sue Jean Murray of Champlain College; Theresa Morris of Vermont Technical College; John Wyrocki and Laura Whitney of Green Mountain College; Jeff Albertson of Middlebury College; and Darryl Danaher, Ryan Carter and Matthew Thornton of Norwich University shared with me how cuts in student aid would affect them and other Vermont students.

One student is the youngest of nine children and is holding two work study jobs. Another is a mother of two and on welfare. Her daughter also is in college. Another is the third child in her family to go to school. Her mother went back to school to get a better job to help pay her children's student loans. Another is the mother of four who had to leave an abusive marriage. She relies on work study to help her stay in school. She also will have loans to pay for her daughter's education. Another is returning to school after having to change her occupation due to major back surgery.

I could go on and on about what these students are going through to earn their college degree.

These students are working hard to learn. Now, some Members of Congress would like to pull the rug out from under them by cutting student aid.

Earlier this week, the House Economic and Educational Opportunities Chairman confirmed that Republicans are considering eliminating the in-school interest subsidy on Stafford college loans.

If House Republicans are successful, 20,000 Vermont students will be paying more for college. Individual student debt will increase by 15 to 50 percent, depending on the length of time spent in school. An undergraduate student who borrows the maximum amount for a four year college could owe an additional $3,407 in interest. This is an increase of about 20 percent, on top of debt that already is tough to manage.

There also has been talk about eliminating campus-based aid including Supplemental Educational Opportunity Grants, Perkins loans, and the work-study programs. Eliminating these need-based programs would cause hardship for students at 2-year and 4-year colleges throughout the country. A student who receives an aid package that includes average awards from all three programs would stand to lose $3,152.

Increasing the financial burden to students and their families will discourage many students from attending college or enrolling in vocational or graduate programs.

As we encourage people, both young and old, to pursue higher education, we need to help them achieve this by providing realistic funding options.

These students are our future. All of us know just how difficult it is to pay for a college education these days. It is important that these students and their families do not see the dream of higher education slip beyond their grasp.

Decisions to cut student aid programs are based solely on short-sighted politics.

I am concerned that the debate over next year's budget is going to occur over the summer when many students are not on campus. I hope they will continue to work together to speak out against cuts in student aid.

RESTORATION OF DEFENSE CLEANUP FUNDS

Mr. PRYOR. Mr. President, I rise today in support of restoring $104.2 million to the Department of Defense accounts that are used to fund the cleanup and redevelop of closing military bases. These funds were authorized and appropriated by Congress last year and they now are subject to a possible rescission.

Mr. President, less than a month ago the Secretary of Defense announced the 1995 hit list of military base closings. This list recommended closing 25 major bases. Communities with bases on this list are currently working to convince the independent Base Closure Commission to remove their hometown bases from the list and to spare them the economic trauma of a base closing.

Unfortunately, many of these communities will be unsuccessful in their efforts to save the base. In the first three base closure rounds, in 1988, 1991, and 1993, the Commission approved the closing of approximately 85 percent of the recommended bases.

These first three base closure rounds produced the closing of 75 major military installations and over 200 smaller installations nationwide. Each of these communities are now focusing on beating swords into plowshares. And to its credit, the U.S. military is trying to do its part to quickly cleanup these bases and prepare them for civilian use.

Mr. President, many have argued in the past that the federal government should not help beat swords into plowshares—that we do not have a responsibility to help the workers and communities that proudly supported our bases for decades. However, we can not and must not turn a cold shoulder to those who helped us win the cold war.

To be certain, base closings hurt. Communities that lose a base lose much more than just the daily sights and sounds of the military's presence. They lose the heart and soul of their local economy. In many cases, the military is the largest employer in the region. As my colleagues know, closing military bases causes an immediate economic trauma in these communities.

But some good news is beginning to arise in a few of the towns that lost bases in the early rounds. Lost military jobs are slowly being replaced by civilian employment. The private sector is moving in and jobs are being created at many old bases.

The local communities that are experiencing an economic revival have told us that their successful efforts to beat swords to plowshares were made possible only because the federal government, specifically the U.S. military, decided to become a partner in this worthy effort.

In helping communities rebound, the military services are focused on quickly cleaning up contaminated portions of the closing bases so private sector businesses can move in and begin creating jobs.

In order to quickly prepare closing bases for redevelopment, the DOD's base closure accounts, or BRAC accounts, must be fully funded.

It would be shortsighted to rescind funds for closing bases, especially given that the Base Closure Commission is currently preparing to add more bases to the closure list.

Cutting funds from the DOD base closure account will slow down the process of returning these bases back to the communities. By doing so, we would substantially damage the economic development efforts of base closure communities nationwide.

I urge my colleagues in the Senate, especially those on the Senate Appropriations Committee, to restore $104.2 million to the DOD BRAC accounts.

AMENDMENT NO. 577

Mr. HATFIELD. Mr. President, if there had been a rollcall vote on the Dole-Daschle amendment, I would have voted ''no.'' As my colleagues know, I support many, if not all, of the programs that would benefit from the funding restorations of the amendment. They are worthwhile, meritorious programs that address important national needs.

But as I said at the outset of this debate, Mr. President, many of the Appropriations Committee's recommended rescissions were reductions in the rate of funding increases, not reductions in actual funding below the previous year's level. I see no reason to add more money now to simply increase the increase. The Appropriations Committee made a considered judgment on these matters, and we found our recommended rescissions to be reasonable. Further, we found them to be urgently needed for the task of deficit reduction.

On that point, Mr. President, I believe this amendment is a serious mistake. We do not have CBO scoring of this amendment as yet, but it would appear to me that the recommended ''offsets'' of this amendment reduce significant amounts of budget authority but very little in outlays. The reductions are primarily drawn from accounts with annual outlay rates as low as 1 percent, while the funding restorations occur in accounts with outlay rates as high as 80 percent. In short, Mr. President, it appears to me that this amendment may actually increase the deficit. The bill that I brought to the floor on behalf of the Appropriations Committee was a first step in the long march toward a balanced budget. This amendment is a step backward.

FUNDING FOR ACIR'S MANDATES STUDIES

Mr. DORGAN. Mr. President, I rise to take note of an aspect of the managers' amendment to H.R. 1158, the supplemental appropriations and rescissions bill.

As my colleagues know, I helped write the Unfunded Mandates Reform Act of 1995, which just became law. This law passed the Senate on January 27 by an 86–10 vote. Part of this law requires the Advisory Commission on Intergovernmental Relations to conduct studies on unfunded mandates issues. The Senate passed my amendment giving these studies to ACIR by a vote of 88–0.

The law requires ACIR to make recommendations to the President and Congress about simplifying, consolidating, suspending or terminating federal mandates. It also requires ACIR to examine the measurement and definition issues involved in calculating the costs and benefits of unfunded federal mandates.

The law requires ACIR to do these studies very quickly. It must issue proposed and final criteria for its studies, hold hearings, and publish a preliminary and a final report, all by March 22, 1995. The conferees on the mandates bill recognized that ACIR needed further funding in this fiscal year in order to do the studies. The conferees therefore authorized an appropriation of $500,000 for fiscal year 1995.

The managers' amendment contains a provision that would appropriate this money. I am glad that the senior Senators from Oregon and West Virginia, Senators HATFIELD and BYRD, have funded the mandate on ACIR.

I would like to thank them for accommodating the Senator from Idaho, Senator KEMPTHORNE, and the Senator from Florida, Senator GRAHAM, and myself on this issue. And I look forward to helping ACIR carry out this mission.

Mr. PELL. Mr. President, I am supporting the Dole-Daschle compromise and the final passage of the supplemental appropriations and rescissions bill because I believe, on balance, the bill does take a significant step towards fiscal control and economy in government.

I am particularly pleased that the compromise restores nearly a billion dollars in House rescissions that would have jeopardized programs that benefit children and education.

