SENATE—*Wednesday, April 9, 1986*

(Legislative day of Tuesday, April 8, 1986)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the Honorable RUDY BOSCHWITZ, a Senator from the State of Minnesota.

PRAYER

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

Let us pray.

"The steps of a good man are ordered by the Lord, and he delighteth in his way."

Sovereign Lord, God of perfection in all virtue and infinite in perfection, we beseech You to grant to the Senate and all who labor here the riches of Your wisdom and guidance. Infuse this Chamber, every office, and the hearts and homes of every individual in this large Senate family, with Your justice, peace, and love. Transcendant Father, touch our lives individually and corporately in ways which will make us know it is Your touch and which will demonstrate Your immanence. Awaken us to the reality that You are God of the macrocosm and microcosm—You transcend the universe and a sparrow does not fall to the ground without Your knowledge. Lead us in ways that will provide the greatest good for the greatest number. In the name of Him Whose unconditional love covers all. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC., April 9, 1986.

TO THE SENATE: Under the provisions of Rule I, Section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable RUDY BOSCHWITZ, a Senator from the State of Minnesota, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

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

RECOGNITION OF THE ACTING MAJORITY LEADER

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

SCHEDULE

Mr. EVANS. Mr. President, under the standing order, the two leaders will have 10 minutes each.

There are special orders in favor of the following Senators for not to exceed 5 minutes each: Senator HAWKINS—and I understand that Senator BOSCHWITZ will deliver her statement during her special order—Senator PROXMIRE, Senator DOMENICI, Senator CRANSTON, Senator METZENBAUM, Senator RIEGLE, and Senator HEFLIN.

Following the special orders just identified, there will be a period for the transaction of routine morning business not to extend beyond 10:30 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

At 10:30 a.m., the Senate will resume consideration of the unfinished business, S. 1017, the regional airport bill.

The Senate will stand in recess between 12 noon and 2 p.m. today, in order for the minority party to meet in caucus.

At 2 p.m., under a previous unanimous consent, there will be 10 minutes of debate on S. 8, a bill to grant a Federal charter to Vietnam Veterans of America, to be followed by a vote on final passage. Following the vote, the Senate will resume consideration of S. 1017.

Therefore, rollcall votes will occur throughout the day on Wednesday.

CAMPAIGN COMMITTEE REPORTS DUE APRIL 15, 1986

Mr. DOLE. Mr. President, the mailing and filing date for the 1986 April Quarterly Report required by the Federal Election Campaign Act, as amended, is Tuesday, April 15, 1986. Principal campaign committees supporting Senate candidates in 1986 elections file their reports with the Senate Office of Public Records, 232 Hart Building, Washington, DC 20510.

The Public Records Office will be open from 9 a.m. until 9 p.m. on the filing date for the purpose of accepting these filings. In general reports will be available to the public 24 hours after receipt. For further information, please contact the Public Records Office at (202) 224-0322.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER (Mr. ANDREWS). Under the previous order, the minority leader is recognized.

Mr. BYRD. I thank the Chair.

SOWING THE SEEDS OF THE NEXT ENERGY CRISIS: U.S. ENERGY POLICY AND OIL PRICES IN FREE-FALL

Mr. BYRD. Mr. President, the salubrious short-term effects of the falling price of oil on the economies of the United States and our allies has been widerly applauded—and rightly so. World oil prices have fallen more than 50 percent in the last 6 months. Clearly, falling oil prices hold forth the prospect of lower energy prices, less inflation, and economic growth. Against the experience of the 1970's when the economies of industrial nations were buffeted by OPEC oil price shocks, and the massive transfer of wealth from oil consuming nations to producing nations, this is, indeed, a cause for celebration. On the other hand, falling oil prices may also have long-term consequences in terms of the Nation's energy future, the outlines of which can only be dimly perceived at this time. Indeed, as former Energy Secretary James Schlesinger recently noted, we may be "sowing the seeds of the next oil crisis."

Mr. President, in considering the rapid decline in oil prices, one must recognize the distinction between "disinflation" and "deflation." Disinflation is a decline, over time, in the consumer price index. This is certainly desirable for the economy, for it may lead to greater economic activity and economic growth. Economic growth means more jobs for Americans. Deflation, on the other hand, involves a general decline in the level of economic activity. Slower economic growth will mean less job creation, and may even bring an increase in unemployment.

It is probably too early to be able to determine whether the U.S. economy is confronting the prospects of disinflation or deflation. In the early stages of the oil price decline, it is clear that the American economy benefited, especially with lower inflation. However, there is evidence that the current free-fall of oil prices may be having a substantial deleterious impact. For example, dramatically falling oil prices have resulted in reduced domestic oil production. A recent article in the New York Times noted that the collapse in the price of oil has already had an impact on current and future domestic oil production. A number of major oil

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

companies have announced cutbacks in their exploration budgets totaling more than $1 billion. Similarly, the Wall Street Journal reports that, partly as a result of the falling oil prices, U.S. oil producers are beginning to close smaller-volume wells, with the result that U.S. domestic oil output has fallen about 30,000 barrels per day to slightly less than 9 million barrels per day. The wells being closed are primarily the so-called "stripper wells"—oil wells producing 10 barrels of oil per day or less—which account for 12 to 15 percent of domestic production. According to the Interstate Oil Compact Commission, if oil prices stabilize at $15 per barrel, 22.5 percent of the 450,000 U.S. stripper wells would be abandoned in 1986. The Commission estimates that in the first year this would amount to the loss of about 280,000 barrels per day of production, or about 3 percent of current domestic production.

The prospects of declining U.S. production as a result of the shutting of wells and declining oil exploration budgets may also be accompanied by an increase in oil consumption, and a decline in the use of coal, as electric utilities and industrial facilities find the use of oil to be cheaper than using coal or natural gas. For example, the Wall Street Journal recently reported that falling oil prices have led many domestic industries to consider switching for coal or natural gas to oil. Many industries have already made the switch, and coal-fired electric utilities in the Northeast are giving serious consideration to switching from coal to oil. If there is a strong movement away from coal to oil, this will have a negative impact on the already depressed domestic coal industry, which, in turn, will have a deleterious effect on the economies of coal-producing States such as West Virginia.

In short, at a time when there are changes taking place in the structure of the domestic oil industry, resulting in reduced current and future domestic oil production, there is a likelihood that domestic oil consumption may be increasing. We may be witnessing the beginnings of another severe imbalance in oil supply and demand which could, once again, lead us into the OPEC oil trap. Indeed, there is reason for concern regarding the Nation's energy security in the future. An article in Business Week magazine on the energy situation noted that the falling price of oil "has demolished the economics of new drilling and has hastened the dismantling of an elaborate energy-finding industry * * *." This, Mr. President, should be a matter of some concern, for while the laws of supply and demand determine the shape of the oil industry at any given time, they will not override the laws of geophysics which have determined the distribution of the world's oil resources, largely in favor of the Middle East.

In the current oil price environment, prices for refined products, such as gasoline, have also been falling, more so in some places than in others. This has been welcomed by consumers. But it has also produced dwindling profit margins for domestic refiners. As a result, the Wall Street Journal recently reported, U.S. refiners are selling refining capacity, and that capacity is being purchased by foreign oil producers in an effort to establish direct links to American consumers. For example, Venezuela has agreement to buy a half interest in Southland's Citgo unit which will give that Nation's oil producers access to retail outlets and a 320,000 barrel per day refinery in Lake Charles, LA. Kuwait and Abu Dhabi have indicated that they are prepared to purchase United States refineries. The result may be that oil exporting nations establish the basis for greater influence than ever before in U.S. energy markets.

According to the Journal story, foreign oil traders and oil producers could secure control over nearly 1 million barrels per day of U.S. refining capacity—about the same as Mobil oil, or Texaco, which could provide foreign oil producers the capability of squeezing American consumers in the future when oil supplies get tight again.

Mr. President, we have the luxury of basking in the economic glow of low oil prices. Since no one is sure how long such felicitous circumstances will continue, a prudent administration would consider this an opportunity to continue long-term investments which will enhance the Nation's energy security in the future. Unfortunately, year after year this administration proposes to do just the opposite. For example, in the administration's fiscal year 1987 budget request they propose an indefinite moratorium on further development of the Nation's strategic petroleum reserve, after the reserve reaches 500 million barrels, 250 million barrels less than the level required by law. Mr. President, oil prices are at the lowest level in years, yet this administration is willing to be pennywise and pound foolish.

In a triumph of ideology over vision, the administration has proposed a budget which is a plan for disinvestment in the Nation's energy future by withdrawing support for the development of alternative energy technologies, such as synthetic fuels from coal and oil shale, and through an ill-conceived scheme for the privatization of public assets. For example, the administration proposes to sell the naval petroleum reserve [NPR] for $3.6 billion, despite the fact that the Department of Energy estimates profits from the NPR during the period 1986-91 at $5.3 billion.

Mr. President, even if the Congress were to allow the administration to conduct such a sale, the proceeds would do little to address the massive Federal budget deficits. The budget deficit is a problem, Mr. President, because it places a demand for resources on the Nation's capital markets, one result of which is higher interest rates. Selling public assets, whether it be Conrail or the naval petroleum reserve, creates the same demand. To be sure, the Nation's capital markets will supply the $3.6 billion necessary to purchase the naval petroleum reserve. The only difference is that a private borrower will be seeking to finance its acquisition of the reserve, rather than the Federal Government seeking to finance the deficit.

In more general terms, the administration's fiscal year 1987 budget request for the Department of Energy represents a major shift in emphasis away from the Nation's energy security to atomic weapons. This massive shift in priorities occurs at the expense of other DOE energy research and development programs, the effect of which will be to eliminate the development of energy alternatives for the future. For example, the administration's request for DOE's coal research and development activities is only $82.2 million, a reduction of 66 percent from fiscal year 1986. Conservation programs are slashed 82 percent. In contrast, Mr. President, 80 percent of the DOE budget in fiscal year 1987 would be devoted to defense-related atomic weapons activities. To put this in perspective, consider the fact that defense-related atomic weapons programs accounted for 58 percent of the Department of Energy's budget in fiscal year 1985. In fiscal year 1986, that figure had climbed to 73 percent of the DOE budget. Based upon this trend, one may be legitimately concerned that the Department of Energy is rapidly being annexed by the Department of Defense.

Mr. President, I am as committed to maintaining a strong national defense as is anyone in this Chamber, or at the White House, or in the Defense Department. However, I do not believe that national security depends solely and exclusively upon massive expenditures for armaments. Let us not succumb to the illusion that a nation bristling with weapons is necessarily secure. America's security depends upon investments for the future we as a nation make in natural recources, research and development, education and human capital, transportation systems, and physical infrastructure. In the area of energy policy, shortsightedness in the guise of fiscal necessity is certainly no virture. Viewed in these terms, the administration's budget request falls far short of what the future demands.

Mr. President, I ask unanimous consent that articles on the energy situation from the Wall Street Journal, the New York Times, Business Week, and the Washington Post be printed in the RECORD.

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

[From the Wall Street Journal, Apr. 4, 1986]

FOREIGN OIL PRODUCERS BUY REFINERIES IN U.S. FOR STAKE IN MARKETING—OR THEY ACT THROUGH TRADERS IN THE DISTRESS-SALE DEALS, RAISING FEAR OF NEW CARTEL

ROLE OF HOLLAND'S JOHN DEUSS

(By Steve Frazier and James Tanner)

A year ago, Charter Co.'s Houston oil refinery was a prime candidate for the refinery graveyard. But when the plant went on the block in bankruptcy court a month ago, three of the world's shrewdest oil-trading firms surprised Charter by waging a bidding war over it. "The courtroom was a sea of lawyers and 'oilies.'" a Charter official recalls.

Philipp Brothers, the giant trading arm of New York's Phibro-Salomon Inc., opened with a $30 million bid. Coastal Corp., a Houston energy company noted for savvy trading, topped that by $500,000. A lawyer for trader Marc Rich, the tax-law fugitive living in Switzerland, upped the ante further. Finally, Philipp Brothers bid $45 million, clinching its second refinery purchase in less than a year.

The remarkable competition showed how a diverse group of oil operators are clamoring for a foothold in U.S. refining, even while major oil companies and others are still trying to get out. And when the dust settles, oil exporting nations from South America to the Mideast will have obtained greater influence than ever over the U.S. energy markets.

(Oil companies' profits on refining and marketing, which had held up well in the oil glut, have suddenly begun to sag. See story on page 2.)

THE TRADERS' ROLE

Locked in a pitched battle for market share, foreign crude-oil producers are snatching up refineries all over the U.S. establishing direct links to American consumers. And for foreign exporters of crude oil too shy or too poor to buy their own U.S. refineries, the next best thing is cutting a deal with a friendly oil trader whose newly purchased refinery can process their crude. This helps explain the interest of U.S. trading firms such as Philipp Brothers and Coastal Corp. in acquiring refineries here. The traders also benefit by having captive refineries available for the imported oil that is their stock in trade.

For now, U.S. oil companies are delighted to unload their unwanted oil refineries. And consumers are too busy celebrating the drop in gasoline prices to worry about the future. But some energy experts say the involvement of foreign producers in the U.S. refinery business gives them more chances to squeeze consumers during oil shortages.

Taken together, the deals and expansion plans announced so far will give the traders and foreign oil producers control over nearly a million barrels a day of refining capacity—about the same as Mobil Oil Corp. or Texaco Inc., and not far behind Exxon.

"This crisis environment of falling crude prices may accelerate the trend," says John P. Venners, president of a Washington, D.C., firm that is offering stakes in U.S. refiners to foreign investors. As prices for oil—and for refineries—scrape bottom, "the foreign producers are going to take advantage of a window that may not be open later," he adds.

USE OF SHELL COMPANIES

Some of the shoppers have tried to hide behind shell companies. The elusive Mr. Rich, who faces arrest if he returns to the U.S., bid for the Charter refinery through a recently established company he controls (and he continues to seek a U.S. refinery). Other buyers range from Venezuela, which has agreed to buy 50% of Citgo Petroleum Corp., to Dutchman John Deuss, the secretive supplier of oil to South Africa who has a plan to become the largest refiner on the East Coast by 1990.

According to industry officials and consultants, Kuwait, Abu Dhabi and other Mideast oil exporters are ready to buy U.S. refineries. Most recent or prospective buyers want service stations, too, to extend their reach into the marketplace.

Oil exporters hope that by buying so-called downstream assets—or by helping traders set up business through favorable crude-supply contracts—they can regain through the end markets some of the control over prices that they have lost at the wellhead. "The OPEC of 1995 will certainly be different from today," says Rene Ortiz, the former secretary general of the Organization of Petroleum Exporting Countries. "Several national oil companies will become true new transnational oil companies."

THE HAZARDS INVOLVED

In doing so, they will follow the historic precedent of the major U.S. oil companies, which in the past built gas stations on every corner, mainly as a place to push refined products. "We're doing what the major oil companies did years ago," says Carlos Castillo, a Venezuelan oil executive. "In essence, we're going back to an integrated, international industry."

By happily consigning to others their refinery "cracking" towers, tank farms and other such properties, U.S. oil companies could be setting themselves up for more competition than they bargain for, some experts warn. Through closer ties to U.S. refineries, foreign oil exporters can unload their crude oil directly into the world's biggest oil market—and never even reveal the actual sales price of the crude. And despite the recent flurry of buyer interest in refineries, the complex processing plants still sell for as little as a tenth of their original cost, giving new entrants a huge competitive advantage over established refiners.

Foreign oil producers may also wish to subsidize their U.S. refining operations to enhance their ability to push more crude to the U.S.

Peter Killen, a refinery consultant in Houston, recalls the succinct explanation offered by one representative of a foreign crude-oil supplier negotiating to buy a U.S. refinery: "We aren't worried about 50 cents or $1 a barrel refinery margins either way," the foreign buyer said. "Our concern is to move X barrels of crude oil at whatever price, as opposed to not moving oil at all."

Such talk frightens some independent refiners, who measure profits and losses in pennies per barrel. "If they don't care about a dollar a barrel (refinery margins), they will murder the independents and play hell with the majors," contends George Jandacek, president of Crown Central Petroleum Corp.

Mr. Jandacek leads a coalition of independent refiners lobbying for barriers against another form of foreign competition: oil products refined in huge new Mideast plants and exported to the U.S. If crude exporters also obtain closer links to U.S. refineries, he maintains, "it's the same as having an export refinery located on our shores."

The independent refiners contend that subsidized foreign competition has helped to wipe out an estimated 20% of U.S. refining capacity in recent years, limiting the nation's ability to convert oil into gasoline, jet fuel and other critical materials during any emergency.

"Whether you close a refinery or turn it over to a foreign entity means the same." asserts Ray F. Bragg Jr., an official of a refiners' trade group. And if the upstart refinery owners suffer political instability or crude-oil production problems at home, "we could have pocket shortages in the U.S.," says Charles K. Ebinger, director of energy studies at the Georgetown University Center for Strategic and International Studies.

But others contend that such fears are exaggerated. For starters, some experts argue that it is better to find foreign owners for domestic refineries than to let them go out of business. And industry executives say existing foreign-controlled oil companies such as Shell Oil Co. (owned by Royal Dutch Shell) and Standard Oil Co. (controlled by British Petroleum) behave pretty much like any other oil company. Competition is too great, major oil companies say, for any group of refiners to get too far out of line.

And for their part, the new owners of U.S. refineries say all they really want is home for crude oiland a reasonable return on their refining investment. "I really can't conceive of any U.S. 'cartel' of foreign refiners," says Edward McMahon, a former Shell veteran now working for Mr. Deuss's growing refining company. "All somebody has to do is go out into the marketplace and see how companies fight it out," he adds.

CONTROVERSIAL DUTCHMAN

Mr. Deuss, a 43-year-old former used-car salesman described as a financial wizard by acquaintances, is one of the more intriguing new players in the U.S. refining business. After failing in an effort to buy a Gulf refinery in Louisiana, he succeeded last year in acquiring Arco's 125,000-barrel-a-day Philadelphia refinery and 600 Northeastern service stations for $192 million.

Little known in the U.S., Mr. Deuss is one of the world's largest oil traders and a controversial figure at home in the Netherlands. Anti-apartheid activitsts there sharply criticize his trading company's role in circumventing the world-wide boycott of oil sales to South Africa; last year, a group calling itself "Pyromaniacs Against Apartheid" took responsibility for firebombing his Dutch villa.

Traders and oil executives say Mr. Deuss was among the first traders to recognize the potential for buying into the refining business. The oil glut has reduced the need for traders who had obtained oil supplies and reaped huge profits on them when supplies were tight. But the glut has simultaneously increased the urgency for oil exporters to find a home for their production, giving shrewd traders a new role.

Mr. Deuss's well-established trading ties to Mideast producers, especially Oman, have stirred continuing speculation that he was representing their interests in the Arco

deal, which his representatives and Omani sources deny. Mr. Deuss could probably have afforded to buy the refinery himself, but other refiners say that his connections to favorably priced crude is more important than who paid for the real estate. One of the first visitors to the refinery after it changed hands was Mana Saeed al Otaibi, oil minister of the United Arab Emirates. He told Mr. Deuss during a brief public appearance that "the oil supply which you have from the other side of the world should improve the economics of the refinery."

PLANS FOR AN EMPIRE

Mr. Deuss's prospects are bright enough that he has laid plans to build his empire to 500,000 barrels a day of refinery capacity, more than anyone else operates on the East Coast. He was a losing bidder for the former Gulf stations in the Northeast sold by Chevron Crop. to a convenience-store chain; he and Kuwait also bid on the former Gulf refinery in Philadelphia, which Chevron still hasn't sold.

Meanwhile, his Atlantic Refining & Marketing Corp. is working to reopen a mothballed section of the former Arco refinery to allow increased gasoline production. And Atlantic is busy shopping for new service stations and trying to sign up wholesale distributors on the East Coast, says Mr. McMahon, who is Atlantic's executive vice president. "Market ownership is very important," he adds. "I don't think anybody would just buy a refinery today without knowing what's going to happen to the product."

Phibro, on the other hand, doesn't feel the need to assemble a network of service stations to back up its newly purchased 180,000 barrels of daily refining capacity. For one thing, the adroit trading firm reckons that it can deal away refined products every bit as expertly as it trades crude oil.

"I can't say that in 10 or 20 years we will still be a refining company, but we will be a trading company," says Thomas O'Malley, the head of Phibro's energy division. "We're doing this on an opportunistic basis." Refineries are cheap, he explains, and the spreading popularity of crude-oil "netback" arrangements—which tie the refiner's crude-oil cost to the price at which he eventually sells his products—eliminates much of the risk in running a refinery.

BENEFITS OF REFINERIES

But to obtain a netback deal, a trader first has to own a refinery. "Countries like to sell to refiners," says Mr. O'Malley. "The addition of these two refineries to our company has already made us a much more acceptable partner for producing countries."

Traders who don't move quickly could find themselves shut out by oil exporters who beat them to the punch. Kuwait, which already owns extensive marketing properties in Europe, bid on a former Gulf Oil refinery in Louisiana and on the Philadelphia Gulf refinery that Mr. Deuss covets. Industry sources say Abu Dhabi has assembled a $400 million war chest to enter the U.S. refining business, while Oman has been studying similar moves. Pakistani investors, said to be financed by Persian Gulf producers, are shopping for U.S. refineries on the East and Gulf coasts.

To some extent, foreign producers are simply dusting off long-range strategies they shelved during the oil-short 1970s. Before the Arab oil embargo of 1973, Saudi Arabia's oil minister, Sheik Ahmed Zaki Yamani, offered to become America's oil "partner" by supplying the U.S. with all the oil it needed in exchange for permission to buy into U.S. refinery and marketing networks. The Saudi government never put the plan into action, choosing instead to build huge export refineries and eventually to arrange netback crude sales to existing refiners.

However, individual Saudis have invested in U.S. refineries, and industry sources say Petromin, the national oil company, has explored the possible purchase of an idle Caribbean refinery.

VENEZUELA'S PUSH

The most active foreign-government investor so far is Venezuela, which could prove to be a model for other oil exporters. Venezuelan officials say that while they will continue upgrading their refineries at home, any additional capacity will be acquired in energy-consuming nations. Venezuela's agreement to buy a half interest in Southland's Citgo unit, for example, gives it access to retail outlets and a 320,000-barrel-a-day refinery in Lake Charles, La., that is well suited to handling Venezuela's heavy crude.

Venezuela also has agreed to purchase half of Steuart Petroleum Corp. in Washington, D.C., a fuel oil distributor and service-station operator. And the South American exporter has leased a large former Shell refinery in Curacao. Its negotiators also approached Ashland Oil Co. prior to the takeover attempt of Ashland by the Belzberg family of Canada, Ashland says.

Despite all the activity, the Venezuelans say the domestic industry has little to fear from their entry. They have pledged to continue oil sales to unaffiliated refiners on the same basis as they sell to their own. "We'll go first for deals that will stand on their feet in a free competitive market," says Mr. Castillo, who heads one of Venezuela's national oil operating companies.

It is understood that as intensely as Venezuela competes with Mexico on a commercial level, on a ministerial level it has encouraged its troubled Latin neighbor to establish its own presence in the U.S. refining market. The Mexicans already own a share of a Spanish refinery, but financial problems may leave Mexico with only a low price as a selling tool for crude.

"The blows to the Mexican economy would make it a little difficult," says Lee Solomon of Dallas, a consultant to refinery purchasers. "But it makes so much sense for them they really ought to think about it."

[From the Wall Street Journal, Mar. 13, 1986]

FUEL OIL USE SURGES AS FIRMS ABANDON GAS

FALLING PRICES PROMPT SWITCHOVERS BY INDUSTRIES

(By Bill Paul and Frederick Rose)

Fuel oil consumption is starting to surge as plunging oil prices cause many industrial firms, utilities and commercial concerns to switch from natural gas.

The switch to oil, which still is gathering momentum, will mean lower costs for industry and utility customers in coming months. But it also will boost oil consumption and revive U.S. dependence on petroleum imports. For gas producers, pipeline operators and distributors—already suffering from earlier gas price declines—the switch to oil is bad news.

Residential electricity users stand to benefit as utilities pass along fuel savings. But some residential gas customers could pay higher prices if utilities slash industrial gas prices to keep their big customers.

'WAVE OF SWITCHOVERS'

Nonetheless, many predict gas producers won't be able to stem the move to oil. "We're on the leading edge of a wave of switchovers," says Marc Goldsmith, president of Energy Research Group, a Waltham, Mass., consulting firm. Adds John Anderson, executive director of the Electricity Consumers Resource Council, a trade group for many of the nation's largest industrial energy users: "There's going to be a dramatic increase in oil use by industrial firms."

It's estimated that about 10% of the nation's electric generating capacity can be fired either by oil or gas, meaning that demand for vast amounts of energy can swing quickly between the two fuels.

Both Mr. Goldsmith and Michael Smolinski, director of Data Resources Inc.'s world oil service, estimate that switchovers could increase domestic oil consumption by as many as 500,000 barrels a day within the next few weeks—a 3% gain over current daily U.S. consumption of about 16 million barrels. Mr. Smolinski, however, expects that figure to fluctuate weekly as oil and gas producers jockey for market share. He expects fuel oil's net gain to be closer to 100,000 barrels a day.

BIG COMPANIES CONVERT

Whoever is right, many switchovers are occurring, with more in the offing. Bethlehem Steel Corp. now uses fuel oil to meet 10% of its energy needs, compared with only 2% a few months ago. General Motors Corp. has switched to oil from gas to run one of its assembly plant's boilers, and says it may switch as many as 40 other plants as fuel oil prices ride downward with crude oil prices.

Ronald Slinn, a vice president of the American Pulp and Paper Institute, says, "We've had reports from member companies that they are indeed looking at switching back to oil because it makes economic sense." San Diego Gas & Electric Co. "pounced" over to oil from natural gas last month because of falling oil prices, says Mike Niggli, director of fuel and power contracts for the utility. The company is burning oil at the rate of about half a million barrels a month.

Meanwhile, in Miami, Florida Power & Light Co. has significantly increased the amount of electricity it produces from oil, though the utility hasn't cut back on gas purchases. Rather, Florida Power & Light has curtailed purchases of electricity from Atlanta-based Southern Co.

In New York, Consolidated Edison Co. hasn't yet switched, but only because it has used the threat of switching to extract price concessions from its gas suppliers. A Con Ed spokesman says a switch is always possible given that, "It's nip and tuck" between oil and gas prices.

CONCESSIONS ON GAS PRICES

Indeed, how much fuel oil consumption rises in coming weeks will depend partly on how much profit gas producers and pipelines are willing to sacrifice to keep market shares. For example, Bethlehem Steel recently decided not to switch at a Chicago-area plant after it obtained price concessions from its gas supplier.

Still, Gerhard Stein, GM's energy section director, says he doesn't think gas producers will be willing to go much below $1.50 a thousand cubic feet, compared with about $1.90 currently. He said he expects fuel oil prices to drop to 45 cents a gallon or less,

making oil a more attractive buy than $1.50 gas. (In some parts of the Midwest, fuel oil already is selling below 45 cents a gallon.)

James L. Ketelsen, chairman of Tenneco Inc., a Houston-based gas pipeline and energy producer, sees customers for about 10 percent of the gas market switching to oil, with the process "only beginning."

Some companies and utility ratepayers stand to profit handsomely. Mr. Slinn of the Pulp and Paper Institute says that if crude oil prices settle at around $17 a barrel—they're now at about $14, compared with $27 a barrel last fall—switchovers will enable several hundred pulp and paperboard firms to reap a total annual energy savings of about $750 million.

SAVINGS FOR ELECTRIC CUSTOMERS

Mr. Goldsmith, meanwhile, estimates that an average monthly residential electric bill should show a $2 to $3 drop wherever an electric utility can, after switchovers, generate 20 percent to 30 percent of its power from oil.

For consumers whose utilities are already heavily dependent on oil, the savings could be a lot more. Long Island Lighting Co., for example, expects "really dramatic reductions" in March bills as the utility passes along savings from lower fuel oil prices.

Savings should also accrue to customers of electric utilities whose plants are powered by gas where those utilities and their gas suppliers decide to meet the fuel oil price challenge. For instance, Southern California Gas Co., a unit of Pacific Lighting Corp., has cut the price it charges electric utilities by 25 percent in the last two months. Yet despite that 25 percent reduction, Southern California Gas acknowledges having lost about 10 percent of its utility and industrial customers to oil, so the company is considering an additional 20 percent rate reduction.

For smaller gas customers, however, rates could go up as gas utilities try to recoup the erosion of industrial revenues. "It's not beyond the realm of possibility," says John Sproul, executive vice president fuels and gas resources development at Pacific Gas & Electric Co.

Pacific Lighting's Southern California Gas unit, for instance, is proposing to chop the price it sells gas to utilities by 60 percent. The company says that the profit it can't recoup by lower prices from its suppliers must come from higher residential and commercial bills. It says it is studying the possibility of filing a residential rate increase request.

Meanwhile, industry experts say that increased fuel oil consumption is yet another sign that the U.S. may soon become more dependent on imported oil. Currently, for example, gasoline consumption is forecast to rise modestly during the spring and summer, while domestic crude oil production is expected to fall sharply.

While most energy experts say a switch back to gas from oil could happen quickly, Tenneco's Mr. Ketelsen says that, in his opinion, Saudi Arabia still basically controls world oil prices, and that so long as Saudi production holds at about 4.5 million barrels a day, the price of oil is likely to stabilize at $10 to $12 a barrel. Industrial users aren't likely to switch back to gas if oil prices remain below $18 a barrel, Mr. Ketelsen says.

[From the New York Times, Mar. 13, 1986]

DROP IN OIL PRICES IS RAISING FEARS OF NEW U.S. RELIANCE ON IMPORTS

(By Robert D. Hershey Jr.)

WASHINGTON, March 12.—Tumbling oil prices, which have made economists euphoric and brought glee to investors and motorists, are also raising fears that the nation may again allow itself to become dangerously dependent on foreign supplies.

Some analysts maintain that low prices will cause a sharp falloff in American production and a rise in consumption, a combination that could double reliance on imports by 1990 and risk a renewal of the disruptions of the 1970's.

"The United States is now in the process of creating a substantially increased oil dependency for the 1990's," James R. Schlesinger, a former Defense and Energy Secretary, said. "We are sowing the seeds of the next oil crisis." Mr. Schlesinger is to testify in the Senate Friday on the oil outlook.

DANGER OF 'COMPLACENCY'

His fear is shared by many, including oil industry executives, some politicians and outside analysts, such as Charles K. Ebinger of Georgetown University's Center for Strategic and International Studies.

"I'm worried about what's happening," Mr. Ebinger said. "There is a danger we will lull ourselves into complacency."

This winter's price collapse has already taken a toll on the nation's current and future oil production. Several large companies have announced cutbacks totaling more than $1 billion in their budgets for exploration, the number of drilling rigs in operation has fallen 40 percent below the 1985 level and hundreds of additional low-volume "stripper" wells have been plugged. The rig count is 75 percent below the peak in 1981.

The initial effects on consumption are not yet clear, but use of refined oil products last month was about 1 percent higher than in February 1985. Use is certain to rise further in light of price cuts that have dragged the pump price of regular gasoline below 90 cents a gallon at many stations in Los Angeles and below 80 cents in Denver.

Some utilities, moreover, are said to be considering shutting coal-fired electric generating plants and replacing this capacity with mothballed oil-fired plants. Even if disinclined to switch, specialists say, some companies could be forced to do so under state laws requiring that power be generated in the least expensive way.