Head Start, Title I Education, impact aid, WIC, Goals 2000, School to Work and Drug Free Schools are all programs that constitute investments in our national future, and restoration of funding for them lends balance and merit to the bill.

I am very pleased that the Senate bill restores funding for the LIHEAP program and housing modernization, two programs that are important to my State.

And finally I would note that the Senate bill would restore more than half of what the House bill would cut from our foreign aid programs—not a perfect outcome, but certainly far preferable to the House version.

Mr. President, none of us are going to be completely satisfied with the painful compromises that must be made in the current season of downsizing of government. But this bill does what had to be done with less pain than might otherwise have been inflicted. I commend the managers and give the bill my support.

Mr. WARNER. Mr. President, I am pleased to commend the majority leader, Senator DOLE, and the Democratic leader, Senator DASCHLE, for the successful completion of the managers rescission amendment package to H.R. 1158, the fiscal year 1995 supplemental appropriations bill for disaster assistance and rescissions. I am particularly gratified that the leadership has steadfastly retained, through a myriad of negotiations, the restoration of section 8002 of the Federal Impact Aid Program.

With funding of only $16.29 million, nearly 200 school districts directly benefit from section 8002 payments in lieu of taxes for Federal properties. As federally owned lands, these properties are tax-exempt and contribute nothing to local tax revenues. These monies are made available under strict criteria to help compensate local school districts for revenues they might otherwise be receiving.

The impact aid section 8002 program has been authorized since the inception of impact aid in 1950. For 45 years, the Congress has recognized its responsibilities to compensate local schools for tax-exempt Federal personnel and properties.

Furthermore, the entire impact aid program was just reauthorized last year as a part of the Elementary and Secondary Education Act. This is no time to retreat from our longstanding commitment which is so vital to federally impacted school districts.

I am supporting that impact aid restoration because the York County School Division in the historic Hampton Roads region of Virginia is the largest recipient of section 8002 funding in the Nation. I commend the York County School Division finance director, Mr. Dennis Jarrett, as well as superintendent Steven Staples for their careful work in bringing this urgent matter to my attention.

This year alone, more than $1 million of the York County School District budget is at risk because of the proposed rescission. I am confident that my colleagues on the Appropriations Committee had no intention for the budget cutting axe to fall so heavily on only one of some 200 school districts.

The restoration of the $16.29 million for impact aid will symbolize our support of the communities across the Nation which house and serve the U.S. Armed Services and their families.

Mr. President, I thank the Chair and commend this small measure to the support of my colleagues.

Mr. PRESSLER. Mr. President, I am pleased to rise today in support of the agreement offered today on H.R. 1158, the rescissions bill. The leadership can be commended for their hard work on this compromise. This rescissions bill has been a drawn-out and difficult process. But this hard-fought agreement represents good news for many South Dakotans: it contains my amendment that would restore funds for Section 8002 of the Impact Aid Program, otherwise known as Section 2. The inclusion of my amendment to save this important program is a significant reason why I offer my wholehearted support for this agreement.

The impact aid program is not aid in the traditional sense. It is called Impact Aid because the presence of the Federal Government is having an adverse impact on nearby school districts. The adverse impact is the loss of tax revenue to the schools, and the Impact Aid Program is designed to compensate schools for that lost tax base.

In short, impact aid is an ongoing Federal responsibility. Impact aid does

not represent extra dollars for special programs. Impact aid provides support payments for basic day-to-day operations. It is neither a wasteful nor ideologically driven program—these funds go directly to a school district's operating budget. Impact aid represents fairness—to the schools and the parents and children they serve.

Section 2 of the Impact Aid Program is the lifeblood of many schools across the Nation. This program provides support payments to school districts for Federal land. Across the country, schools in 27 States rely on Section 2 payments. It would be most unfair to federally impacted districts and the children they serve if the Federal Government opts to deny them both a tax base and Federal support.

If Section 2 payments had been terminated, the Pollock School district in northern South Dakota would have closed, forcing potentially displaced students to travel up to 50 miles in order to receive an education. Pollock and similarly situated school districts would have been forced into this drastic course of action because no other revenue options are available.

Mr. President, federally impacted schools already have taken their share of cuts. The Impact Aid Program suffered a $70 million cut last year. If we were to add to this cut the elimination of Section 2 payments, federally impacted schools would be left without the assistance they had planned on to pay teachers, buy textbooks, or as in the case of Pollock, to even function.

Like my colleagues, I am committed to reducing wasteful government spending. My voting record consistently has been in favor of a balanced budget. I also appreciate fully the difficult nature of the Appropriations Committee's job this year. We are all in the difficult position of needing to cut bureaucracy and federal spending. However, our leadership can be commended for realizing where our priorities must lie.

Impact aid is a program that enjoys support on both sides of the aisle. However, I especially would like to thank my distinguished friends from New York and Virginia, Senators D'AMATO and WARNER, for their leadership on this issue. These Senators and others on both sides of the aisle were prepared to support my amendment to restore the Section 2 payments. It is because of this bipartisan commitment to education that the leadership has restored this important program. I appreciate their help and support.

I hope this bipartisan support for impact aid will send a clear signal to our colleagues and especially to the administration. Impact aid is vital to our schools and it should continue to be fully funded. It is my hope that we will not have to fight this battle again during the budget negotiations for fiscal year 1996. President Clinton has requested a $109 million cut in the Impact Aid Program for next fiscal year. I hope it has been made clear that such a cut would be unacceptable.

I would be happy to work with my colleagues to demonstrate why impact aid is critical to so many school children. I also look forward to working with my colleagues on the budget and appropriations committees to maintain the vitality of the Impact Aid Program for many years to come.

RESTORE FUNDING FOR THE CDFI FUND

Ms. MOSELEY-BRAUN. Mr. President, one of the provisions in the amendment the distinguished majority and minority leaders have offered, would partially restore funding for the Community Development Financial Institutions [CDFI] Fund. The full House and Senate Appropriations Committee have both rescinded $124 million of the $125 million appropriated for this bill in fiscal year 1995.

Although it is not clear when the Senate will have the opportunity to vote on this amendment. I want to take a few moments to discuss why the funding for the CDFI Fund is needed.

Clearly, the $36 million included in the Daschle amendment is an insufficient amount compared to the $125 million appropriated last year—but, this start up money will help the CDFI Fund get off the ground. The importance of this Fund is its profound affect on the lives of people who want to make their lives better and improve their neighborhoods.

The CDFI Fund is bipartisan initiative passed in the Riegle Community Development and Regulatory Improvement Act of 1994. I was proud to be a cosponsor, along with many of my colleagues, of this legislation.

The Fund will support and expand existing Community Development Banks and Financial Institutions [CDBFI] across the country. The CDFI Fund is based on the simple proposition—helping the private sector to help communities grow from the bottom up.

Over the last two decades, a diverse range of community development financial institutions have emerged to provide new opportunities for neglected communities. In urban, reservation-based and rural settings, more than 300 CDFIs are providing credit, investments and comprehensive development services. These institutions—working in 45 States—manage more than $1 billion in primarily private sector capital. These institutions have loaned more than $3 billion with a loan loss rates comparable to some of the best banks in this country.

Mr. President, across the country, many rural and urban communities are starved for affordable credit, capital and basic banking services. The lack of jobs is a critical issue for any community. The lack of jobs is also the crux of an important issue for the welfare reform debate that the Senate will soon be considering.

What the Fund is all about is creating jobs in communities that desperately needs jobs. What this amendment is all about is providing a very, very modest amount of Federal money to spur entrepreneurship, and assist small and microbusinesses in low-income communities to help create those jobs.

Job creation is so important to the many critical issues that come before Congress. It is also the crux of the welfare reform debate now before Congress.