So far, the Reagan Administration has stressed only the undoubted benefits of lower oil prices, particularly the spur to economic growth and the dampening of inflation. It has also noted that the nation's Strategic Petroleum Reserve will soon contain 500 million barrels of crude oil, enough to replace all imports for about four months at current consumption rates.

But a large number of analysts point to what they say is the danger that the United States will again make itself vulnerable to a supply disruption such as the Arab embargo of 1973-74, in which a shortfall of only 5 percent brought nightmarish gasoline lines and other forms of rationing.

"I'm not predicting that third world countries will be holding us up again, but the possibility exists," declared Alan R. Buckwalter, a senior vice president of Chemical Bank and head of its worldwide energy group.

Some analysts take comfort in the realization that the United States has not only cut its dependence on imports to just under 30 percent, from the 1977 peak of 46 percent, but has also shifted the source of the bulk of the imports to countries in the Western Hemisphere.

Oil obtained from Arab members of the Organization of Petroleum Exporting Countries has plummeted to about half a million barrels a day, 85 percent less than a decade ago.

Nonetheless, nations of the politically unstable Middle East still hold 75 percent of the world's total reserves. Moreover, nearly all of the non-Arab suppliers are already producing oil at close to their maximum levels, leaving the Middle East as the only important source of additional imports.¡

The biggest American suppliers in December, the latest month for which data are available, were Canada, Mexico, Saudi Arabia, Venezuela and Nigeria, according to Platt's Oilgram News. Saudi Arabia, once the perennial No. 1, dropped out of the top 10 for half of 1985 but has climbed back almost to second place.

"You can be sure that insulation won't be taken out, new more energy-efficient equipment won't be replaced and the mileage per gallon on all the new cars will still be greater than that of the old cars," he added.

Nonetheless, most experts expect consumption to rise somewhat, particularly if, as expected, the price declines cause the economy to expand more rapidly.

Although several proposals, all involving the Government, have been advanced to reduce the risk of renewed vulnerability in oil, most have slim chances of adoption. President Reagan, after ruling out an import fee on oil and then expressing his willingness to reconsider, now says he cannot accept such a fee.

A gasoline tax imposed at the pump, on the other hand, would be fought by Western states, where driving distances are great and, in any event, would probably have little near-term effect on consumption.

Although the Reagan Administration proposes for budgetary reasons to stop filling the Strategic Petroleum Reserve, there are indications that the Government may be persuaded to add to this stockpile. The main impetus could be desire to aid Mexico, a major casualty of the price fall and a country with nearly $100 billion of foreign debt.

A production drop in the United States—and some analysts are predicting that current prices will cut output by one million barrels a day, or 11 percent, within a year—probably means a comparable rise in demand for OPEC's oil. Increases in consumption would make the gap even larger.

"You're strengthening the position of the countries that have most of the world's reserves—and that's OPEC," asserted Leonard G. Bower, director of policy analysis for the American Petroleum Institute, a trade association.

And with the price declines, Mr. Bower added, "you have to say that as early as 1990" the United States could make itself susceptible again to OPEC's pricing pressures.

Oil prices on trading markets have begun to rise in recent days, but many analysts expect the price of oil to remain depressed for at least a year or two. As a result, United States production has already begun to fall as marginally economic wells, particularly "stripper" wells producing fewer than 10 barrels a day, are abandoned. The returns do not justify the labor costs, taxes and royalty payments incurred for such small wells.

The Interstate Oil Compact Commission estimates that oil at $15 a barrel will cause

22.5 percent of the 450,000 American strippers to be abandoned with a loss of output in the first year of 280,000 barrels a day—3 percent of the nation's production.

"Once plugged and abandoned, these wells will not be redrilled," said W. Timothy Dowd, executive director of the commission."

Earlier price declines were probably the most important factor in causing the United States to retreat from its once ambitious attempt to establish a synthetic fuels industry. The five-year-old Synthetic Fuels Corporation, chartered by the Government to spur the development of alternative fuels, is to formally disappear next month.

There is considerable debate over what effect lower prices will have on consumption. Motorists may buy more big cars, for example, but many analysts remain fairly optimistic that the "conservation ethic" of the last decade will not be lost.

"To be sure, there will be some setting of thermostats higher, some expansion in the market for larger cars and some increase in miles driven per vehicle, but this will be more than offset by the conservation in place," Bruce C. Netschert of National Economic Research Associates, a consulting firm, told Congress last week.

[From the Wall Street Journal, Mar. 5, 1986]

U.S. OIL OUTPUT DECLINE IS SEEN FOR 1986 AS COLLAPSE IN PRICES BATTERS PRODUCERS

(By James Tanner)

U.S oil production, drubbed by falling prices, is expected to decline this year for the first time since 1981, portending a greater dependence on imported oil.

The impact of U.S. production cuts is hardly noticeable at the moment and is partly obscured by seasonal and possibly statistical factors. But U.S. oil producers are beginning to close smaller-volume wells. And current total crude oil output in the U.S., at slightly under nine million barrels a day, is down some 30,000 barrels a day in the past three weeks.

The free-fall in the price of oil since January is to blame. Oil producers, industry executives and analysts agree that the U.S. production decline will accelerate in the months ahead unless oil prices rebound sharply, which isn't expected. Currently, posted prices paid to U.S. oil producers by refiners range between $14 and $21 a barrel. The average is $17 to $18 a barrel—down from $20 only two weeks ago—and is dropping at a rate of about $1 a week.

Yesterday, crude oil futures dipped below $12 a barrel on the New York Mercantile Exchange. On the spot market, prices for West Texas Intermediate, a key U.S. crude, fell 25 cents a barrel to $12.

Because of that price climate, said Lloyd Unsell, president of the Independent Petroleum Association of America, "We will see a marked decline in production by the U.S. oil industry in six months." Some estimates put the decline in a year's time at more than one million barrels a day, or 12% of current production.

LONG-RANGE IMPLICATIONS

This holds long-range implications for the U.S. Oil imports—currently about five million barrels a day and a major factor in the nation's trade deficit—will increase even if petroleum demand remains sluggish. But oil consumption, currently around 16 million barrels a day, is also expected to increase as prices come down. In some areas of the U.S., residual fuel oil already is beginning to recapture some industrial customers that had been lost to natural gas.

Oil prices could begin going up again soon, of course. But some industry observers suggest prices may fall below $10 a barrel before recovering. Even at current prices, companies are sharply cutting exploration budgets.

For example, Texaco Inc. said Monday that declining oil revenue will force it to slash this year's capital spending almost 11%, or $300 million. Texaco said it expects to make further cuts at a later date. Conoco Inc. is reducing planned 1986 spending for oil and gas exploration and production by $300 million. Cuts of 20% to 30% or more in capital and exploration spending have already been made by Atlantic Richfield Co., Phillips Petroleum Co., Amoco Corp. and Unocal Corp. These cuts will have more of an impact on future than on current production.

DRILLING CUTBACKS

Meanwhile, U.S. drilling rig activity, according to the Hughes Tool Co. weekly count, is down to 1,248 active units from 1,915 at the start of the year. The latest figure is the lowest U.S. rig activity level since September 1983.

Leonard Moore, an oil driller of Evansville, Ind., said he doesn't plan to use any drilling rigs this year. "We have everything on hold," said Mr. Moore, who drilled 25 wells last year. He is still pumping all 200 wells he operates in Illinois, Indiana and Kentucky. But at the new price of $15 a barrel posted yesterday for his crude, down from $19, Mr. Moore said he expects "to lose about 25% of the wells" in four to six months.

In Jackson, Miss., Wyatt E. Craft said he ceased pumping two of his 18 wells when the price he receives for the oil dropped to $13.45 a barrel the other day. Four more will be closed, he said, "if the price doesn't stabilize at $15." An oil man for 30 years, Mr. Craft said his income is down 75% since the start of the year and "I am looking for another business to get into."

So-called independent operators aren't the only ones reducing production because of the oil price crash. Phillips Petroleum Co. has had a policy for a month that any of its wells in the Permian Basin of West Texas producing two barrels a day or less will be closed when maintenance becomes necessary. Since the policy went into effect a month ago, Phillips has closed 35 wells.

[From Business Week, Feb. 10, 1986]

CASUALTIES START TO PILE UP IN THE OIL PATCH

James M. Nicklos heaves a sigh: "I thought someday my 11-year-old son would be in business with me. Now he talks about being a doctor." In the oil-boom years of the late 1970s, the Houston family rigs each earned as much as $12,000 a day. But by last fall only three rigs were operating—and at just $4,000 a day. Some $45 milion in debt and weary of battling the banks for the last three years, Nicklos finally pulled the plug on the company his grandfather founded 51 years ago. He filed for bankruptcy and in December sold his remaining reserves to Entex Inc., the big Houston gas utility, for about $7.5 million.

Nicklos Oil & Gas Co. is not the first casualty in the oil patch—nor will it be the last. The rest of the world may be cheering, but the recent break in oil prices is reverberating like a death rattle throughout major segments of the industry. The price drop has demolished the economics of new drilling and hastened the dismantling of an elaborate energy-finding industry hurriedly assembled in the 1970s—and leveraged to the hilt. As far as most oilmen are concerned, all this will mean a replay of the 1970s oil shock sometime in the 1990s.

Already, one of the premiere oil-field service giants has fallen. Global Marine Inc., which borrowed heavily at the peak of the market to expand its offshore drilling fleet, filed for Chapter 11 on Jan. 27. "We stayed alive 'til '85," quipped its ashen-faced chairman, C. Russell Luigs, when he made the announcement. "But now it's 1986." The company, which owns the nation's largest fleet of deep-water rigs, had a 1985 loss of $220 million and was carrying $1.1 billion in long-term debt.

MASSIVE CLOUT

For the major oil companies, the price drop will be painful but not fatal. Salomon Bros. analyst Paul D. Mlotok figures a decline from $25 to $20 per bbl. means a 30% earnings dip on average for the six largest international oil companies. The earnings drop will be much greater for such debt-heavy majors as Phillips, Texaco, and Unocal. But their still-sizable cash flows, sales of some remaining assets, and cuts in exploration spending could protect even their dividends.

On the plus side, "downstream" profits in refining and marketing should improve. Most refining analysts expect the prices of gasoline, fuel oil, and other refined products to drop much more slowly than crude costs because of massive refinery cutbacks in recent years and a general shortage of capacity for high-octane unleaded gas. That would benefit the majors most, since they are all net buyers of imported crude.

The consolidation of the U.S. oil industry that began in the 1980s will continue, as the majors use their massive financial clout to pick up bargain-price reserves from debt-strapped independents. Last year, Exxon, Shell, and Amoco each bought some $600 million worth of existing U.S. oil and gas reserves, and analyst Thomas A. Petrie of First Boston Corp. expects their buying to reach $1 billion this year. Houston investment banker William E. Strevig says that in the fourth quarter, reserve sales hit a record $4 billion—despite a steady fall in the acquisition price of oil in the ground to about $6 a bbl. from a 1982 peak of $12. As bank lenders tighten the screws on insolvent independents, more—and better—properties are coming on the market, says Strevig.

All this could well accelerate a trend that began in 1984 when the 10 largest companies increased their share of U.S. oil and gas reserves for the first time in a decade. By the end of last year these companies had 50% of domestic reserves, up from just 43% in 1983.

As the big get bigger, of course, the small will disappear. David W. Wilson, president of the Independent Petroleum Association of Mountain States, which represents 1,500 independent drillers, says the industry could undergo a washout like that of the 1960s—when half the independents were wiped out. Already, they're bracing for the worst. "Many of them won't even answer the phone," says Wilson. "They're afraid it's their bankers." Jaye F. Dyer, president of Minneapolis-based Dyco Petroleum Corp., seconds that view. "It's grim," he moans. "People are giving up." Dyco, which recently merged with Diversified Energies Inc., has cut its exploration and begun buying ex-

isting reserves. Last year it bought the producing properties of Bracken Exploration Co., which sold off nearly everything to pay its debt. "There wasn't enough left to have a decent party," says Dyer, who picked up 10 free drilling rigs in the deal.

All this is bad news for local banks, which are already hurting from lower real estate values—partly caused by falling oil prices—and shaky agricultural loans. "For Texas banks, it will take a minimum of two to three years to work out of these problems," says James J. McDermott of bank analysts Keefe, Bruyette & Woods Inc. BancTexas Group, for one, has hired an investment banker and is looking for buyers. But, says Frank W. Anderson, as analyst at Weber, Hall, Sale & Associates in Dallas, "I don't see any evidence of bank failures."

WIPED OUT

But the decimation in the oil patch even extends to debt-free independents. Sunny South Oil & Gas Inc. in Houston, for example, is cashing out. It once had 100 employees and $120 million a year in revenues. But Sunny sold its reserves last year and is liquidating. Rather than drill marginally profitable wells, its owners are putting their money into Treasury bills. "In this business, you're a dead duck unless you keep drilling," says Executive Vice-President John O. Kiser.

For many independnets, it is too late to cash out. The latest price drop has wiped out much of the value remaining in some properties—particularly so-called stripper wells. About one-eighth of the nation's nearly 9 million bbl. of daily crude production comes from these pump-driven wells that average just 3 to 4 bbl. a day. If world prices continue to fall into the teens, the operating costs of many of these wells will exceed revenues. Steven M. Cantrell, a third-generation independent in Ada, Okla., says that even at $20 a bbl., "I will lose about a third of my production."

The lost cash flow means less money available to look for new oil. If prices drop to $15, "most independents won't survive," says Abe Phillips, president of Coors Energy Co., a subsidiary of Adolph Coors Co. "Drilling would just dry up" in the Rocky Mountains, where the climate is rugged, the geology tough, and the discoveries small.

IN LIMBO

Meanwhile, the price of natural gas—the main source of income for most independents—is dropping below the finding costs of even the most efficient U.S. explorers. In some cases, spot-market gas prices have dipped to $1.25 per Mcf as pipelines scramble to keep their delivered costs competitive with residual oil—an alternative boiler fuel that Northern industries and utilities can easily switch to when it becomes economical. As the pipelines that supply them cancel more and more high-priced contracts with producers, that gas will be feed up, adding to the already glutted spot market. If the trend continues, the already capitalized finding costs of many exploration companies will exceed the market value of their reserves, forcing companies to write off billions of dollars from their balance sheets.

Even major oil companies with ample cash flow have slammed on the brakes. Altantic Richfield Co. just announced it plans to sell off some of its oil properties and eliminate 2,000 jobs. Others are on hold. "Our budget is in limbo," says Larry W. Funkhouser, exploration vice-president with Chevron Corp. "I've told my people, 'If you don't need to do it, wait.'" Funkhouser expects the industry, which in recent years has spent some $6 billion to lease offshore drilling tracts from the federal government, to let large numbers of those leases expire undrilled over the next two years.

This new doubt about frontier exploration makes it all the more difficult for the support companies, such as Global Marine, to survive. "Service companies will be dropping like flies," declares Robert L. Parker Sr., chairman of Parker Drilling Co. in Tulsa. This hard-pressed company, which recently renegotiated $183 million in debt, now has work for just 40% of its rigs. It currently has 2,700 employes vs. a peak of 6,000 in 1981. At Baker International Corp., in Orange, Calif., President James D. Woods says that late last year, in anticipation of further oil-price declines, his company laid off 500 of its more than 20,000 employees and began planning layoffs and plant consolidation for 1986. Now, he says, "we may have to consider an acceleration of the closedowns of some plant and field locations." At Western Co. of North America, another debt-laden and loss-plagued offshore driller, Chairman H.E. Chiles says glumly: "We could last another year or two."

In an effort to hang on, many of the larger oil-field service companies, such as Oceaneering International Inc. and Weatherford International Inc., are moving operations and even corporate staff to overseas areas where drilling is still active. That way costs can be charged against foreign profits. Others are desperately seeking joint ventures—even with archrivals—to further pare overhead costs (BW—Nov. 4).

But for many companies, no amount of retrenchment will do the trick. Somehow, the industry must service the massive debt in took on to fund its breakneck buildup in the 1970s and its acquisition binge in the early 1980s. "I think the banks are in a lot more trouble than is acknowledged," says W.H. Helmerich III, president of debt-free land driller Helmerich & Payne Inc. Mere liquidation is no answer, he notes, because there is absolutely no market for drilling rigs—even at 10¢ on the dollar. "I had one operator offer me seven rigs—five of them working—for $2.75 million. He had paid $33 million for them."

PAINFUL CURE

The solution, Helmerich and others say, is inescapable: Scrap vast amounts of relatively new equipment and let companies die. Coming on top of the consolidation that has already taken place, that will be painful indeed. Employment in oil-field equipment manufacturing has shrunk by 60% from its 1981 high. The *Oil and Gas Journal's* tally of the industry's 400 largest companies now includes players with less than $300,000 in assets—one-tenth the size of the 1983 minimum. Enrollment in the petroleum engineering program at Texas A&M University has plummeted to 678, from 1,750 in 1982. By 1990, A&M will be turning out only 50 to 75 graduates, predicts Professor W. Douglas Von Gonten.

So, as consumers root for cheaper oil, the oil and gas industry slips into a tailspin. But with no end to the glut in sight, no one can say for sure when—or even if—this downward spiral will lead to another national energy squeeze.

[From the Washington Post, Feb. 12, 1986]

DOMESTIC PETROLEUM INDUSTRY UNDERGOING MAJOR RESTRUCTURING

(By Peter Behr)

The cargoes of low-priced oil streaming out of the Persian Gulf are fundamentally changing the structure of the U.S. oil industry, strengthening the largest, strongest companies at the expense of the smaller or weaker, according to industry officials and securities analysts.

"The big, strong companies are coming out fine," said Ted Eck, chief economist for Amoco Inc. The fourth-largest international oil company, Amoco is one of three companies that would prosper most during an extended period of lower oil prices, industry analysts say. The others are Exxon Corp. and the Royal Dutch/Shell Group.

"These are the preeminent companies in the industry. If anything, they should widen that lead over the next five years," said Barry Good, an oil analyst with Morgan Stanley & Co. Inc. "Nobody else is quite in that position."

"The industry is going through some restructuring in a dramatic way," said C.J. (Pete) Silas, chairman and chief executive officer of Phillips Petroleum Co.

The severity of that restructuring will depend upon where oil prices bottom out this year and how soon they head upward again. Each dollar that crude oil falls drives a wedge deeper between the haves and have-nots in the industry.

Since November, crude-oil prices have plummeted, with "spot," or cash, prices falling at times below $16 a barrel. Average U.S. prices—including long-term contracts—have declined one-third, to about $22 a barrel, and further cuts of $1 to $2 in contract prices were announced yesterday.

The decline puts a tourniquet around the cash flowing into the oil companies, and at the same time it slashes the value of their inventories of crude oil and refined petroleum products.

In greatest jeopardy are the several thousand independent oil drilling companies and small oil producers, many of them already struggling with heavy debts. The Chapter 11 bankruptcy petition filed last month by Global Marine Inc., a Houston offshore oil driller, will be repeated many times, the energy industry acknowledges.

As those assets are put up for sale, the U.S. oil business will become a bargain basement for those companies with enough cash to buy out their failing competitors, said Paul Mlotok, an analyst with Salomon Brothers Inc. The bidding for those assets will further separate the strong from the weak.

"You'll find that companies that are cash-rich can buy properties at fire-sale prices—entire independent companies, or prices of the majors that are sold off to weather the storm," Mlotok said. The cash-rich companies' "time horizon is the 1990s, and they'll move into that decade in a stronger position."

But only the oil companies with light debt loads and ample cash will be able to take full advantage of the bargains, he added.

Half of the six international oil companies—Mobil Corp., Chevron Corp. and Texaco Inc.—still are channeling vast amounts of cash into reducing the billions of dollars in debt they took on earlier in the 1980s to buy other oil companies. Texaco also is fighting an $11.1 billion judgment imposed by a Texas court in its legal battle with Pennzoil Co.

"Chevron and Mobil survive quite handily at $20 a barrel [for crude oil]." Mlotok said. "But they don't have the free cash to buy the firesale assets."

Other industry observers, such as John Lichtblau, president of Petroleum Industry Research Associates, believe the gap between the stronger and weaker of the big oil majors may not be so pronounced. "Mobil and Chevron are not exactly helpless," Lichtblau said. "If they see attractive buys, they will find a way to get them." That doesn't seem to be the prevalent view, however.

"There will be some great opportunities that open up [because] companies [that] are financially strapped will have to forsake leases or sell assets at low prices," said Frederick P. Leuffer, an analyst with C.J. Lawrence Inc. "The stronger companies will be in a position to take advantage of that and will emerge on a relative basis much stronger than before." Heading the list of haves are Exxon, Royal Dutch/Shell and moco, Leuffer agreed.

"The strong get stronger and the weak get weaker, probably," said Sanford Margoshes, and industry analyst with Shearson Lehman Brothers Inc.

The "walking wounded" are headed by Phillips Petroleum Co., Texaco and Unocal Corp., whose debt loads are heaviest, Leuffer said.

Phillips' debt, for example, is monumental. To fend off takeover attempts led my Mesa Petroleum Co. Chairman Chairman T. Boone Pickens Jr. and New York financier Carl Icahn, Phillips brought back about half its stock last year, tripling its debt from $2 billion to more than $6 billion.

Its strategy since then has been to pare operations back so that it can defend profitable niches in its strongest markets. "Where you're strong, you're going to protect your market share, and where you're not, you're going to get out," Phillips' Silas said

"We're not anxious to have [the oil price] drop like it's dropping, but we feel we can meet our commitments," Silas said.

But Phillips and most of the industry face a painful dilemma on how to finance the search for oil—a search that can't be abandoned for long even though prices are falling, Margoshes said. "In the oil business, you must run fast to stand still because it's a rapidly depleting resource," he asserted.

The fall in oil prices means that many companies will be lucky simply to stand still, Amoco's Eck predicted. The sudden plunge in oil prices since November has caused an abrupt change of view within the financial community about investing in energy, accentuating the gap between the haves and have-nots, Eck said.

Companies with heavy debt loads and strained cash flows will be hard pressed from now on to raise capital from financial markets for additional exploration and production efforts. Investors—now on edge because of the fall in prices—will regard these companies as much riskier investments than before, boosting the cost of capital if those companies try to issue new stock or debt securities, he said.

"I think the shock is so serious that those companies dependent upon external capital won't be able to get it . . .," Eck said. For marginal companies, capital may not be available on any terms.

Phillips' dilemma is an example, Leuffer said. "If we end up with oil prices in the high teens, [Phillips] either cuts their spending to continue to pay a dividend . . . or they cut their dividend," and see their stock price slammed even harder, he said. If they don't add to their oil reserves, they are robbing their future, he said.

Many smaller or weaker companies will have no choice but to do just that.

There are some 8,500 small "stripper" wells in Texas, producing less than 10 barrels a day of crude oil, noted William Fisher, director of the Bureau of Economic Geology at the University of Texas at Austin. He estimated that one-quarter of those wells will be plugged if oil prices fall below $20 a barrel and remain there. "When the value of that oil falls below the lifting cost, the well gets plugged and abandoned," Fisher said.

The result is likely to be a more concentrated industry with fewer competitors at each level—production, refining and marketing.

"You might see the majors achieve much more importance than they've had. Whether or not that's bad remains to be seen," said Joseph Egan, an analyst with Wood, Mackenzie & Co. Inc. in New Orleans. "Usually, when things turn around in the industry, you see a lot of independents spring up, as money from outside [the industry] becomes available."

While the strength of the major oil companies seems certain to grow, they will have to contend with new strategies on the part of the producing nations, who have begun investing in U.S. and European refineries to gain a guaranteed outlet for their crude oil.

The upheaval, after all, is not just in this country, Margoshes said. "You have a restructuring on a global basis."

Mr. BYRD. Mr. President, I yield the floor.

SENATOR HAWKINS' SPECIAL ORDER

The PRESIDING OFFICER. Under the previous order, Senator BOSCHWITZ is recognized for the Senator from Florida, Mrs. HAWKINS, for not to exceed 5 minutes.

Mr. BOSCHWITZ. Mr. President, I will make the following statement for Senator HAWKINS, who is absent. As you know, Mr. President, Senator HAWKINS had a most unfortunate accident some time ago while sitting on a stage and that has caused her considerable pain. She has undergone an operation which, hopefully, will end that. She makes statements each day on the floor with respect to narcotics and the control of narcotics and has played a leading part in fighting the entry of narcotics into this country. And so it is with great pleasure that I present this statement in her name this morning. The statement reads as follows:

CUSTOMS COMMISSIONER'S CANDOR ON MEXICO

Mrs. HAWKINS. Mr. President, I would like to call the attention of my colleagues to the candid and important testimony of our distinguished Commissioner of Customs, William Von Raab, before the House Select Committee on Narcotics on March 18, 1986, concerning the alarming lack of cooperation of the Mexican authorities with our narcotics control efforts. This development is particularly alarming, in view of the growing importance of Mexico as a center for transshipment of South American cocaine and marijuana into our country, as a result of the effectiveness of the Florida Task Force. In his testimony, Commissioner Von Raab relates a number of specific examples of sinister developments, such as the following:

"We are beginning to see many of the same warning signs we saw in South Florida now turning up along our 2,000-mile border with Mexico. Late last month, a customs patrol officer was gunned down in Sells, Arizona, by what we believe were members of a Colombian drug smuggling group."

To cite another example:

"We recently had an incident at Naco, Arizona, when a Mexican Customs officer was found to be bringing 150 pounds of marijuana into the United States in the trunk of his car. He assaulted our officer and fled back into Mexico. We kept the car, the marijuana, and his uniform jacket. To date, there has been no action taken against this officer that I am aware of, in spite of our numerous official requests. At their request, we returned his jacket."

Commissioner Von Raab pointed out that Colombian drug smugglers are settling along the border in Mexico with the protection of the local authorities. These Colombians are buying the services of Mexicans as narcotics freight forwarders and security forces. He also reported that the drug smugglers have been building new landing strips in Mexico, less than 100 miles south of our border, along with warehouses to store their transshipments of illicit drugs.

Apart from the Commissioner's testimony, we are also disappointed in the slippage that has occurred in the once highly touted aerial eradication program for marijuana and heroin. While this program was acknowledged as a success story and example to the world several years ago, the Department of State reports.

I need not recount for you the U.S. Government's unhappiness with the lack of full Mexican cooperation in apprehending and bringing to justice the kidnappers and murderers of our Drug Enforcement Agency Officer, Enrique Camarena, in Guadalajara. Suffice it to say that more than 1 year after his murder, the Mexican government has still not prosecuted anyone for this crime. We hear reports that some major suspects, still running free, have been sighted in public in Guadalajara.

Mr. President, we have, over the years, provided over $100 million in narcotics assistance to the government of Mexico. Is it expecting too much to feel deep disappointment with the seeming inability of the Mexican authorities to stem corruption and clean up their act in the battle against drug trafficking on their side of the border? Should we sit idly by if we see drug smugglers provided with safe haven along the Mexican border?

I agree wholeheartedly with our Customs Commissioner, who sees no real possibility of stemming the flood of illegal narcotics coming across our border with Mexico without a significant change in attitude by the Mexican authorities. Unlike many high officials in public life, Commissioner Von Raab has not lost his admirable ability to recognize when it is necessary to cut through the fog of empty rhetoric and tell it like it is. I only wish that some of our other agencies would take a lesson or two from him once in a while.

Mr. BOSCHWITZ. Mr. President, that concludes the statement of Senator HAWKINS. I hope other Members

will read it, and address the problem of narcotics as fearlessly and persistently as she has. Certainly, if we lose control over the border with Mexico in regard to narcotics, the problem that will come to our country will certainly be accentuated.

Mr. President, I yield the floor.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin is recognized for not to exceed 5 minutes.

ARE THE RUSSIANS 10 FEET TALL AND GROWING?

Mr. PROXMIRE. Mr. President, is the Soviet Union building a stronger military force than the United States? The answer is a qualified "No." Certainly the Soviet Union continues to spend a great deal for its military forces. But overall the military strength of the Soviet Union is in the most significant military areas less—I repeat, less—than that of the United States. In some areas Soviet military strength is superior. This is true in total military manpower, the number of tanks, the number of artillery pieces, the number of combat ships, the number of planes, the total megatonnage in the Soviet's nuclear arsenal, the throw-weight of the Soviet nuclear arsenal, the accuracy of the Soviet's nuclear arsenal. Is that not a formidable list of solid military advantages? Indeed it is. How then can I say the Soviet Union does not have a stronger military force than the United States?

Here is why. First, Soviet military shortcomings are far more serious than their advantages. Consider: The Soviet's allies in the Warsaw Pact are much weaker militarily than the American allies in NATO. The United Kingdom is in the process of building a nuclear arsenal that will have a thousand strategic nuclear warheads capable of delivery on Soviet Union targets. France is technically not part of the NATO military alliance but it is firmly associated with NATO in defense against the Soviet Union.

Strictly for the purpose of deterring Soviet attack the French, like the British, are also in the process of building a thousand-warhead nuclear force. Both the United Kingdom and France will deploy their nuclear power primarily in submarines and bombers. Much of this nuclear deterrent will be virtually invulnerable to a Soviet preemptive attack. If only one-tenth of either the United Kingdom or French nuclear deterrent should strike Russian cities, the Soviet Union would be finished as an organized society.

It gets better. The Soviet Union faces on its eastern front a military force that in manpower is far larger than the Soviet forces. This is China. The Soviet Union has no ally that now has or in the foreseeable future will have nuclear capability. In fact its Warsaw Pact allies are a sullen, undependable, resentful combination of countries whose only adherence to the Soviet Union is based on the suppression and force of generally unpopular Communist governments. There are four nuclear powers in the world outside of the Soviet Union. Every one is opposed to the Soviet Union. Each of these nuclear powers has targeted its nuclear arsenal on the Soviets. In a nuclear world, the Soviet Union stands alone.

And that is not all. The Soviet Union is in a deep dilemma. Its economy is only half the size of the American economy. It already pours twice as much of this Soviet economy into its military effort as does the United States. The Soviets do this at a clear economic cost that Gorbachev and his subordinates painfully recognize. Economic and technological strength is the rock bottom basic foundation on which military strength rests. So the Soviets have an extraordinarily difficult choice.

The steel and skilled manpower that goes into building warships, tanks, and artillery pieces is not available for the machine tools, the generators and all the other massive equipment necessary to build a modern industrial capacity. The research scientists that could bring the marvelous efficiency of the latest computers, physical and chemical engineering, robotics and other industrial advantages are diverted to immediate military needs. Every year in which the Soviets persist in pouring a high proportion of their industrial resources into building their military force, they lose in their capacity to build the industrial plant on which future military power must rest.

This dilemma was highlighted in a combined report by the Central Intelligence Agency and the Defense Intelligence Agency to the Joint Economic Committee that has just been declassified and released. That report showed that for the past 8 years the Soviet Union has increased its overall military spending by only about 2 percent per year. This period included the Soviet war in Afghanistan which itself certainly caused significantly increased military spending as did our war in Vietnam some 15 years ago. During this period the two top intelligence agencies of our Government reported that the Soviets increased their procurement by a mere 1 percent.

Let us compare that with what we have done. Meanwhile, American military spending started a sharp increase beginning about 10 years ago. Consider the facts: During the last 10 years while the Soviet military force was plodding along with an annual increase of 2 percent, the United States was increasing its military spending between 1975 and 1985 almost twice as fast—by 3½ percent in real terms; that is, allowing fully for inflation. Then in the past 5 years U.S. military spending really took off. Between 1981 and 1985 the United States increased its military spending overall by a whopping 7.2 percent. In procurement—that is, buying tanks, planes, ships, and missiles—the U.S. pace has been even more dazzling. While the Soviet Union had an increase of 1 percent annual rate since 1975, our country increased its procurement spending by 7.6 percent. From 1981 through 1985, the pace of U.S. military procurement stepped up to an astonishing 13.3 percent annual rate. Keep in mind, the United States did all this while, unlike the Soviet Union, the United States was not engaged in the cost of a significant war.