Almost everyone agrees that our welfare system needs major reform, and almost everyone agrees that welfare recipients who can work ought to be required to work. The question that remains is simple—where are those jobs supposed to come from?

The basic truth that must be faced is that there simply aren't enough jobs now in many communities where the poor are concentrated, are dropping. My own home town of Chicago illustrates the problem.

Between 1972 and 1990, the City of Chicago lost over 146,000 jobs. Between 1979 and 1990, the city lost over one-third of its manufacturing jobs. Over the same period, the central business district actually gained jobs over that period, which means that the impact of the declining job base fell most heavily on Chicago's neighborhoods, and particularly its poorest neighborhoods. In the decade of 1980's alone, the south and west side Chicago neighborhoods—where many of the City's low-income residents reside—lost over 82,000 jobs.

This results in a declining population in the city, and high unemployment rates for those who want to stay, or who can't leave. For residents in public housing in the inner cities, jobs are almost non-existent. Of the households in the Robert Taylor Homes—the country's largest public housing complex located on Chicago's southside—an approximate 4 percent report any wage income at all.

The fact of the matter is—there is not enough economic opportunity in poor communities. It's no secret that what is needed to create jobs in any community is capital. However, poor communities, simply do not have the access they need to our capital market. What this means is that prospective homebuyers, oftentimes have difficulty getting mortgage money. What it also means is that people who want to start businesses—or expand businesses—in poor communities where all too often cannot get access to the money they need. The creation of the CDFI FUND is a crucial first step in helping low-income communities help themselves.

The CDFI Fund will invest in community development banks and other community development financial institutions which have a primary mission of community development, lending and equity investment and loan counseling services in distressed, underserved communities.

This capital assistance will serve only as seed capital that must be matched by private funds. All types of new and existing CDFIs will be eligible for assistance, including community

development banks, credit unions, micro-enterprise and revolving loan funds, minority-owned banks and community development corporations.

One of the exciting aspects of the Fund is the Bank Enterprise program will catalyze new community lending and investment activities by conventional financial institutions—complementing community reinvestment efforts by lenders.

Mr. President, the Fund will have an extraordinary impact on many of this country's low-income neighborhoods. It will support financial and technical support for new community development banks—which will support thousands of new loans—which, in turn, can result in thousands of new full-time jobs in low-income communities.

I have seen first hand what an important role community development financial institutions can play in the economic development of distressed communities and provide jobs to those who have relied on public assistance.

South Shore Bank—the country's first community development bank in my home town of Chicago—has had a tremendous impact in the South Shore neighborhood of Chicago. Since 1973, the bank and its affiliated community development activities have invested $450 million in its target communities, financing the rehabilitation of 15,000 housing units and hundreds of businesses. South Shore was once a rapidly-deteriorating, inner city community abandoned by conventional lenders. Today it is a stable community with access to a range of sources of conventional credit.

Another example is the Women's Self Employment Project in Chicago which has lent more than $800,000 to low income women—many of whom relied on public assistance—to start and grow microenterprises. This successful program has a repayment rate of over 94 percent.

Mr. President, these are just two examples of how community development works. The list of success stories in community lending goes on and on: the Self-Help Credit Union in North Carolina; the Federation of Appalachian Housing Enterprises in North Carolina; The Coalition for Women's Economic Development in South Central Los Angeles.

Mr. President, as I said in my opening remarks, the $36 million included in this amendment is clearly not enough for the investment that is needed in low-income communities now. But it is a start to help the institutions I referred to, any many others throughout the country. They will be able to expand their capacity through modest federal investments provided by the CDFI Fund.

It is important to point out that the Fund does have an experienced and knowledgeable transition team to begin setting up operations and programs. While the Fund cannot issue regulations or take applicants until the administrator is confirmed, this team is making significant progress to ensure that the programs are up and running.

By using very little Federal money to leverage significant private dollars, the Fund's investments will build partnerships between banks, thrifts, credit unions, and CDFIs.

The results in every equity dollar invested in a community development bank or loan fund can leverage at least $10 in new private capital for development lending.

Community Development Banks and Financial Institutions provide capital where it is critically needed—and jump start a local economy. The CDFI Fund will support these institutions and represents an essential part of what's needed to build and strengthen the economies in many urban, reservation-based and rural communities.

In closing, let me add that the CDFI Fund, is a very good step in the right direction in creating jobs. If the federal government is going to succeed in reforming welfare, we must start by creating jobs and economic growth in impoverished communities where they are needed most.

Mr. President, I ask unanimous consent that the list of success stories be printed in the RECORD.

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

In North Carolina, the Self-Credit Union and its affiliated Self-Help Ventures Fund made a $50,000 loan in 1985 to a small, rural worker-owned sewing company threatened with closing because it could not obtain credit from its local banks. With Self-Help's technical assistance and a series of working capital loans, the business now employs 80 people, making it the second largest private employer in its county. By 1992, the company had almost tripled its sales, to $1.8 million.

In Chicago, the Women's Self Employment Project set up an entrepreneurial training and lending program to enable women receiving public assistance and with little or no asset to start their own income-producing enterprises. Seventy percent of the 20 women participating in the pilot program in 1987 were able to move off public assistance permanently as a result of their business activities. An expanded program now includes 150 women. WSEP's three lending programs have lent more than $500,000 to 350 low- and moderate-income women for micro business ventures.

In Central Appalachia, the Federation of Appalachian Housing Enterprises [FAHE] provides loans that make homeownership a reality for very low-income families, many of whom have previously lived in rented trailers without heat or running water. FAHE has lent $3.2 million for more than 172 housing units, including loans to borrowers with incomes as low as $5,000 a year.

The Coalition for Women's Economic Development in South Central Los Angeles operates a 12-week training program in Spanish and English, for low-income women seeking to operate their own enterprises.

Santa Cruz Community Credit Union in California, which has lent more than $27 million to small businesses, non-profits and cooperatives, supplements its credit union lending with a non-profit housing development subsidiary, Seascape Senior Housing. Seascape developed and owns an 80 unit low-income housing project.

The Quitman County Federal Credit Union in Mississippi is located in one of the ten poorest counties in the United States. As a community development credit union, the credit union has been able to supplement the small savings of its 600 members with more than $1 million in nonmember deposits, enabling the development of home improvement and minority small business lending programs.

For years, the Delaware Valley Community Loan Fund was one of the only lenders in Camden, New Jersey. Its successful lending has led to a 7 bank multimillion dollar loan pool for the disinvested area managed by the loan fund.

Mr. NUNN. Mr. President, I understand that an agreement has been worked out between the two sides on this legislation, but I want to set the record straight on a few issues which I believe to be of particular importance.

The initiative in question is the Corporation for National and Community Service. In the last few days, several of our colleagues have come to the floor and, for one reason or another, discussed this initiative in a way which has deviated substantially from the facts. I want to provide information for the record to eliminate some of the misconceptions which may have been formed about National Service.

First, I would like all of us to be clear on the facts. Contrary to what we have heard on the Senate floor in the last week, AmeriCorps does not cost the taxpayer outrageous sums. Counting all costs, the average annual cost per AmeriCorps member is $17,600. $4,725 of that amount is an education award which is not given until after the year of service is complete.

Additionally, the program has benefited the efforts of many private organizations which depend on volunteers for their work. Many charitable organizations, from Habitat for Humanity to the Red Cross have resoundingly rebutted the argument that National Service injures the ethic of voluntarism in this country. These groups have often stated that the presence of AmeriCorps members has made their efforts to attract traditional volunteers even more effective.

Charitable organizations are not the only ones who have seen sufficient worth in the program to give it their vocal support. Many businesses also have seen the value of AmeriCorps as an investment and given it their own dollars to supplement those provided by the federal government. These private partners range from Alcoa to Xerox, with many others in between. I request unanimous consent that this information regarding the cost per AmeriCorps participant and the number of volunteers and business organizations supporting AmeriCorps be printed in the RECORD.

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

(See exhibit 1.)

Mr. NUNN. My second point is that National Service is successfully accomplishing its primary mission—performance of service. The anecdotal evidence

on this score is abundant. From helping clean up after last year's floods in the Midwest to immunizing 105,000 children in Texas, to building 60 homes for poor people in Americus, Georgia, these youngsters are performing real work that is needed by our communities. The independent research firm of Aguirre, International provides confirmation. They did a study of 52 randomly selected AmeriCorps sites across the country, and the findings from the study confirm that the achievements of this program are many and varied. I ask consent that the Aguirre International study be also printed in the RECORD.

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

(See exhibit 2.)

Mr. NUNN. Mr. President, my final point is that this project should not be a partisan issue. The debate on the original authorization was not marred by the misinformation and partisan rancor that we have seen during the last week. Indeed, the 1993 bill passed with the support of a number of Republicans in both Houses. I would hope that we could return the debate to that higher plane in the future. To that end, I would hope that my colleagues, whether they agree or disagree with the program, would take the time over the upcoming recess to visit an AmeriCorps site in their states. To my colleagues who are willing to make this visit, if you still have concerns about the program after you have made this good-faith effort to see it in action, that will be useful to an open, straightforward debate on the upcoming reauthorization. I believe that the minds of my colleagues will be changed when they see the results of this program.

In conclusion, I appreciate the indulgence of my colleagues on this matter, and I hope that we can continue the debate in an objective fashion. I am fully aware of the funding constraints which face our nation's government, but I am confident that the program will be judged valuable to our nation if judged on its true merits and true costs. I yield the floor.

EXHIBIT 1

AMERICORPS BUDGET AND MEMBERS

	1994	1995	1996
Budget	$376,000,000	$579,000,000	$828,000,000
[HUD/VA]	[$318,000,000]	[$516,000,000]	[$750,000,000]
Members	20,000	33,000	47,000
Average cost per Member	$18,800	$17,600	$17,600

Average total cost per member by category

Health/child care 7%	($1,200)
Grantee operations, planning, evaluation 23%	($4,075)
State Commissions 3%	($450)
Americorps' overhead 5%	($850)
(Represents 1995 Costs)	
Education Award 27%	($4,725)
Stipend 35%	($6,200)
Total	$17,600

EXHIBIT 2

AMERICORPS USA AT FIVE MONTHS

A SUMMARY OF ACCOMPLISHMENTS FROM 52 RANDOMLY SELECTED SITES

The following report aggregates and summarizes the bulk of the accomplishments of 1,654 AmeriCorps USA Members serving at 52 sites that were selected randomly from across the nation. Listed accomplishments represent the efforts of approximately 8% of AmeriCorps USA's operating sites during the first five months of operation—from September, 1994 through January, 1995.

The accomplishments are grouped within AmeriCorps USA's four issue areas: education, public safety, health and human needs, and environmental and neighborhood restoration. The list, while both long and diverse, is not exhaustive; not every accomplishment has been captured. Nevertheless, the list summarizes the major accomplishments of the selected sites.

EDUCATION

The AmeriCorps Members helped children and youth from impoverished urban and rural communities to succeed in school. They taught in classrooms, established new learning programs in and out of school, and prepared preschoolers for the demands of school. Specific accomplishments include the following:

Taught 1,430 and tutored 7,638 pre-school, elementary, and junior high school students in basic educational skills.

Conducted enriched learning programs and initiated new ones—such as computer-based reading instruction, peer tutoring, scientific experimentation, and programs for children with special needs—for 6,414 children.

Established after-school and vacation programs to reinforce the academic involvement of 4,656 children.

The AmeriCorps Members helped at-risk children succeed in school by assisting them and their families to develop their sense of civic and community responsibility and to become more stable, more self-sufficient, and more involved in the community. Specific accomplishments include the following:

Organized and supervised community service projects for 4,469 at-risk children and youth. Projects included neighborhood cleanups and providing food for elderly people.

Counseled, taught parenting skills, and/or provided problem solving assistance to 390 families, 183 teen parents, and the low-income families of 440 children at risk of failing in school.

Provide literacy or employment-related training for 694 adults.

Provided intensive educational support—including regular counseling—to 30 troubled teenagers living in group homes and 33 low-income children, including 22 homeless preschoolers.

PUBLIC SAFETY

The AmeriCorps Members started neighborhood safety programs, mobilized neighbors, and improved community/police relations, resulting in safer communities. Specific accomplishments include the following:

Escorted 8,500 children to school through safe corridors.

Started 258 neighborhood safety programs and patrolled 250 vacant buildings to prevent violence, drug-dealing and other illegal activities.

Initiated 2 programs to improve community/police relations, including assisting a police mobile unit.

The AmeriCorps Members worked to prevent violence in school by teaching mediation techniques, resulting in decreased incidence of violence and negative behavior. Specific accomplishments include the following:

Resolved 414 school conflicts that might otherwise have ended in violence or with students dropping out of school because of fear of violence.

Taught conflict resolution techniques to 8,119 school children.

Counseled and taught alternatives to violence to 1,350 potential or actual gang members and 54 parents of children at risk of becoming involved in gangs.

Initiated 3 programs to train school and community members to implement violence prevention activities.

Secured donated materials and created a memorial garden and mural in memory of 3 children slain in the streets.

The AmeriCorps Members worked to prevent violence and drug abuse in families and communities and provided direct assistance to victims of crime as well as referring them to needed services. Specific accomplishments include the following:

Conducted workshops for 220 at-risk individuals about family violence prevention.

Answered crisis hotline calls and made referrals for 878 victims of sexual and domestic violence.

Provided each of 470 victims of sexual and domestic violence with 30 days of counseling and assistance.

Counseled 35 elementary or high-school students in crisis as a result of rape, violence, or home difficulties.

Counseled, 1,180 teenager about alcohol and drug abuse.

Conducted home visits about drug or alcohol abuse prevention with 120 community residents.

HEALTH AND HUMAN NEEDS

The AmeriCorps Members made independent living easier for disabled, elderly, or hospitalized individuals by providing direct support service and by recruiting and organizing community volunteers. Specific accomplishments include the following:

Helped 123 elderly persons, 50 visually impaired adults, and 9 visually impaired children live independently.

Provided job-related training, independent living assistance and/or medical referrals for 135 mentally ill or developmentally disabled persons.

Organized weekly social activities for 400 elderly nursing home residents.

Constructed wheel-chair accessible trails, ramps, or sidewalks at 3 parks, 5 low-income homes, and 4 public buildings.

Obtained donated materials, trained 58 volunteers, and repair the homes 296 elderly persons.

The AmeriCorps Members provided emergency medical services, as well as health training and education. Specific accomplishments include the following:

Trained 1,144 inner-city residents in CPR.

Provided emergency medical services to over 1,500 people.

Screened 1,100 low-income children for lead toxicity and other health risks.

Provided health counseling, education, or referrals and transportation to 220 low-income families and over 5,000 individuals.

Disseminated health care information to 4,567 individuals.

Distributed 150 children's car seats to low-income families.

Conducted immunization screenings—immunizing 158 individuals and notifying 500 others of their families' need to be immunized.

Administered 301 HIV tests and counseled patients regarding results.

Conducted workshops and distributed information on AIDS and tuberculosis to over 7,000 people.

The AmeriCorps Members helped meet the basic needs of low-income and homeless people for food and shelter. They improved low-income housing, fed the hungry, and improved the methods of service referral and delivery. Specific accomplishments include the following:

Renovated 238 inner-city housing units and 99 rural homes; began renovation of 121 more.

Refurbished 2 homeless shelters and began to renovate 3 buildings—one for seniors, one for battered women, and one for the formerly homeless.

Distributed food to more than 16,625 low-income people and packed 7,000 dinners and 32,000 breakfasts for the hungry.