Finally, Mr. President, we should keep in mind any comparison between the United States and the Soviet Union military force that this country has enormous advantages in the quality of our arms and almost certainly in the quality of training and skill of our military personnel.

The Under Secretary of Defense for Research only a few weeks ago reported to the Congress that the United States leads the Soviet Union in 14 of the 20 most significant areas of military technology. The two superpowers are about even in six. The Soviets lead in exactly none—zero, zip. This technology advantage has been translated into military advantage in the capacity of our air, sea, and land forces.

In combat in the Middle East, Israeli pilots manning United States fighter aircraft have utterly routed opposing forces flying Russian planes. Our submarines are quieter and far less vulnerable than Soviet submarines. They carry more than twice the nuclear weapons power as the Soviet submarines. United States aircraft carrier task forces soon to number 15 overwhelmingly outnumber the 2 or 3 small aircraft carriers in the Soviet fleet. Overall the United States naval firepower enormously exceeds Soviet naval firepower. Our tanks in production or in the field are outnumbered but U.S. tanks are superior in firepower, maneuverability, speed, and command and control.

President Reagan and Secretary Weinberger have frequently criticized the Congress for failing to provide even more funding for the military. The President, trots out the much larger number of Soviet tanks and artillery pieces as the justification. Where are the requests from the President or his Secretary of Defense for funds to match the Soviet in tanks? There are not any. Has the administration asked for more funds to

increase our artillery? No. And they should not. The fact is that in the relevant military force this country already has a decisive and growing advantage over the Soviet Union.

Mr. President, in later speeches, later this month and next month, I am going to go into some detail on the documentation of our superiority over the Soviet Union militarily. I think the Congress should have that in acting on appropriate military appropriations this year.

APRIL FLEECE GOES TO THE FEDERAL HIGHWAY ADMINISTRATION

Mr. PROXMIRE. Mr. President, I awarded my Golden Fleece for the month of April to the Federal Highway Administration [FHA] for hitting the taxpayers with a $21 million toll to pay for unused and unneeded roads and bridges. This waste occurred in only one FHA region so the potential loss in all nine could easily top a whopping $100 million. The FHA has shown that although some sections of the road to hades were paved with good intentions, other wrong turns have been paid for with a different medium—the taxpayers' money.

In one FHA region, covering Missouri, Kansas, Iowa, and Nebraska, departmental auditors found that 15 percent of the highway and bridge projects they analyzed were either unneeded and unused, or else used far below expectations. Some of the unneeded projects had been sitting, lonely and forlorn, for over two decades. The Federal share of the cost of these projects came to $21.4 million.

Here are some examples of road and bridge projects with which the taxpayers were tarred:

The FHA paid $900,000 for a four-lane bridge, which has one little problem. Two years after completion of the bridge, no road led to it or from it. The taxpayers had a dirty trick pulled on them in this bridge game.

The FHA helped pay for 6.5 miles of new roadway because traffic was supposed to nearly double within 20 years. In 1974, an average of 3,410 vehicles per day used the old road. A dozen years later traffic has gone down to a measly 1,600 vehicles per day on the new road, which is less usage than the old road received.

The FHA approved construction of two extra long overpass bridges in anticipation that the road underneath would be widened to four lanes. More than 25 years have passed, but the road underneath is still only two lanes wide. These bridges are overly long and the taxpayers are at least $26,000 short.

When the auditors asked FHA management for a response, those officials offered a litany of excuses. My favorite: "Their designs were consistent with the needs identified by the planning process." Let us all bow down and pay homage to the omnipotent process. In fact, if management's excuses were traffic, then these roads and bridges would be jammed.

This is one interchange between the FHA and the taxpayers where the taxpayers have been sideswiped. FHA deserves a ticket for reckless spending.

THE MYTH OF THE DAY

Mr. PROXMIRE. Mr. President, the myth of the day is that Congress will meet its self-imposed deadline of April 15 to approve a budget. This deadline, set by the Balanced Budget and Emergency Deficit Control Act of 1985, will be shattered and that bodes ill for our attempts to reduce the deficit.

It will be shattered because of politics—pure and simple. The Senate Budget Committee did its duty and reported a budget on March 24, well in advance of its April 1 due date. In fact, the full Senate was scheduled to have acted on this budget before we left for the Easter break.

What happened to that schedule? The Senate leadership decided to delay floor action on the budget, possibly at the urging of the White House. The Senate budget recommends two real "no-nos," higher revenues and reductions for defense. The White House is upset at both recommendations.

This Senate foot dragging means further delays in the House of Representatives, which has refused to start work on its budget until the Senate is finished. The House is fearful of the political consequences of recommending new taxes unless the Republican Senate takes the first step. Thus, in the first test between political reality and Gramm-Rudman, politics won.

It is not going to be any easier to meet other Gramm-Rudman targets, such as the $144 billion limit on the fiscal year 1987 deficit. This is a congressional election year and the stakes—control of the Senate—are breathtaking. Every week that passes brings the election that much closer and increases the odds for bickering and delays.

Congress would be foolish to count on a sequester order—automatic across-the-board cuts—to reduce the deficit. This part of the bill may be ruled unconstitutional. Even if it is not, Congress will debate, modify, or postpone such an order during the month of September. The election will be less than 2 months away. Any sequester order will propose cuts which would decimate the military, and that will bring forth howls from the administration and Congress. Cuts on the domestic side of the budget will be just as painful.

Under those circumstances, the administration and Congress may both blink rather than stare down the deficit. Then a lameduck Congress could deal with the problem.

RECOGNITION OF SENATOR METZENBAUM

The PRESIDING OFFICER. Under the previous order, the Senator from Ohio [Mr. METZENBAUM] is recognized for not to exceed 5 minutes.

THE BUDGET RESOLUTION

Mr. METZENBAUM. Mr. President, on March 19, the Senate Budget Committee passed a budget resolution on a 13 to 9 vote. The package had bipartisan support; seven Republicans and six Democrats.

Now, it is nearly a month later, and that budget resolution has yet to see the Senate floor.

The majority leader has made it clear that the April 15 deadline for passage of the resolution will not be met. This is not the first time the Senate has turned a blind eye to a Gramm-Rudman requirement. It will not be the last.

I understand the majority leader's position. I believe he really wants to get the job done. But the White House does not want the job done and that is the real problem.

But, Mr. President, why the delay? Why has the White House tried to put the Senate's No. 1 priority on the back burner?

Remember the $200 billion deficits? Remember the letter telling the President deficit reduction first, tax reform second? Remember the expressions of urgency from the Senate leadership?

What happened?

The Budget Committee has done its job. We have a bipartisan resolution which meets the Gramm-Rudman targets for the next 3 years without triggering the doomsday sequester.

But why can we not get this package to the Senate floor? Why has the majority party suddenly gone fishing? What are they afraid of? The White House? Is the White House the real concern? I think so.

The White House had its chance to play a constructive, facilitating role in the budget process. But it chose ideology over responsibility.

The White House gave the committee a budget which increased military spending by $93 million a day, while cutting programs for poor children and families by $16 million a day.

They gave us a budget which spent more on increased subsidies for a single water project in Arizona than it did on elderly housing. A budget which spent more on military bands than it did on legal services for the poor.

Parenthetically, I might ask, when is Congress going to wake up and recog-

nize the wastefulness of the approximately $150 million a year we spend on military bands? Some money for military bands, yes. That much money, no.

The President's budget did not even meet the Gramm-Rudman deficit reduction targets, according to the CBO, falling $16 billion short in fiscal year 1987—$60 billion short over the 3-year period of the resolution.

The President said "Here's my budget. Take it or leave it."

The committee vote was 16 to 6 against the President's budget.

Mr. President, the committee went on to pass a resolution more in line with the priorities of the American people. It is not perfect. I do not think it is a great budget. But it does the job.

Make no bones about it. There are, of course, a number of provisions with which I do not agree. The cuts in Medicaid, low income energy assistance, subsidized housing, the elimination of the WIN Program. These, to me, do not make sense. I will do what I can to address these issues if the resolution ever comes to the floor.

But, Mr. President, I voted for the resolution in committee for one simple reason. It was the responsible thing to do.

Simply put, the price of doing nothing is too high a price to pay.

The Gramm-Rudman sequester for fiscal year 1986 was simply the hors d'oeuvre. This year we get the main course.

If a budget resolution, meeting the Gramm-Rudman targets, is not implemented, the Gramm-Rudman doomsday machine is triggered.

It will chop over $25 billion in budget authority from this Nation's social programs. The budget for national defense will not fare any better. The CBO estimates that such a sequester would require cuts of at least $50 billion in budget authority from the President's defense budget.

A national defense sequester of this size would require drastic reductions. Hundreds of thousands of active duty personnel would be discharged. Readiness would be devastated.

The sequester would wreak havoc on critical domestic programs with drastic cuts in cancer research, the FBI, air traffic control, drug enforcement, and home heating assistance for the poor and elderly.

When Gramm-Rudman cuts, it does so mindlessly, mechanistically, with no thought given to national priorities. Everyone, including the President of the United States, knows that it would be irresponsible in the extreme to allow the Gramm-Rudman "doomsday machine" to be triggered in October.

That is why it is so important to start to work on the budget. We have 50 hours in which we can discuss it, amend it, and work with it. Yet, where is the budget? It is not on the floor. Why does not the President want us to move this package forward to the Senate floor where it can be amended and finally passed? Why should we delay? Why should we flirt with disaster?

Again, I do not claim that the budget resolution passed in committee is a perfect package. But it gives the Senate a rational alternative to Gramm-Rudman as well as a road map for the committees as they get down to work on the various money bills and authorization bills in the Senate.

Mr. President, the budget resolution contains $14.5 billion in cuts in nondefense spending in fiscal year 1987, $62.3 billion over the 3 years. For defense, $295 billion in budget authority in fiscal year 1987, nearly $1 trillion over the 3 years.

While the President's budget contained $22 billion in revenues over the 3 years, the budget resolution contains $74 billion in new revenues over the same period.

There are some who claim that this resolution contains an increase in individual income taxes, but let me quote from the committee report:

> The committee assumes that revenue increases can come from such measures as improved compliance of existing tax laws, tax amnesty, excise taxes, closing of tax loopholes, and a slowing of the growth in tax expenditures, and other efforts. The committee specifically rejected any increase in individual income tax rates.

Mr. President, I strongly believe that the revenues designated in the committee budget resolution can be raised by closing corporate and individual tax loopholes.

From 1981 to 1984, 10 of America's biggest and most profitable corporations earned over $25 billion in profits, and received a total of over $1.4 billion in tax rebates. Their tax rate was a minus 5.7 percent.

What an absurd national tax policy.

During the 1981–84 period banks earned profits of $4.8 billion but collected rebates of $139 million. That means banks, who are always first in line to tell us about our obligation to balance the budget, paid an effective tax rate of negative 2.9 percent.

Citicorp, the Nation's largest bank, paid more in taxes in 1984 to foreign governments—$540 million—than it did to the U.S. Government—as a matter of fact, almost 20 times as much, having paid the United States $28 million, as compared to the $540 million paid overseas.

E.F. Hutton, in 1984 earned $20.9 million but collected $66.8 million in tax refunds. It should be noted that it did better business with the U.S. Treasury than it did with its clients.

W.R. Grace & Co., the Nation's cheerleader for self-sacrifice as long as it is somebody else whose ox is gored—headed up by that great humanitarian, Peter Grace, who is so concerned about congressional responsibility but somehow overlooks the matter of corporate responsibility and not once in all of the Grace Commission report has he addressed himself to the fact that corporations do not pay a fair share of the tax burden in this country. Mr. Peter Grace is remiss in his responsibility to the American people when he runs around the country and goes on TV shows attacking Congress and attacks those of us who are attempting to do something about balancing the budget. Never does Mr. Grace mention corporate responsibility.

That is understandable, because W.R. Grace & Co. earned $803 million between 1981 and 1984. On that $803 million, it paid only $1.6 million in Federal taxes, a tax rate of 0.2 percent—0.2 percent.

Mr. Grace, we in Congress think that you ought to do for the U.S. Treasury what you are trying to do with respect to cutting spending. You ought to be concerned about the revenue side as well, the failure of your company and so many other major American corporations in this country to carry a fair share of the tax burden.

Mr. Grace loves to travel around the country and make bombastic speeches on congressional responsibility. But when it comes to corporate welfare from the Federal Government, W.R. Grace & Co. is one of the first in line to feed at the public trough. Cut those food stamps, says Mr. Grace; just do not touch my corporate tax subsidies.

Mr. President, it is time the Senate took up the business of the budget.

We have all the time in the world to discuss the balanced budget amendment because a balanced budget amendment sounds good but it does not cut anything. It does not reduce the deficit.

We who opposed that constitutional amendment said it was time for us to stand on the floor of the U.S. Senate and bite the bullet and stand up and be counted with respect to programs and revenues as well. Now is the time to do it. Let us bring the budget resolution to the floor. We have a budget resolution containing the tough decisions which have to be made to reduce the deficit and the White House does nothing. The majority party cannot run away fast enough.

We have a bipartisan resolution which was hammered out over lengthy negotiations between the chairman, Mr. DOMENICI, and the ranking member, Mr. CHILES. I am sure the chairman is particularly eager to get to work. I share his frustration over having this critical issue put off. So let us get going. Let us end the delays. Let us understand that the Congress and the White House have an obligation.

But let us also remember, this is a congressional budget resolution. If the President does not like it, that is his problem. That is too bad.

But all he keeps saying is "make my day." Hopefully, he will soon realize that the responsible thing to do is stop daring Congress and start dealing with Congress to produce a budget—in the best interest of this Nation.

My fear is this delay brings the disastrous sequester closer and closer. Let us not play a game of budget chicken, waiting until the very last minute to see who blinks first.

Let us get the bipartisan budget resolution—passed by the Republican-controlled Senate Budget Committee—on the floor. Let us begin our work.

Mr. President, the alternative—triggering the Gramm-Rudman doomsday machine—is simply too awful to contemplate.

I yield the floor.

RECOGNITION OF SENATOR RIEGLE

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Michigan is recognized for not to exceed 5 minutes.

Mr. RIEGLE. I thank the Chair.

THE NEED TO CONSIDER THE BUDGET RESOLUTION

Mr. RIEGLE. Mr. President, I rise to discuss the grave matter of the budget problem we face and the fact that we are failing to move on it on a timely basis here, on the Senate floor. Three weeks ago, the Senate Budget Committee, after weeks of hearings and markup sessions and very tough negotiations, reported a concurrent resolution on the budget for fiscal year 1987. I think we ought to be calling that up on the floor today because further delay in acting on the budget can only hurt the budget process and our Nation's economy.

Those who are taking a look at the budget package produced by the Senate Budget Committee should understand that a majority of the Members of both parties got together to produce that document. It was under the leadership of Senator DOMENICI and Senator CHILES on the minority side working together that I, with other active participants, worked together to create a compromise that enabled us to meet the legally mandated Gramm-Rudman deficit reduction targets—not only the $144 billion deficit reduction target for fiscal 1987 but the lower figures in the 2 years to follow that. So the budget we have produced, looking forward out through the 3-year period, meets the legal requirements of Gramm-Rudman. The problem is that another aspect of the Gramm-Rudman law mandates, that on April 15, Congress must have passed its budget resolution. Unless we bring it up now, there is no way that we are going to have time to get it done by the date that the law requires.

When we were in here debating Gramm-Rudman several months ago, one of the great issues that was raised was whether or not we were serious about meeting these deadlines we were establishing as a matter of law. So I hope that the majority leader will decide to bring this issue to the floor now.

I know the chairman of the Senate Budget Committee, Mr. DOMENICI has asked that that be done. There really is no good purpose served by delay. In the end, the Senate will have to act and decide in its wisdom what it wants to do on a budget. Certainly no budget will emerge from the Senate that does not have at least 51 votes. But we ought to get started with the debate. We ought to act on a timely basis so we meet the April 15 deadline and so we do not just start sliding over these deadlines one after the other.

Some people have been saying—and it has been reported in the press—that the deficit problem is somehow magically going away on its own. That is not the case at all. I want to share with my colleagues some information now that we are 5 months into this fiscal year.

In the first 5 months of fiscal year 1985, last year, our deficit was $99.5 billion, and that eventually reached a total of $202.8 billion—in other words, the $200 billion-plus deficits that all of us were worried about.

But this year, through the first 5 months, the problem is even worse. Our deficit is running at a total of $107.7 billion, or a figure of $7 billion plus higher than was the case in the prior year.

So there is not anything to this notion that deficits are somehow magically disappearing. As a matter of fact, they are continuing, and through the first 5 months of this fiscal year they are actually running at a higher rate than last year.

So we face the prospect of failing to meet the Gramm-Rudman legally mandated targets on deficits by several tens of billions of dollars if we stay on the present course.

I just do not think we can do that. I do not think it is responsible. I do not think it is right. Unless we act now, we are not going to have a balanced package that meets those deficit reduction targets.

Certainly, in terms of the Senate Budget Committee resolution, there were parts of it I did not like. Parts of it I would like to see changed. But I have to stand here today and say that in terms of the package as a whole, I support it, even though some programs that are damaged beyond what I would like to see. I support it because in the overall I think it is balanced. I think it is fair. It basically caps off the sharp increase in defense spending, it reserves some of the revenue from the tax reform process, loophole closing, for deficit reduction, and it makes further domestic spending cuts. The combination of those three items is sufficient in each of the next 3 years to let us sharply reduce Federal budget deficits in order to meet the legally required Gramm-Rudman targets.

So I think it is a fair package on balance, and I am prepared to defend it on the floor. If the Senate has a different view, well, then, that is the will of the Senate. Certainly the Senate ought to have a chance to act. But inaction is really the wrong course. For us to be going through the motions in trivial matters and failing to take up the budget at a time when it is ready to be acted upon, when the law mandates that we act on it is irresponsible. I do not think there is any excuse for us not to do it.

While the financial markets have been strong because of the fall of oil prices and the fall in interest rates and the kind of disinflation that we have been seeing, I do not think the financial markets are going to respond favorably if they do not think we are serious about dealing with deficit reduction. I talk with people from the financial markets all the time. They are all concerned about the deficits. If the message gets across that this is all just a big finesse, that we are not serious about dealing with the deficits, then I think we are going to see a very changed attitude in the financial markets.

One other thing is the constitutional test of Gramm-Rudman with respect to the automatic cutting mechanism. Some people are saying we do not have to worry about the automatic cuts under Gramm-Rudman because the Federal district court has already ruled that the automatic cutting mechanism is unconstitutional. Of course, that is now before the Supreme Court, and it is going to have to make its own judgment.

But I call to the attention of my colleagues that just 12 days ago the Third Circuit Court of Appeals in a case unrelated to Gramm-Rudman, unanimously ruled that it was constitutional to vest executive powers in the Comptroller General, yet these are precisely the grounds for the Federal district court's opposite finding earlier that the role of the Comptroller General in the Gramm-Rudman statute was unconstitutional and thereby the sequester process itself was not workable.

So we have here now two very high ranking courts having exactly opposite findings on this important question of the authority of the Comptroller General. So it may well be that the Su-

preme Court will hold with this more recent decision and retain that automatic cutting mechanism, which I think would pose a great jeopardy to this country in terms of our defense capability and our domestic agenda.

So let us get the budget to the floor. It is ready for action. The chairman of the committee wants it here. We ought to be acting on it, if not today, then certainly sometime this week so we can try to meet the April 15 deadline.

I thank the Chair and I yield the floor.

Mr. MELCHER addressed the Chair.

The ACTING PRESIDENT pro tempore. Will the Senator withhold, please.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond 10:30, with statements limited therein to 5 minutes each.

Mr. MELCHER addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Montana.

A FLABBY RAMBO

Mr. MELCHER. Mr. President, even wearing the most rosy of rose-colored glasses, the best that can be said about the U.S. economy is that it is sluggish. My best judgment is that it is treacherously teetering upon the brink of a disastrous slide due to the continual sagging of commodity prices, coupled with the past 36 months of a trade imbalance averaging $10 billion per month and totaling $368 billion.

The White House line, which President Reagan dutifully recites, is that inflation is down, interest rates are dropping, and the stock market is up, which is to infer that increased U.S. economic activity is just around the corner.

Each of those three positive items needs closer examination. The first, inflation is down, is largely because commodity prices are down and the positive effect for consumers has to be weighed against the devastating effect the price decreases have extracted from farmers, ranchers, miners, steel, copper, aluminum, energy and forest products producers. Agricultural producer liquidation has been a continuous, 3-year tragic disruption blighting rural America. Mining, metals and steel producers have seen their communities turn into either ghost towns or depressed areas. Oil and gas producers have seen their slump from last year's $27 per barrel steamrolled into a slide down to $10-a-barrel oil, bringing the same results that other commodity producers have absorbed. That is, shutdown, liquidation or bankruptcy. And despite the recent housing boom, the forest products industry staggers with uncertainty but ever closer to decimation.

All of these are factors in the drop in inflation, but the toll paid by these producers has been so desperate that their demise threatens the entire U.S. economy.

The interest rate drop, long overdue, is uneven with the above industries having to pay higher rates because the price they receive for their commodity production is generally less than their costs and, therefore, they fall into high-risk categories. These producers are so much the backbone of the economy that the transportation industry is or will be damaged by the decline in commodity hauling. Without the production from the basic industries, their volume has to drop or at best there is disruption as transporters attempt to modify their hauling to wherever there is business.

The decline in both inflation and interest rates has brought on a vigorous surge in the stock market. But without the underpinning of strong, or at least stable activities by the basic industries, the confidence of Wall Street is built on a foundation of shifting sand. Pending earnings reports of a great number of the blue chip stocks over the next 6 months will be disappointing, and that's putting it mildly.

Some of the rosy soothsayers in and out of the White House will undoubtedly tell us that the U.S. trade imbalance will be helped by lower oil prices and the declining value of the dollar. There is some truth to that, but it also means that there will be significantly less domestic petroleum production and that means not only economic havoc in the oil patch, but also a return to the rut of greater dependence on imported oil. There is a further negative involved with lower oil prices that requires U.S. adjustment. Mexico and other countries heavily dependent upon oil exports will purchase less from the United States and perhaps default on their outstanding loans to United States banks. If nothing about the economic devastation that has sapped commodity producers will stir the White House into corrective action, perhaps the looming losses to the banks will awaken them from their slumbering posture.

President Reagan may want to focus the public's attention on Qadhafi and the ragtag 15,000 Nicaraguan Contras. Indeed, they deserve some public attention. But unless there is an economic policy in the United States that works, solving foreign policy matters will be only weak whimpering. Playing Rambo implies muscle, and there is no muscle in the U.S. economy. It is a flabby Rambo.

THE BUDGET RESOLUTION

Mr. STENNIS. Mr. President, over the recent recess period, I had a chance to reflect on our budget situation and to study the resolution reported by our Budget Committee for consideration of this body.

Because I deeply believe that putting our financial affairs in order is of profound importance to the future of this country, I urge our capable leaders and my colleagues that the resolution to which I have referred may mark a turning point of restoring order and discipline to the process by which the legislative body carries out its unique responsibilities vested by the Constitution. That, of course, means that the resolution would be taken up on the floor.

In my judgment, this is by far the fairest, most reasonable, and best-balanced proposal for balancing the income and outgo, meeting the absolute necessities and commitments of the Government, under our laws, that we have had. It is a great credit to the members of the Budget Committee who worked on it so hard. It is a great example of courage and leadership, also.

The distinguished chairman of this Senate committee, the Senator from New Mexico [Mr. DOMENICI], and the Democratic ranking member, the Senator from Florida [Mr. CHILES], and all of the other members of the committee, whether they voted for the resolution or not, deserve the praise of this body and of the people at large for this effort.

At this point in the RECORD I wish to note the names of all the members of the Budget Committee. They are:

Pete V. Domenici, of New Mexico, Chairman.
William L. Armstrong, of Colorado.
Nancy Landon Kassebaum, of Kansas.
Rudy Boschwitz, of Minnesota.
Orrin G. Hatch, of Utah.
Mark Andrews, of North Dakota.
Steven D. Symms, of Idaho.
Chuck Grassley, of Iowa.
Bob Kasten, of Wisconsin.
Dan Quayle, of Indiana.
Slade Gorton, of Washington.
John C. Danforth, of Missouri.
Lawton Chiles, of Florida.
Ernest F. Hollings, of South Carolina.
J. Bennett Johnston, of Louisiana.
Jim Sasser, of Tennessee.
Gary W. Hart, of Colorado.
Howard M. Metzenbaum, of Ohio.
Donald W. Riegle, Jr., of Michigan.
Daniel Patrick Moynihan, of New York.
J. James Exon, of Nebraska.
Frank R. Lautenberg, of New Jersey.

The committee vote is a testament to the committee's effort. They had a divided vote of 13 to 9, but they got the politics out of it, as a majority of each party's members have agreed to this resolution.

Mr. President, the resolution fully complies with the new requirements of the recently enacted Balanced Budget

and Emergency Deficit Control Act of 1985, the so-called Gramm-Rudman-Hollings Act. By establishing a budget plan—I repeat, a plan—for reducing the deficit by $38.8 billion to achieve a deficit target of $143.9 billion for fiscal year 1987, the tax and spending policies set forth in this plan, if unchanged, will bring the Federal budget into balance by the end of this decade, when the budget for fiscal year 1991 shall be considered.

In my opinion, the soundness of the committee's recommended resolution is its balanced approach to reducing the huge Federal deficit by which we are still encumbered and which is still dragging us down. It evenly seeks a contribution from Government spending and from new revenues.

I have strongly felt for several years that to stop this runaway deficit, we would have to take back some of the revenues which were given up in the 1981 tax bill.

We know now that the 1981 budget plan, which called for building up the defense program with revenues gained from the economic growth that was to come from the tax cut, did not work out. The failure of this plan was by no particular person's fault. I believe it was conceived with good intentions, but history and the size of the national debt, which has increased in size more in the last 5 years than in all the previous years since this Government was founded, has conclusively proven, in my opinion, that this plan would not and certainly did not work.

I voted for this plan, this 1981 tax plan. I am as much to blame as anyone, but I have recognized for 3 years now that we had to get a grip on the deficit and part of any solution should include new revenues. That is not a happy thought particularly, but it is an absolute necessary part, as I see it, of any effective cure and clearing up of our budget dilemma.

This resolution, I know, recommends that Congress fund the defense program at a level less than recommended by the President. This concerns me greatly because I firmly believe that we must be prepared militarily and that is my record here, Mr. President. I am not boasting of my record. But I have consistently year after year tried to improve my knowledge of the situation, of the threat, or whatever we may call it, the need, the necessity of our having effective military manpower and womanpower even to be called to places far around the globe.

I have said in order to have enough, we must have too much to be certain that we are on the topside. Of course, I still firmly believe that we must be prepared militarily. It is highly important that we apply the great resources that we have in this country to this end. I have always been a strong supporter of the Defense Department to see that they got the necessary money each year to build up this defense.

It was my privilege to be chairman of the Armed Services Committee of this body for more than 10 years. I never did unduly bend over backwards to keep a dollar from being voted out. But I never did consciously vote to throw away any money nor spend any money except on those programs which seemed to be necessary for the protection of our country. But under current circumstances, I think we have gone high enough in our spending for this purpose this year.

Now we have gone to the $300 billion a year mark for these military purposes alone and that huge amount is required, I think, because of the enormity of our worldwide commitments. But the time has come to stop and begin a savings program. We must work hard for a stronger defense, without spending more this year. I am convinced that such a plan must be worked out. Except in emergencies, such a a plan might link growth in defense spending to growth in our economy in the future. Such a plan would keep defense spending in line with the economy. A plan along this line must be worked out and must be adhered to by Congress.

I merely say now that as to the military, it seems clear to me that there is time now and a chance for a pause in the expenditure of the larger sums of money in order to pick up and make amends and make strong other parts of our Government, particularly the financial part, the budget part, so essential and so demanding from all those that we would attempt to lead. We think we are leaders, and we are in many and most places of the world, but we could not lose it faster than to fail to provide the necessary military strength and a leadership in the field of finance and sound financing and in what we generally call the budget area because without that, our first place, our leadership position, our position of advantage is gone—gone with the wind—gone down, and I doubt that we could retain it once we actually lose it.

In the 1940's we were economically strong enough to become the most powerful Nation on Earth militarily. We are still the strongest now and we can continue to be the strongest Nation in the world. But, this strength will depend—and I say this for emphasis—on our ability to remain economically strong as well as strong in the military.

This is the imperative case for restoring responsibility—responsibility—to the Nation's overall finances. I deeply believe that the future security of this Nation depends upon the elimination of these large and persistent annual budget deficits.

I want to take the liberty of using here an old-time expression that I have heard since my earliest memories. "If you spend more than you take in, you are courting trouble and you will find it."

So I think unless we carry along together this military power and also what I briefly call the power of financial leadership, carry them along together for a good number of years to come, then we strike out, we lose out, we become without leadership, a position of leadership, and there is only one direction we could go—down. We are worthy of something better than that. We have the ability to recognize it and we have the means to build our way now, if we do not pass up the chance, on theories, but get down to the nub of the matters.

We who are now in this body have the power given to us by the people under the Constitution and therefore have the responsibility to make the decisions that are required to eliminate these deficits. The Budget Committee has reported a framework for the Congress to work within. It was reported on time and it presents an opportunity for this body and our committees to give the proposals in this resolution, the budget resolution, due consideration.

We might not all agree on the targets, the budget targets, established in this resolution but, under the rules, these targets may be amended by this body or by the House of Representatives. Then there is also the opportunity to consider the recommendations of the committee of conference between the two Houses before this resolution is finally agreed to. Although this resolution is nonbinding, it will serve as a valuable guideline for the Congress as it considers individual authorization, appropriations, and tax bills. It is not a finally binding item in the law or a limitation on the money, one that cannot be changed or modified, but it is a plan, it is a plan for effective legislation in these fields as may be decided by a majority vote or whatever vote may happen to be required under our Constitution.

It will serve as a valuable guideline, I say with emphasis, for the Congress as it considers individual appropriations and tax bills. It can help the body focus on the critically important problem of the deficit as we consider issues on individual bills.

If we are not prepared to move ahead on the resolution before us in this field, this budget resolution, then who is going to be able to write one that we can and will move ahead on? The alternative is continued stagnation, which can be the more effective enemy of them all.

We are not going that path. Stagnation is not characteristic of this body nor of the American people. We will find our way. If things this resolution calls for do not fit the majority or the proper number, we will find other lan-

guage that will fit that majority. But the urging here now with me is that we must move ahead. Stagnation will win if we do not move.

I strongly urge that we move to this resolution and urge that we keep within the deficit goal recommended by the committee. In my opinion, it is a well-balanced plan worthy of consideration on its merits, but its real strength is in the discipline that it imposes on us. It can be the turning point in solving our fiscal problem.

Mr. President, I have briefly covered here this whole picture in a way that I think is unmistakable. I do not expect every Member to agree with me. I want to consider even further what other Members say or do or recommend. But I feel that I know that our duty now is to proceed. Other Congresses, this body and the House of Representatives, have marked a path and laid the way in the passage of the Budget Act. Our men now have acted here. They have given us their proposal. They are ready to defend it I know. They are able men. They are forceful men.

I think we clearly understand our duty, and I believe that in the end they have no doubt about the integrity, character, and honor of the men that make up this body.

I believe that we ought to come to order now, seek this above all else, and with that purpose in our hearts and minds, we will find a way.