Found shelter for 400 homeless families, and sorted and distributed clothes to 350 homeless individuals.

Secured hospice housing for 27 people with AIDS and helped feed (on a weekly basis) 1,250 people who have AIDS or who are HIV positive.

Provided housing information or counseling to over 500 low-income and homeless families.

Secured donated furniture, repaired it, and delivered it to 300 newly-housed families.

ENVIRONMENTAL AND NEIGHBORHOOD RESTORATION

The AmeriCorps Members responded to emergencies, including post-disaster environmental restorations, and worked to improve emergency responses capacity in parks and public lands. Specific accomplishments include the following:

Inspected and repaired 87 small dams, protecting 200 farms.

Provided disaster recovery assistance to 350 land owners recovering from a flood; activities included sand and soil deposit mapping, advice on pasture and hayland management, watershed mapping, and computer simulations to plan floodplain management.

Fought 2 major forest fires and saved 1 national park road from washing out.

Joined at least 5 search and rescue efforts.

The AmeriCorps Members restored and stabilized the natural environment and wildlife habitats. Specific accomplishments include the following:

Planted 212,500 trees.

Restored 320 acres of wild land areas by repairing fire and flood damage, re-planting to prevent erosion, and fencing off wetlands to prevent illegal dumping.

Restored or stabilized 27 miles of riverbed and stream banks to improve the habitat of salmon; fenced another 7 miles to keep cattle from destroying spawning grounds; repaired three aquaculture tanks with a capacity to rear 1,000,000 salmon fry per year.

Removed 2,000 lbs. of trash from an urban river.

Monitored water quality in 2 parkland areas.

Surveyed 5,700 acres of National Forest land as part of reforestation programs to monitor reforestation efforts; conducted biological inventories on 12,000 acres of wetland.

Built, restored, or maintained 311 campsites, 88 miles of parkland trails, 17 bridges, and 1 mile of forest service road.

Cleaned up storm debris and trash on 3 beaches, protected sand dunes on one beach, and built one wildlife observation platform and 3 duck blinds.

The AmeriCorps Members improved neighborhoods, parks, and recreation facilities by converting vacant lots, renovating buildings, repairing public facilities, and conducting recycling and conservation programs, resulting in a heightened sense of community ownership. Specific accomplishments include the following:

Renovated 11 community buildings, including an inner-city medical clinic, community centers, and public schools.

Converted 29 overgrown lots into green space; built 7 community gardens; planted trees along 30 city blocks.

Cleaned 27 miles of road, restored 1 community reservoir, removed illegally dumped garbage from one community; and unclogged more than 14,000 storm drains.

Created 4 playgrounds, designed 1 picnic area, and improved safety at 1 scenic overlook. Restored, repaired, or maintained 19 historical landmarks and a traditional tribal longhouse.

Completed 61 inner-city neighborhood clean-ups—including a city-wide graffiti removal.

Distributed 1,375 low flush toilets and 1,700 water conserving showerheads in low-income neighborhoods—along with over 1,400 water conservation guides.

Recycled 920 inefficient toilets and 1,120 inefficient showerheads.

AMERICORPS COMMUNITY PARTNERS

The following is a partial list of national and local volunteer, charitable and service organizations through which AmeriCorps is getting things done in over a thousand communities across the nation.

4–H, Albany Police Department, American Red Cross, Arctic Village Tribal Council, Arlington Police Department, ASPIRA, Audubon Society, Big Brothers/Big Sisters, Big Horn Police Department, Boy Scouts of America, Boys and Girls Clubs, Camp Fire Boys and Girls, Casper Police Department, Catholic Charities, Chambers of Commerce, City of Decatur of Police Department, Clearwater Police Department, Coalition of 100 Black Women.

Confederated Tribes and Bands of Yakima, Dallas Police Department, D.A.R.E., Ft. Worth Police Department, Girl Scouts of the USA, Girls, Inc., Goodwill Industries, Habitat For Humanity, Hart County Police Department, Head Start Programs, Humane Society, I Have a Dream Foundation, Independent Sector, Indianapolis Police Department, Jewish Family Services, Jubilee Housing, Junior League.

Kickpoo Tribe, Lincoln County Sheriffs Department, Lions Club, Literacy Volunteers of America, Knick Tribal Council, Meals on Wheels, Metropolitan Police Department of St. Louis, Mid-Atlantic Network of Youth and Family Services, Navajo Nations, National AIDS Fund, National Center for Family Literacy.

National Council of Churches of Christ in the USA, National Council of Educational Opportunity Associations, National Council of LaRaza, National Council of Non Profit Associations, National Endowment for the Arts, National Multiple Sclerosis Society, National Organization for Victim Assistance, Neighborhood Green Corps, New York University, NezPerce Tribe, Northeastern University, Ouzinkie Tribal Council, Parents Anonymous, Philadelphia Bar Association, Pinelas Sheriffs Department, Points of Light Foundation.

Pompano Beach Police, Public Allies, Public Education Fund Network, Rotary Club, Salvation Army, Seattle Police Department, Shoshone-Bannock Tribe, Sierra Club, St. Petersburg Police Department, Sunflower Girls, Teach for America, Tuntutulkia Traditional Council, United Cerebral Palsey, University of Texas, Austin, United Way of America.

Urban League, Visiting Nurses Association, Volunteer Centers, Volunteers of America, Westin County Sheriffs Department, YMCA of the USA, YWCA.

Dozens of colleges and universities, community health centers, police and sheriffs departments, and hundreds of elementary, junior and high schools.

AMERICORPS INVESTORS

The following is a partial list of corporate giving programs and corporate, independent and community foundations that are investing in community service organizations that are a part of the AmeriCorps National Service Network:

Alcoa, AlliedSignal, Allstate, Amelior Foundation, American Airlines, American Express, Ameritech, Anheuser-Bush, ARCO, Arizona Foundation, Arthur Anderson, Bank of Boston, Bank of New Hampshire, Bechtel, BellSouth, Booth Ferris Industries, Boston Foundation.

British Petroleum, Bullitt Foundation, Burnett-Tandy Foundation, Cabletron Systems, California Community Foundation, Capital Community Foundation, Capitol Cities/ABC, Carnegie Corporation of NY, Amon G. Carter Foundation, Chevron, Citizens Bank, Compaq, Cowell Foundation, Charles A. Dana Foundation.

Digital Equipment Corporation, Echoing Green Foundation, Enron, Entergy, Fannie Mae, First Deposit National Bank, Fleet Bank, Ford Foundation, The Gap, General Electric, General Mills.

Grand Rapids Foundation, Greater Cincinnati Foundation, GTE, E. & W. Haas Jr. Foundation, Hall Family Foundations, Healthsource, Hogg Foundation, The Home Depot, Houston Endowment, IBM, JCPenny, J.P. Morgan, James Irvine Foundation, Robert Wood Johnson Foundation, Johnson & Johnson, Kansas City Community Foundation.

Kauffman Foundation, W.K. Kellogg Foundation, Key Bank of NY, Knight Foundation, Luce Foundation, MacArthur Foundation, MBNA, McKesson, Meadows Foundation, Mellon Bank, R.K. Mellon Foundation, Microsoft.

Millipore, Mobil, Monsanto, Morgan Stanley, Charles S. Mott Foundation, NationsBank, NH Charitable Foundation, Nike, NYNEX, Packard Foundation, Panhandle Eastern.

Patagonia, Pew Charitable Trust, Philip Morris, PNC Bank, Polariod, Prince Charitable Trust, Proctor and Gamble, Providian Bank, Prudential Insurance, Reebok, RI Hospital Trust Bank, Winthrop Rockfeller Foundation, The Rouse Company, Safeco Insurance, Sallie Mae, Joseph E. Seagram & Sons, Shell Oil.