Mr. President, I yield the floor.

(The following proceedings occurred later and are printed at this point in the RECORD, by unanimous consent:)

Mr. DOMENICI. Mr. President, will the Senator from Maryland yield for a question from the Senator from New Mexico?

Mr. SARBANES. Yes.

Mr. DOMENICI. I wonder if the Senator would consider permitting the Senator from New Mexico and the Senator from Florida to have about 10 minutes as if in morning business to discuss the status of the budget without interrupting, as far as the RECORD, the discussion and dialog on the subject matter that is pending?

Mr. SARBANES. The Senator will be happy to accommodate the chairman of the Budget Committee.

Mr. DOMENICI. I thank the Senator from Maryland.

Mr. President, I ask unanimous consent that the Senator from New Mexico joined by the Senator from Florida have 10 minutes to discuss the budget as if in morning business.

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

Mr. DOMENICI. Mr. President, I ask unanimous consent that the remarks of the Senator from New Mexico and the Senator from Florida not interrupt in the RECORD the discussion that is taking place with reference to the pending matter.

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

WHERE IS THE BUDGET?

Mr. DOMENICI. Mr. President, I believe that the distinguished senior Senator from Florida, Senator CHILES, is on his way so that he and I might engage in a bit of discussion here this morning with reference to the status of the budget.

Let me first say to the Senate that my inquiry this morning is a very simple one. It is, where is the budget?

I remember vividly the waning months of last year when the Senate was confronted once again with increasing the debt limit of the United States, that is the authority for our Federal Government to borrow additional funds to pay for the expenditures of Government that we have not seen fit to cover with revenues.

At that point, it was clear to everyone that we were soon going to break the $2 trillion debt mark and in order to muster enough votes to increase the debt limit, and in order to accomplish something constructive, that bill became a legislative vehicle for a 6-year emergency deficit reduction package.

I think the country remembers, since it was not too long ago, all of the debate, the brilliant speeches about the national debt, and how we had to do something because it had become such an enormous figure. The growing deficit was clearly thought by a compelling majority here and in the House of Representatives to be directly related to the future of this country.

As a result, after about 2½ months of voting, debate, and conference, we produced the Balanced Budget and Emergency Deficit Control Act of 1986, the so-called Gramm-Rudman-Hollings Act. The President, after suggesting some need for amendments, many of which were incorporated into the law, signed it. He indicated, with a great amount of joy, that finally we had come to our senses, and that we were considering the right issue. We were going to be governed by a mandatory set of deficit reduction targets and temporary new budget procedures so that we could stand before the American people and say that in each of the next 5 years we are going to vote on policy changes, program changes, restraints, cuts, and, yes, maybe even revenue increases, so that we could meet those targets.

Isn't it amazing? That was just a few short months ago. And while things may be looking somewhat better in terms of the deficit, clearly it remains a serious problem. For those who think the deficit will go away or for those who think times are so good that we ought not worry about it, I just want to remind everyone that the only way anybody can produce a budget trendline that is significantly improving, without any action on our part, is to make some assumptions that I do not believe we ought to make at this particular time in history.

First of all, those assumptions assume that there will be no significant real increase in defense spending for 5 years. Those assumptions expect the American economy to go for the next 5 years with somewhere between 3.5 and 4 percent real growth. Those assumptions expect interest rates to come down, as they are starting to come down, and continue down so that 3 or 4 years from now we would have 4.5 percent interest rates on Treasury bills, and on and on.

I want to tell the Senate that if any of those assumptions in any of the 5 years turn out to be substantially in error, then we are right back on the same path of $180 billion deficits as far out as we can see. All of that should be known by everyone.

Then the history goes on from passing that bill, to the President sending us his budget.

I think everyone in this institution knows that for the past 5 years, the Senator from New Mexico has done his very best to turn this country around, joining with the President many times in reducing expenditures of the Federal Government, so that we can begin to see the day when we pay for what we buy. But I must say that the President sent us a budget that had about a $34 billion to $35 billion programmatic increase in defense over this year's levels. It asked us, over the course of 3 or 4 years, to get rid of 90 domestic programs, some of them very small, some very significant in the minds of many Senators and Representatives. It asked for about $22 billion in tax increases over the next 3 years, starting with $6 billion for the 1987 budget cycle.

Interestingly enough, when you add all that up and draw the line, the problem with that budget, in addition to the fact that it had very little support either on the Budget Committee or, as I understand it, on the Senate floor—and we will have to find that out in ensuing weeks—it missed the target. It missed the target by $16 billion in outlays.

I have not heard the Budget Director of late denying that fact. I attribute no intentional attempt to breach the $144 billion mandatory ceiling for 1987. It was clearly $16 billion off the mark because of assumptions on how fast defense would spend out based on the programs in place and the historic estimates of the costs, of the outlays per year.

So there we stood, with a budget that did not meet the mark, with the Budget Committee made up of a cross-section of Senators from all parts of the Nation—liberals, conservatives,

moderates, centrists—and only four or five could see their way clear to vote for it. In another way, you might say that even of those four or five, only two or three would vote for it on the floor of the Senate.

So, I ask the first question: Where is the budget? Clearly, the budget submitted by the President will not work. I do not say that in any way derogatorily. It just will not work. We just cannot pass it.

Our distinguished majority leader is now confronted with having to bring a budget to the floor of the Senate; and I think his remarks of late would indicate that he believes that, very soon, the U.S. Senate will have to begin a debate of this issue. I think he believes that very soon we will have to decide if there are 51 Senators or more in support of a budget resolution to accomplish the Gramm-Rudman-Hollings mandates and aspirations of 3 or 4 months ago.

I think there are some who wonder whether we should do anything. However, I submit that an overwhelming number of U.S. Senators who voted for Gramm-Rudman-Hollings voted for it under the assumption that we would follow the mandates, substantive and procedural, laid out in the law. Next week, April 15, is the first of those mandates. That is the day we are supposed to have finished the budget resolution.

Many of those who supported that procedure rose on the floor and said: "We will do it. It is important for the United States and our people that we do it."

The Budget Committee proposed a budget resolution. It is pending at the desk for deliberation by the U.S. Senate and ultimate disposition. Most of the Senators who supported the new process also said: "We will vote in the policy decisions, the changes and reforms, requisite to get the $144 billion target." No one I know of voted for that bill under the assumption that we would wait until October and have another sequester to produce outlay reductions of $25 or $35 billion. Few, if any, expected the triggering mechanism to become the policy of this land.

It should come as no surprise that if we do not vote on a budget, go to conference with the House, and use it as the target for policy changes, come this summer and fall we will have to cut across the board again or pass some makeshift continuing resolution through the appropriations process which atttempts to get to the goal.

On that score, almost everyone in the U.S. Senate will lose significant prerogatives they have. First of all, I am not reluctant to say that we will not even know what is going on when that kind of CR comes through with references to House-passed bills, Senate bills that came out of committee, and the like.

What a way to legislate. What a legacy of Gramm-Rudman-Hollings, the reform approach that was going to get us where we should be in a timely manner, with orderly appropriations, all packaged up with a nice ribbon on it, saying, "This is what we are going to do."

I ask again: Where is the budget? It is amazing. I just described the only other one in town, the President's. I just described what I assume will happen to it if it comes to the floor of this Senate.

Instead of a year of budget ideas and budget proposals, this is a year of budget letters. We have letters from one group of Senators saying that they do not like what the Senate Budget Committee produced, and they would like our distinguished leader to negotiate an alternative. We have another group of Senators who have passed out their critique of the bipartisan budget that Senator DOMENICI and Senator CHILES led through the Budget Committee.

I give to the authors of these letters every bit of consideration and courtesy; and, yes, I even have great admiration for some of the ideas they have. However, it is amazing that even those letters, critical in nature, have no proposals in them. They are merely saying that somebody, somewhere, ought to negotiate something else.

Well, the Senator from New Mexico is not a newcomer to negotiation. In the past 5 years, because of the nature of this process, I think I have probably negotiated more times on more issues, produced more negotiated budgets out of the back room of the leadership or out of the committee room of the Senate Budget Committee or in a conference room of the House and the Senate, than any other Senator here, and probably more than any Member of the House.

So, negotiate? Yes. But, clearly, we cannot continue to talk about this budget process, to take great pride in the fact that we have a mechanism in place to solve this problem, and then, from day to day, put off the eventual way that this democracy decides these kinds of issues—by voting on significant issues on the floor of the Senate.

So I suggest that the way we will solve this problem is, first, if the President of the United States and his Director of OMB, Mr. Miller, are seriously interested in negotiating, then we should sit down and see what they have in mind. I have asked them not once, not twice, but even again today, in the presence of the President. At the leadership meeting at the White House, I indicated: "If you don't like what we produced, what do you suggest we put in its place, so long as it is not the budget that you just sent up, because, clearly, there is no support—perhaps 10 Senators—for that game plan and that set of policies? So is there anything else you have in mind?"

I hope that from the discussions today, there will be some serious efforts at determining what the White House position on this budget resolution, or any amendments to it, will be.

I suggest that those who believe we can complete our job by voting out a budget resolution without differences of opinion are clearly mistaken. There is no way that we can put together all of the Republican Senators to pass a budget resolution this year. I am convinced it has to be bipartisan. I need not go into detail other than to say there are some Senators who want substantially more for defense, and I do not mean $5 billion or $6 billion, some want $10 billion, $12 billion or $15 billion. There are some who want $5 billion or $6 billion more. There are some who would cut some more domestic programs to make up for that defense. There are a substantial number of Senators who have concluded that you cannot get to where you have to go without some additional revenues; that is, taxes. And clearly that is not the position of all of the Republican Senators. When you add up those three issues, there is no way we can get this done unless we do it in a bipartisan manner.

I have pledged to my colleague from Florida, the senior Senator from Florida, the ranking Democrat, that we will continue down this avenue of bipartisan effort to produce the very best budget we can.

So I conclude by saying that I know where the Senate Budget Committee's budget is. It is here waiting to be taken up. And, as I indicated before, none of my remarks here are directed at the distinguished majority leader. He obviously is trying his very best to get the White House to decide whether they want to be a player here or whether they prefer to let us go it alone. And even with that decision behind us, however it is made, there will be disagreements on the floor of the Senate between the Senators who are going to vote as to what they want.

I started this process, the Gramm-Rudman-Hollings process, as a constructive player in these temporary emergency procedures. I remain convinced that, even with its shortcomings, it had to happen because of the frustration that set in after all of the grid-lock that has occurred in the last 2 years between the President, the Speaker, and others. The only way we would truly get to this deficit-reduction path and stay on it was some extraordinary pressure imposed upon both Houses of Congress and on the President of the United States.

It is in that regard that I offered many amendments and changes to the

now historic Gramm-Rudman-Hollings law and, frankly, I think it has a chance of working. I see less demand by special interest groups for increases than I have ever seen in my 5 years of being budget chairman and 14 years of serving as a Senator. That, in and of itself, bodes well. I see more concern among Senators for getting the job done and getting on with it and trying to put one budget in place that will solve the problem for 3, 4 or 5 years given reasonable and realistic assumptions.

So I say to those who have alternatives: Where are they? To those who have some suggestions for us as to how to make this better: Where are they? Perhaps the only way we will get to discuss them thoroughly and analyze their propriety as policy and their ability to get the support of a majority of U.S. Senators is to go ahead and let those who have better ideas bring their amendments to the floor and have them thoroughly debated and let the chips fall where they may.

Now I note that my friend, the distinguished Senator from Florida, is on the floor and I now yield to him but before I do that, might I ask, how much time do we have remaining in our 10 minutes?

The PRESIDING OFFICER. The Senator has consumed 10 minutes.

Mr. DOMENICI. I ask unanimous consent that we have an additional 5 minutes under the same conditions.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOMENICI. I yield as much time as the Senator needs of that reserved time.

Mr. CHILES. I thank the distinguished chairman and my friend. I am delighted to see that he is on the floor today and making these remarks.

I think the time to act is now. The budget deadlines certainly have some meaning. It takes time to implement a budget resolution, to get a reconciliation bill enacted. Even last year's small reconciliation bill lost $50 million a day every day it languished because of the delays in trying to get it finally passed. Those were savings we lost. We cannot afford that kind of delay, especially with the Gramm-Rudman-Hollings guillotine waiting to fall in September.

I trust that if we stand on the floor here a few days, hopefully the budget will be up here right away. And I join with my friend in saying that this is not a criticism of the majority leader. The quicker we can get the budget before, us, the quicker we can act. But I trust if we are on the floor a couple of days, we will certainly be joined by the sponsors of Gramm-Rudman-Hollings who put in the deadline of April 15. I know they want us to comply with their law. I have heard Mr. GRAMM has been in my State over the weekend talking about the law and I know as an author he will be here to force us to comply with that law and that deadline of April 15.

Certainly what we are talking about is not a partisan problem. It was not created that way. And the solution has got to be a bipartisan solution as the chairman suggests. I think the chairman and I found there is no one simple part of the budget that you can blame on the deficit. It is caused by increases in defense spending, increases over the years in domestic spending, and by the fact that we were not willing to raise the revenue to take care of the spending. So we just borrowed the money and accumulated higher and higher deficit and we all have to take a part in trying to cure it.

The White House certainly has a role. We need them to negotiate. We have been trying to say that I think for the last 4 years. But over that period of time we have learned the only way you really get them to negotiate is to show them that Congress is going to produce a product on its own and only when we have that will we be able to get the White House to participate. If the Senate acts and passes a budget resolution, then I think we have a lot of opportunities for negotiation. We have a conference with the House, we have consideration of the actual reconciliation bill. There are all kinds of opportunities and they can participate in some of those opportunities. But as long as we sit and wait for the White House—which, of all of the public statements I have heard, has not shown any willingness to negotiate and has said they do not think we seriously can do anything. They think it is too early. They think we should wait until the fall. But we would just be losing time, all of that time that we wait.

We know that the Gramm-Rudman-Hollings Act is alive and if the White House will not bargain, then at some time the Congress might just pass the sequester resolution and dump it in the President's lap. We wee what we thought was a negative Federal court ruling that took away some of the powers of GAO. But now we see that there has been another ruling in New Jersey that suggests differently in regards to the powers of GAO and so the Supreme Court now has those considerations in front of them. In any event, even if they upheld the lower court in the provisions of the GAO, it still comes back to Congress. It is still dumped in our lap. It is still the Budget Committee's job to just package what CBO and OMB sends to us and bring that to the floor where, I understand, we have a very limited debate.

I think it is 2 hours. And then Members of this body are going to get a chance to vote yes or no as to whether they support the actions that they took a year ago.

We know a lot of people would like to spend more on defense, and raise less taxes. I would like to do that myself. I am sure the distinguished chairman would like to do that. But how? Then you would have to be willing to cut much more off the domestic programs than we did in the committee.

I think we reached a point where neither side was willing to cut much more. In fact, before we could pass it out, we know there were negotiations in which the Democrats demanded some things be added back, and the Republicans did, too. Those were agriculture, foreign aid, Eximbank, on the Republican side, and we had our list of projects on our side as well.

So there was certainly moves made in the committee reflecting its makeup as a cross-section of the Senate. We reached a point where we were not going to make additional major cuts off the domestic side.

So maybe that will happen on this floor. But I join with the chairman in saying let the Senate work its will. Let us get it out here. If there is another proposal, and I understand the Senator from Texas, Mr. GRAMM, has talked about a complete alternative, let us get that out here. He is persuasive in this body. He has been persuasive in the body at the other end of the Hall. He may convince 51 Senators here that they ought to vote for his proposal. If he does, that will start us down the track.

But I think we ought to get out the budget resolution. Then he has an opportunity to offer his substitute, and the Senate can work its will. If the Members want deeper domestic cuts to buy more defense or less taxes, then they need to bring their amendments to the floor, and they need to take them up when we have the provision before us.