Skillman Foundation, Sony Corporation of America, Sprint, Steelcase, Surdna Foundation, Tenneco, Texaco, Timberland, Time Warner, Toyota, Union Pacific, United Way of America.

UPS, U.S. Health Corporation, Waste Management, Western Resources, Lola Wright Foundation, Xerox.

The PRESIDING OFFICER. The question is on agreeing to the Dole-Daschle amendment No. 577.

The amendment (No. 577) was agreed to.

AMENDMENT NO. 420

The PRESIDING OFFICER. The question is on agreeing to the Hatfield substitute.

The amendment (No. 420) was agreed to.

Mrs. BOXER. Mr. President, I will vote yes on final passage of this supplemental Appropriations/Rescission bill, but I do so with reservations.

This bill provides 6.7 billion dollars for disaster assistance, more than 70 percent of which will go to California earthquake and flood victims. This is

an urgent and necessary response to the heartbreaking disasters California has faced.

I regret that Republicans have played politics with disaster assistance—for the first time in history—by using it as a hook for their agenda to slash programs that benefit children, education, working families, and the poor.

If the Senate were considering the House passed version of this legislation, I would vote no, because that is a bad bill for both my State and my country.

But the Senate bill is different in two significant ways:

First, the Senate Appropriations Committee added back funds in critical education and housing programs.

Second, Senate Democrats were successful on the floor in restoring funds for Head Start, Child Nutrition, Safe and Drug Free Schools, Housing, and other programs that are so important to the well-being of our children.

So I will vote to send this bill to conference with the House. But I reserve the right to vote no on the conference agreement if it comes back looking like the mean-spirited House bill. I cannot support any bill that does not maintain funds for our children at the Senate-passed level or higher.

Mr. BRADLEY. Mr. President, the Senate is about to finish consideration of a Rescissions bill that reduces the Operation and Maintenance Account of the Bureau of Reclamation by $10 million. This amount is identical to the sum rescinded by the House, and I support it. As the former Chairman and current ranking member of the Subcommittee with authorizing jurisdiction over the Bureau, I have seen opportunities for the Bureau of Reclamation to reduce spending. I have no doubt that this cut can be absorbed, given the streamlining that is now occurring within the Bureau.

I note, however, that the Senate has wisely avoided commenting on particular operations. This has two benefits. First, it gives the Bureau the flexibility to deal with this cut in the most effective and appropriate manner. It won't be easy to cut this account, given that the fiscal year is half over. The project managers need to be creative and do not need legislative handcuffs.

Second, the House report suggests that one way to balance this account is to stop a study of the San Joaquin River that was established in law through the Central Valley Project Improvement Act. This language is notably absent from the Senate report.

As the author of this landmark CVPIA law, I am surprised at the House report language. This San Joaquin study is specifically ordered in this public law and, in fact, has a statutory deadline for action by the Bureau. Clearly, this statute is unaffected by any Committee Report language, and the law remains binding on the Bureau.

Additionally, I am puzzled by this suggested target, since cutting the San Joaquin River Comprehensive Plan, either directly or through report language if possible, would not save the taxpayer any money. Indeed, the study is not even funded out of the Bureau's Operating Account! The Plan was established in the statute and financed through a surcharge on the sales of water from the Central Valley Project. In fact, if these funds are not spent on this Plan, the law still requires that the full amount be spent on other fish and wildlife restoration efforts. There can be and will be no deficit reduction from stopping this Plan.

Mr. President, in summary, I'm pleased with the Senate action. Spending cuts will occur, as agreed with the House. And the San Joaquin study will continue, as specifically directed in public law. The restoration of the San Joaquin River would bring benefits throughout California. We need to know if this restoration can occur and how it would be achieved.

Mr. ABRAHAM. Mr. President, I will vote for this rescission bill because I believe it will greatly benefit the citizens of Michigan by reducing the burden of Government spending and deficits on the economy. Each dollar that Washington does not spend on Government programs means $1 more than Americans can spend for their families.

While I did fight to restore funding for a few specific programs slated for rescission because of their critical importance to Michigan—such things as the Low-Income Heating Energy Assistance Program and the Center for Ecology Research and Training slated to be located in Bay City, MI—I do believe that this rescission package is a win for the people of Michigan because it is the first down-payment toward reducing the size and scope of Government.

Specifically, this bill will reduce Government spending by $15 billion. That represents a reduction of 1 percent of the entire Federal budget of $1.5 trillion this year—hardly a draconian reduction in Government spending as some special interest groups have claimed.

Nonetheless, these spending reductions are crucial to our Nation, and to Michigan in particular. This bill will help my State by reducing the deficit, freeing up economic resources for the economy, and job creation in particular. Moreover, American taxpayers send 25% of their paychecks to Washington.

Furthermore, it is clear that we need to take immediate action to reduce Government spending because projected deficits are getting larger, not smaller, under President Clinton's budget policies.

Contrary to conventional wisdom, President Clinton's budget policies have had almost nothing to do with the slight improvement in the size of the budget deficit that has occurred in recent years. According to the CATO Institute, almost all of the deficit reduction since 1992 is attributable to three main factors: No. 1, the one-time sale of assets and properties acquired by the Federal Government during the savings and loan bailout of the late 1980's—which alone has accounted for about $75 billion in deficit reduction in recent years; No. 2, reductions in defense spending resulting from the end of the cold war; and No. 3, the cyclical economic recovery that began well before President Clinton took the oath of office.

Federal spending continues to spiral out of control. Under President Clinton, the level of Federal spending as a share of the national income is about 23 percent, near historic levels. According to the nonpartisan Congressional Budget Office, unless we take action to halt the growth of Government spending, it will automatically rise from $1.531 trillion this year to $2.202 trillion by 2002.

Under the President's budget plan, deficit spending would continue to explode. The CBO reports that the annual deficit will rise from $170 billion this year to over $200 billion next year and to almost $300 billion a year over the next 4 years. Under President Clinton's policies, $1.4 trillion dollars will be added to the national debt, thereby increasing interest payments, crowding out private sector investment, and reducing the economic well-being of America's children.

I am particularly concerned about the budget crisis occurring in the Housing and Urban Development's subsidized housing program. The CBO projects that the future obligations to renew the expiring section 8 contracts will add $20 billion to the budget by the year 2000. This $15 billion rescission package would partially offset these added budget costs.

Mr. President, this rescission package is only a small example of the kind of reductions in the growth rate of Government spending that will be required to balance the budget. According to the CBO projections, if we simply limit annual spending increases to 2.9 percent between now and 2002, we can balance the budget. In other words, achieving a balanced budget requires not absolute cuts in Government spending, but rather reductions in the rate of growth of Government spending.

Mr. President, the best thing I can do for the citizens of Michigan is to reduce the burden of Government and let them keep more of what they earn. By reducing the growth rate of Government spending and cutting taxes, we can strengthen America's and Michigan's families, businesses, and voluntary organizations. This rescission bill is an important first step in achieving the electorate's desire for smaller Government. I yield the floor.

Mr. DOLE. Mr. President, with all the rhetoric spoken over the last few

days, some of us seem to have forgotten why we are here—to cut unnecessary spending. Yes, there will always be differences of opinion as to priorities, but the fundamental commitment to reassess every Federal program and reduce Federal expenditures must be paramount.

I am pleased the Democratic leader and I have reached agreement, supported by our colleagues, that will enable us to help keep our promise to the American people. In the amendment, a very limited number of programs which Members on both sides of the aisle support, have received smaller reductions in their rate of increase. At the same time, the amendment also contains a number of items that will result in additional savings being achieved. Most important to this Senator, overall the amendment will result in additional deficit reduction.

As a result of this amendment, the package we will send to the conference will contain approximately $16 billion in savings. I repeat, $16 billion—that's not over 2 years or 5 years, that's this year.

For all those who supported a balanced budget—rest assured we are committed to achieving that goal even if it means making some tough choices. Of course, the real hard decisions have yet to be made. And, we will not be deterred by the hue and cry of the last few days about all the so-called terrible things the Republicans have proposed. This bill is certainly progress, but we still have a long way to go. While I am pleased we were finally able to reach consensus—I caution everyone that the real hard choices are yet to come.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, if I could have my colleagues' attention.

The PRESIDING OFFICER. The Senate will be in order.

The majority leader.

Mr. DOLE. It is my understanding there will be no requests for a vote on either side on the defense supplemental bill, no request for a vote on the contract board, the District of Columbia, no request for a record vote on child pornography, and the paperwork simplification conference report is done, and other wrap-up material with only minor changes in the Constitution.

But I just say for my colleagues, it will be our intention at 1 o'clock on Monday, April 24, to begin consideration of H.R. 956, the product liability bill, and following disposition of product liability it will be my intention to proceed to S. 652, the telecommunications bill. Votes could occur during Monday's session of the Senate but will not occur prior to the hour of 3 p.m. on Monday, April 24.

Mr. CHAFEE. How about tonight?

Mr. DOLE. This will be the last vote until hopefully April 24, after 3 p.m. There could be votes after 3 p.m. If we should decide in the interim there will be no votes, we will try to notify you the earliest possible time before you are in the air.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce [Ms. MIKULSKI] as necessarily absent.

I further announce that if present and voting. [Ms. MIKULSKI] would vote ''nay'',

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 99, nays 0, as follows:

[Rollcall vote No. 132 Leg.]

YEAS—99

Abraham	Feingold	Lott
Akaka	Feinstein	Lugar
Ashcroft	Ford	Mack
Baucus	Frist	McCain
Bennett	Glenn	McConnell
Biden	Gorton	Moseley-Braun
Bingaman	Graham	Moynihan
Bond	Gramm	Murkowski
Boxer	Grams	Murray
Bradley	Grassley	Nickles
Breaux	Gregg	Nunn
Brown	Harkin	Packwood
Bryan	Hatch	Pell
Bumpers	Hatfield	Pressler
Burns	Heflin	Pryor
Byrd	Helms	Reid
Campbell	Hollings	Robb
Chafee	Hutchison	Rockefeller
Coats	Inhofe	Roth
Cochran	Inouye	Santorum
Cohen	Jeffords	Sarbanes
Conrad	Johnston	Shelby
Coverdell	Kassebaum	Simon
Craig	Kempthorne	Simpson
D'Amato	Kennedy	Smith
Daschle	Kerrey	Snowe
DeWine	Kerry	Specter
Dodd	Kohl	Stevens
Dole	Kyl	Thomas
Domenici	Lautenberg	Thompson
Dorgan	Leahy	Thurmond
Exon	Levin	Warner
Faircloth	Lieberman	Wellstone

NOT VOTING—1

Mikulski

So the bill (H.R. 1158), as amended, was passed.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the bill passed, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the enrolling clerk, in making technical and clerical corrections to the bill, may insert all amendments that have been adopted to the committee substitute at appropriate places in the Senate amendment to the House bill.

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

Mr. HATFIELD. I move that the Senate insist on its amendment, request a conference with the House on the disagreeing votes of the two Houses, and the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. ASHCROFT) appointed Mr. HATFIELD, Mr. STEVENS, Mr. COCHRAN, Mr. SPECTER, Mr. DOMENICI, Mr. GRAMM, Mr. BOND, Mr. GORTON, Mr. MCCONNELL, Mr. MACK, Mr. BURNS, Mr. SHELBY, Mr. JEFFORDS, Mr. GREGG, Mr. BENNETT, Mr. BYRD, Mr. INOUYE, Mr. HOLLINGS, Mr. JOHNSTON, Mr. LEAHY, Mr. BUMPERS, Mr. LAUTENBERG, Mr. HARKIN, Mrs. MIKULSKI, Mr. REID, Mr. KERREY, Mr. KOHL, and Mrs. MURRAY.

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 Jersey [Mr. LAUTENBERG], the Senator from Nevada [Mr. REID], and the Senator from Florida [Mr. GRAHAM].

The Chair, on behalf of the Vice President, pursuant to the provisions of Public Law 99–151, appoints the Senator from Iowa [Mr. GRASSLEY] as a member and Chairman of the U.S. Senate Caucus on International Narcotics Control.

APPOINTMENTS BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to Public Law 96–388, as amended by Public Law 97–84, appoints the Senator from Iowa [Mr. GRASSLEY], vice the Senator from Ohio [Mr. METZENBAUM], to the U.S. Holocaust Memorial Council.

The Chair, on behalf of the President pro tempore, in accordance with Public Law 99–498, section 1505(a)(1)(B)(ii), appoints the Senator from Hawaii [Mr. INOUYE] to the Board of Trustees of the Institute of American Indian and Alaska Native Culture and Arts Development.

The Chair, on behalf of the President pro tempore, in accordance with Public Law 99–498, section 1505(a)(1)(B)(ii), appoints the Senator from New Mexico [Mr. DOMENICI] to the Board of Trustees of the Institute of American Indian and Alaska Native Culture and Arts Development.

MORNING BUSINESS

Mr. THOMPSON. Mr. President, I ask unanimous consent that there now be a

period for the transaction of morning business, with Senators permitted to speak for not to exceed 5 minutes each.

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

N O T I C E

Incomplete record of Senate proceedings. Except for concluding business which follows, today's Senate proceedings will be continued in the next issue of the Record.

ORDERS FOR FRIDAY, APRIL 7, 1995

Mr. THOMPSON. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 10:30 a.m. on Friday, April 7, and that following the prayer, the Journal of proceedings be deemed approved to date and the time for the two leaders be reserved for their use later in the day; that there then be a period for routine morning business until the hour of 1 p.m., with Senators permitted to speak for up to 5 minutes each.

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

PROGRAM

Mr. THOMPSON. Mr. President, for the information of all Senators, there will be no rollcall votes during Friday's session of the Senate. The Senate will conduct routine morning business only.

RECESS UNTIL 10:30 A.M. TOMORROW

Mr. THOMPSON. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent the Senate stand in recess under the previous order.

There being no objection, the Senate, at 10:43 p.m., recessed until Friday, April 7, 1995, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate April 6, 1995:

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

ROBERTA L. GROSS, OF THE DISTRICT OF COLUMBIA, TO BE INSPECTOR GENERAL, NATIONAL AERONAUTICS AND SPACE ADMINISTRATION, VICE BILL D. COLVIN, RESIGNED.

DEPARTMENT OF AGRICULTURE

KARL N. STAUBER, OF MINNESOTA, TO BE UNDER SECRETARY OF AGRICULTURE FOR RESEARCH, EDUCATION, AND ECONOMICS. (NEW POSITION.)

THE JUDICIARY

A. WALLACE TASHIMA, OF CALIFORNIA, TO BE U.S. CIRCUIT JUDGE FOR THE NINTH CIRCUIT, VICE ARTHUR L. ALARCON, RETIRED.

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICERS FOR APPOINTMENT TO THE GRADE OF GENERAL ON THE RETIRED LIST PURSUANT TO THE PROVISIONS TO TITLE 10, UNITED STATES CODE, SECTION 1370:

To be general

GEN. CHARLES G. BOYD, 000–00–0000
GEN. JOHN M. LOH, 000–00–0000

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be general

LT. GEN. JOSEPH W. RALSTON, 000–00–0000

THE FOLLOWING-NAMED OFFICERS FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 501:

To be lieutenant general

MAJ. GEN. RALPH E. EBERHART, 000–00–0000
MAJ. GEN. EUGENE D. SANTARELLI, 000–00–0000

THE FOLLOWING-NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

LT. GEN. JOHN S. FAIRFIELD, 000–00–0000

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL ON THE RETIRED LIST PURSUANT TO THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. CARL G. O'BERRY, 000–00–0000

IN THE NAVY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. JAMES R. FITZGERALD, 000–00–0000

CONFIRMATIONS

Executive nominations confirmed by the Senate April 6, 1995:

FEDERAL TRADE COMMISSION

ROBERT PITOFSKY, OF MARYLAND, TO BE A FEDERAL TRADE COMMISSIONER FOR THE TERM OF 7 YEARS FROM SEPTEMBER 26, 1994.

CONSUMER PRODUCT SAFETY COMMISSION

THOMAS HILL MOORE, OF FLORIDA, TO BE A COMMISSIONER OF THE CONSUMER PRODUCTS SAFETY COMMISSION FOR THE REMAINDER OF THE TERM EXPIRING OCTOBER 26, 1996.

DEPARTMENT OF THE INTERIOR

WILMA A. LEWIS, OF THE DISTRICT OF COLUMBIA, TO BE INSPECTOR GENERAL, DEPARTMENT OF THE INTERIOR

NATIONAL COUNCIL ON DISABILITY

YERKER ANDERSSON, OF MARYLAND, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A TERM EXPIRING SEPTEMBER 17, 1996.

JOHN A. GANNON, OF OHIO, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A TERM EXPIRING SEPTEMBER 17, 1995.

AUDREY L. MCCRIMON, OF ILLINOIS, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A TERM EXPIRING SEPTEMBER 17, 1997.

LILLIAM RANGEL POLLO, OF FLORIDA, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A TERM EXPIRING SEPTEMBER 17, 1996.

DEBRA ROBINSON, OF PENNSYLVANIA, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A TERM EXPIRING SEPTEMBER 17, 1997.

RAE E. UNZICKER, OF NORTH DAKOTA, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A TERM EXPIRING SEPTEMBER 17, 1997.

ELA YAZZIE-KING, OF ARIZONA, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A TERM EXPIRING SEPTEMBER 17, 1996.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

ROBERT G. BREUNIG, OF ARIZONA, TO BE A MEMBER OF THE NATIONAL MUSEUM SERVICES BOARD FOR A TERM EXPIRING DECEMBER 6, 1998.

KINSHASHA HOLMAN CONWILL, OF NEW YORK, TO BE A MEMBER OF THE NATIONAL MUSEUM SERVICES BOARD FOR A TERM EXPIRING DECEMBER 6, 1997.

CHARLES HUMMEL, OF DELAWARE, TO BE A MEMBER OF THE NATIONAL MUSEUM SERVICES BOARD FOR A TERM EXPIRING DECEMBER 6, 1999.

AYSE MANYAS KENMORE, OF FLORIDA, TO BE A MEMBER OF THE NATIONAL MUSEUM SERVICES BOARD FOR THE REMAINDER OF THE TERM EXPIRING DECEMBER 6, 1995.

NANCY MARSIGLIA, OF LOUISIANA, TO BE A MEMBER OF THE NATIONAL MUSEUM SERVICES BOARD FOR A TERM EXPIRING DECEMBER 6, 1998.

ARTHUR ROSENBLATT, OF NEW YORK, TO BE A MEMBER OF THE NATIONAL MUSEUM SERVICES BOARD FOR A TERM EXPIRING DECEMBER 6, 1998.

RUTH Y. TAMURA, OF HAWAII, TO BE A MEMBER OF THE NATIONAL MUSEUM SERVICES BOARD FOR A TERM EXPIRING DECEMBER 6, 1998.

TOWNSEND WOLFE, OF ARKANSAS, TO BE A MEMBER OF THE NATIONAL MUSEUM SERVICES BOARD FOR A TERM EXPIRING DECEMBER 6, 1998.

PHILLIP FROST, OF FLORIDA, TO BE A MEMBER OF THE NATIONAL MUSEUM SERVICES BOARD FOR A TERM EXPIRING DECEMBER 6, 1998.

JOHN L. BRYANT, JR., OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE NATIONAL MUSEUM SERVICES BOARD FOR A TERM EXPIRING DECEMBER 6, 1998.

HARRY S TRUMAN SCHOLARSHIP FOUNDATION

E. GORDON GEE, OF OHIO, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE HARRY S TRUMAN SCHOLARSHIP FOUNDATION FOR A TERM EXPIRING DECEMBER 10, 1999.

JOSEPH E. STEVENS, JR., OF MISSOURI, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE HARRY S TRUMAN SCHOLARSHIP FOUNDATION FOR A TERM EXPIRING DECEMBER 10, 1997.

STEVEN L. ZINTER, OF SOUTH DAKOTA, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE HARRY S TRUMAN SCHOLARSHIP FOUNDATION FOR A TERM EXPIRING DECEMBER 10, 1997.

BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION

PEGGY GOLDWATER-CLAY, OF CALIFORNIA, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION FOR A TERM EXPIRING JUNE 5, 2000.

GEN. WILLIAM W. QUINN, U.S. ARMY, RETIRED, OF MARYLAND, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION FOR A TERM EXPIRING 13, 1999.

LYNDA HARE SCRIBANTE, OF NEBRASKA, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION FOR A TERM EXPIRING OCTOBER 13, 1999.

NIRANJAN SHAMALBHAI SHAH, OF ILLINOIS, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION FOR A TERM EXPIRING AUGUST 11, 1998.

NATIONAL SCIENCE FOUNDATION

SANFORD D. GREENBERG, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION, FOR A TERM EXPIRING MAY 10, 2000.

EVE L. MENGER, OF NEW YORK, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION, FOR A TERM EXPIRING MAY 10, 2000.

CLAUDIA MITCHELL-KERNAN, OF CALIFORNIA, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION, FOR A TERM EXPIRING MAY 10, 2000.

DIANA S. NATALICIO, OF TEXAS, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION, FOR A TERM EXPIRING MAY 10, 2000.

ROBERT M. SOLOW, OF MASSACHUSETTS, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION, FOR A TERM EXPIRING MAY 10, 2000.

WARREN M. WASHINGTON, OF COLORADO, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION, FOR A TERM EXPIRING MAY 10, 2000.

JOHN A. WHITE, JR., OF GEORGIA, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION, FOR A TERM EXPIRING MAY 10, 2000.

NATIONAL MEDIATION BOARD

KENNETH BYRON HIPP, OF HAWAII, TO BE A MEMBER OF THE NATIONAL MEDIATION BOARD FOR A TERM EXPIRING JULY 1, 1997.

RAILROAD RETIREMENT BOARD

JEROME F. KEVER, OF ILLINOIS, TO BE A MEMBER OF THE RAILROAD RETIREMENT BOARD FOR A TERM EXPIRING AUGUST 28, 1998.

NATIONAL INSTITUTE FOR LITERACY

MARCIENE S. MATTLEMAN, OF PENNSYLVANIA, TO BE A MEMBER OF THE NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD FOR THE REMAINDER OF THE TERM EXPIRING OCTOBER 12, 1995.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

JOAN CHALLINOR, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE FOR A TERM EXPIRING JULY 19, 1999.

NUCLEAR REGULATORY COMMISSION

SHIRLEY ANN JACKSON, OF NEW JERSEY, TO BE A MEMBER OF THE NUCLEAR REGULATORY COMMISSION FOR A TERM OF 5 YEARS EXPIRING JUNE 30, 1999.

DEPARTMENT OF STATE

JACQUELYN L. WILLIAMS-BRIDGERS, OF MARYLAND, TO BE INSPECTOR GENERAL DEPARTMENT OF STATE.

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.

IN THE NAVY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF ADMIRAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTIONS 601 AND 5035:

VICE CHIEF OF NAVAL OPERATIONS

to be admiral

VICE ADM. JOSEPH W. PRUEHER, 000–00–0000