I think the bill that we passed is a pretty good mix on spending and taxes. We reduce the deficit from 4.8 percent of GNP in 1986 to 1.3 percent in 1989. Of that 3.5 percent of the GNP drop by which we would be reducing it, 2.5 percent would come from reduced spending, and 1 percent would come from increased revenues. Of that 2.5 percent drop in reduce spending, 1.4 percent is domestic, 0.6 percent is defense, and 0.4 percent is interest.

So the balanced package, I think, meets the Gramm-Rudman-Hollings goals. Defense would be cut $18 billion, domestic would be cut $69 billion, and interest would be $12 billion which would give us a spending cut of $99 billion to go with revenues—an increase of about $74 billion.

Is defense adequate? That is a question we need to debate on this floor. But the BA is up under our provision,

$8 billion over last year, so it continues a slower growth. It certainly does not cut into the investment base which has doubled over the last 6 years.

So I join with the chairman in saying I think the sooner we get the resolution out here on the floor and see what alternatives people have and what amendments they have the better. I hope and trust that a majority may come to the same conclusion that we did starting from separate places. If you are going to get a majority, you have to put together a mix similar to the mix we voted out with a majority vote on the Republican side and the Democratic side of the Budget Committee.

Mr. DOMENICI. Will the Senator yield the remaining minute?

Mr. CHILES. I am glad to yield.

Mr. DOMENICI. Mr. President, I want to thank my colleague from Florida, the ranking minority member on the Budget Committee, and close by reminding one other institution, and one other group of legislators that is a part of the U.S. Congress about their responsibility, and also ask them where the budget is. The U.S. House has a responsibility. They adopted the same laws. They set the same deadlines. They engaged in the same kind of rhetoric about the deficit. They voted by a rather compelling majority to modify the Budget and Impoundment Control Act of 1974 to require the 5-year reform measure imposed upon it. Yet, it appears to me that the Senate Budget Committee has done its work. I am positive that in short order the U.S. Senate will begin its debate, and start by having its vote.

And I close by asking the U.S. House of Representatives: Where is the budget?

I hope they will understand that without it, we are asking for a very, very difficult year and taking some inordinate chances with our future. We do not really have to do that. We can just get on with what we told the American people we were going to do when we passed that law.

I yield the floor.

(Conclusion of later proceedings.)

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

METROPOLITAN WASHINGTON AIRPORTS TRANSFER ACT

The ACTING PRESIDENT pro tempore. Under the previous order, the hour of 10:30 a.m. having arrived, the Senate will now resume consideration of S. 1017, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1017), to provide for the transfer of the Metropolitan Washington Airports to an independent airport authority.

The Senate resumed consideration of the bill.

Mr. TRIBLE addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Virginia.

Mr. TRIBLE. Mr. President, as the clerk has reported, the business before the Senate is again the regional airport legislation.

This legislation has now been the subject of debate and discussion for many days before this body. Before the Easter recess the Senate managed to cut short the opposition of the Senator from Maryland and others against what I believe is a sound bipartisan bill to get the Federal Government out of the business of running airports.

Now the challenge will be to address a number of amendments, whose purpose is to destroy the airport transfer bill, a bill that makes so much practical and financial sense. A bill that has benefits for both Federal budget and for the National Capitol region.

I was struck this morning by an editorial that appeared in the Washington Post. It is not often that I can quote with approval from the Washington Post. So I would like to do that this morning.

I would quote in part from that editorial, and I ask unanimous consent that the entire editorial be made a part of the RECORD.

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

WHY THE AIRPORTS BILL MAKES SENSE

Before the Easter break the Senate managed to survive and short-circuit the filibustering of Sen. Paul Sarbanes against a sound bipartisan bill to get the federal government out of the expensive business of operating two airports. Now the challenge will be to endure a series of equally shortsighted and long-winded efforts by the senator to destroy the airport transfer bill that makes so much practical and financial sense for the federal budget and for regional responsibility.

The bill as it is represents the carefully considered work of a commission appointed by Transportation Secretary Elizabeth Dole, headed by former Virginia governor Linwood Holton and supported by Gov. Gerald Baliles, former governor Charles Robb, Sens. Paul Trible and John Warner and just about anybody else who has given thought to the folly of the U.S. government's continuing to run and repair National and Dulles airports.

In one breath (that took hours), Mr. Sarbanes argued that the bill would permit unfair competition against Baltimore-Washington International Airport and that BWI has been a stunning success, an efficient and convenient airport. There's no reason BWI's success can't continue—and indications are that this excellent Maryland airport will flourish as part of this region's air transportation system. Dulles and National, already linked as government properties, would be leased to a regional authority that could relieve the federal government of an estimated $500 million in necessary improvements.

That should be fiscal incentive enough for the federal government to place responsibility for Dulles and National where it belongs, in a public authority that includes representatives of Virginia, the District and—yes—Maryland. But Mr. Sarbanes has tried to raise all sorts of other scares, contending that the transfer could lead to flights in the night over National and nonaviation use of Dulles some day. What it will lead to is the operation of two airports with improved facilities, under a 35-year lease (not a sale) that will better serve Congress, the airlines, this region and the traveling public. That's incentive enough for senators to support the bill as submitted.

Mr. TRIBLE. Mr. President, let me quote in pertinent part from that editorial:

Before the Easter break the Senate managed to survive and short-circuit the filibustering of Sen. Paul Sarbanes against a sound bipartisan bill to get the federal government out of the expensive business of operating two airports. Now the challenge will be to endure a series of equally shortsighted and long-winded efforts by the senator to destroy the airport transfer bill that makes so much practical and financial sense for the federal budget and for regional responsibility.

The opponent argued that:

The bill would permit unfair competition against Baltimore-Washington International Airport and that BWI has been a stunning success, an efficient and convenient airport. There's no reason BWI's success can't continue—and indications are that this excellent Maryland airport will flourish as part of this region's air transportation system. Dulles and National, already linked as government properties, would be leased to a regional authority that could relieve the federal government of an estimated $500 million in necessary improvements.

That should be fiscal incentive enough for the federal government to place responsibility for Dulles and National where it belongs, in a public authority that includes representatives of Virginia, the District and—yes—Maryland. But Mr. Sarbanes has tried to raise all sorts of other scares, contending that the transfer could lead to flights in the night over National and nonaviation use of Dulles some day. What it will lead to is the operation of two airports with improved facilities, under a 35-year lease (not a sale) that will better serve Congress, the airlines, this region and the traveling public. That's incentive enough for senators to support the bill as submitted.

Mr. President, I am pleased that we are now at a point where we can turn to the substantive amendments about which we heard over the last several weeks. This bill, I suggest, is important to all of our citizens. Washington National and Dulles are the two jetports that serve our Nation's Capital and all of our citizens that travel to this great city. Yet the operation of these airports has been limited by Federal control. They have not been able to show the flexibility of management essential to modern jetports in this day of deregulated airline taffic.

Moreover, the Federal Government over the last several decades has dem-

onstrated a disinclination and an inability to provide the hundreds of millions of dollars that are essential to modernizing these airports. The only way that we can get on with the important business of modernizing, enhancing, and improving these airports and their service to all of our citizens is to turn these airports over to a regional authority. These airports then can be managed and operated in the same fashion as all other commercial airports throughout our country.

The regional authority can enter the capital markets and secure the huge funding necessary to enhance these jetports.

That is the essence of this measure. That is why it is important that we take the step of turning these airports over to a local authority that can better manage them and go about the important task of improving their operation.

There are those who suggest that in some way this will put the Baltimore-Washington International Airport at a disadvantage, that this action in some way will conspire against the best interests of Maryland. That is simply not the case. We are not engaged here in a zero sum game. Rather, these airports are part of a dynamic growing region. BWI is an excellent airport, well-managed, and it is highly successful. And it will continue to be in the days ahead. This legislation will simply make it possible for us to have three modern, highly efficient, and highly effective airports to serve the growing needs of this region and our Nation.

Much has been said, perhaps too much, to this point about the merits and demerits of this measure. The central fact now is that we can turn to the amendments put forward by the opponents of this measure. Now we will have the opportunity to discuss in detail the concerns that have been expressed in very general terms.

I look forward to that opportunity. I look forward to meeting the concerns that have been raised. I look forward to debating the amendments propounded by my colleagues who are opposed to this measure.

I see my distinguished friend and colleague from Virginia has risen. I yield to my friend and colleague, Senator WARNER.

Mr. WARNER. Mr. President, I thank my distinguished colleague.

Mr. President, the Senate is prepared to work its will on this piece of legislation. I say with the utmost respect to my distinguished colleague from Maryland that he clearly has an obligation to the citizens of that State, and indeed others who have legitimate questions concerning the bill in its present form as it is being presented to this body.

I commend him for diligently bringing to the attention of all those concerned those points which I presume will be debated very carefully and resolved by such votes or other actions that may be necessary by the U.S. Senate.

But I urge in the interest of the overall work of this body that we proceed with dispatch on this piece of legislation, allow the Senate to work its will, and bring this matter to conclusion as promptly as possible.

Mr. SARBANES addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Maryland.

BETTER AIR SERVICE FOR THE WASHINGTON REGION

Mr. SARBANES. Mr. President, after a considerable amount of time spent by the Senate on the question of whether to take up S. 1017, the Senate invoked cloture on the Tuesday before the Easter recess on the motion to proceed to the legislation, and subsequent to the envocation of that cloture, it was made in order for the bill to come up and be before us this morning, which is now the case.

It was my view from the discussion at the time that there were sufficient deficiencies in the legislation that we really needed to take another look at the whole problem and come at it with a different approach; that the legislation before us really did not offer an opportunity, even with an amending process, to achieve that.

I was particularly concerned because the junior Senator from Virginia, at one point in the debate, indicated to one of our colleagues in the Senate that an amendment our colleague was talking about offering really would be a very difficult amendment to consider because it would undo a carefully put together arrangement involving a number of local jurisdictions, and, therefore, that the proposal before us really could not be amended.

I expect over the next few days we will have an opportunity to consider these amendments to the legislation, some to be offered by myself and others by other Members of this body, designed to address particular problems that we see in the legislation.

I do believe that the current debate in the Senate about the future of National and Dulles, which, along with Baltimore-Washington International, are the region's three major airports, has raised a number of controversial issues.

I known my colleague from Virginia was unwilling, in a sense, to discuss those controversial issues at the time that the motion to proceed was being debated, and, in fact, with rare exception abstained from doing so. I assume that now in the course of the debate that will take place, he will come forth and address them in a substantive way.

I think it is important to underscore at the outset that I think all Members agree that major improvements at the two federally-owned airports are needed, but whether the airports should be transferred from Federal ownership, and, if so, how and on what terms, are more difficult questions. In other words, some Members have raised the question of whether the transfer from Federal ownership should take place at all, and others, while conceding that the Federal Government divesting itself of the operation of these airports may be desirable, have serious questions about the way in which and the terms upon which this transfer is to be accomplished.

In my own view, the airport transfer bill now before the Senate is not the answer. It fails to recognize the fact that all three airports serve the National Capital Area—National, Dulles, and BWI—the latter two, Dulles and BWI, being equidistant from the Nation's Capital; that all three serve the National Capital Area and that a fair airport policy will result in better air service for the region.

In 1984, Secretary of Transportation Elizabeth Dole directed an ad hoc Commission which she appointed, chaired by the distinguished former Governor of Virginia, Linwood Holton, to devise a plan for divesting the Federal Government of National-Dulles Airports. Regrettably, the final report, which was not supported by a single Maryland representative on the whole Commission, ignored, in my judgment, a viable and sensible proposal for addressing this difficult problem of the future course for the airports, ignored a viable and sensible proposal put forth by the Maryland members.

The Maryland proposal recommended the transfer of National to an interstate authority composed of three members each from the District of Columbia, Virginia, and Maryland, and representatives of the Federal Government. In other words, you would have nine members divided equally among the three jurisdictions, with additional members from the Federal Government in recognition of the national interest in the central airport serving the capital.

Under that proposal, Dulles would have been transferred to Virginia, which would then have been able to develop it in the same way that Maryland has developed BWI, thus allowing those two airports, Dulles and BWI, which compete with one another directly, to do so on an equal footing. Placing National under a regional authority and selling Dulles to Virginia would have avoided the deficiencies in the transfer bill now before the Senate. These deficiencies include, and these are matters that I expect will be addressed in the amending process which we are about to undertake:

One, unequal representation on the authority board governing the airports.

In other words, the composition of the board established in this legislation and proposed by the Holton Commission is very much skewed because Virginia has 5 of the 11 members and therefore, in effect, dominates the authority. Maryland has only two and is very much in a minority and dissenting position.

Two, the ability of the authority to use profits from one airport to subsidize the other, for example, the highly profitable National underwriting Dulles in unfair competition with BWI. Dulles and BWI compete with one another and Maryland welcomes that competition, but it does not feel that it ought to take place on the basis of Dulles being able to obtain an underwrite or a subsidy from National, which runs a highly profitable operation. In effect, you are then being forced to compete with both facilities and on unfair terms.

Three, an incredibly low price for both facilities in which hundreds of millions of dollars have been invested.

Only $47 million is being realized by the Federal Government from the sale of these two facilities. At a time of a difficult budget situation, that obviously does not make sense.

Four, the potential use of thousands of acres of land at Dulles for nonaviation business or activities.

Five, the power of the authority after the lease period to use the transferred properties for purposes other than an airport.

I hope to spend some time developing that point because I think it is a very important one that Members of this body need to be aware of and consider very carefully.

Six, a lack of adequate protections for the present employees at the two airports.

The labor protection provisions in this legislation are very limited, both as to time and as to scope. I think we need to examine them more carefully than has been done with respect to what is going to happen to a very dedicated and committed work force which has done outstanding service over the years.

Seven, the possibility of significantly increasing nighttime use and, hence, noise at National Airport.

There is a real danger, in fact, I think, in this legislation, of National becoming a 24-hour-a-day airport and that there will be very strong pressures at work to bring that about.

By focusing exclusively on National and Dulles and treating them as a single unit, the bill sets up a competitive situation unfair to Baltimore-Washington International and places in jeopardy BWI's ability to maintain a high level of service for the benefit of the entire region. At the heart of this problem is cross-subsidization between National and Dulles, allowing revenues at one to be used to underwrite costs at the other.

Mr. President, that is a very important point. In other words, this legislation would allow the revenues at one of the two airports to be used to underwrite costs at the other and therefore structure the costs at the subsidized airport in an unfair, noncompetitive fashion.

Acknowledging the unfair competitive nature of such a practice, the airport transfer bill contains some provisions seeking to limit direct cross-subsidization. Unfortunately, these provisions contain a loophole wide as an airplane hangar door, that permits any revenues at one airport to be used for capital costs, like debt service and depreciation, at the other and permits some revenues, like concessions and leases, at one airport to be used for any costs at the other. Clearly, the loophole swallows the limitation.

If the cross-subsidization provision raises the prospect of unfair competition between Dulles and BWI, the selling price for the two airports makes the situation even worse. The authority established by the bill to buy and operate National and Dulles would be required to pay only $47 million over a 35-year period, to be financed with tax-exempt bonds.

Whatever the arguments for or against selling the airports, $47 million is hardly a serious price. Estimates of the two airports' value have ranged in the hundreds of millions and a group of private investors has offered $1 billion for them. While the issue of privatizing the airports is complex, the offer only underscores the ridiculously low price established by the bill.

While the cut-rate price would be controversial in any circumstance, it is, I submit, irresponsible in the context of today's deficit pressures on the Federal budget. Furthermore, the use of tax-exmpt bonds represents additional significant revenue loss to the Treasury.

In other words, it is proposed to dispose of the airport at an extraordinarily low price, a bargain-basement price, and at the same time to finance that sale and other capital improvements at the airport through the use of tax-exempt bonds, which, of course, represent an additional revenue loss to the United States Treasury.

Curiously enough, at a time when the administration is seeking to end the use of tax-exempt bonds, it is proposing their use in this instance. All in all, the sales package adds up to the Federal equivalent of a fire sale, and at a time when National and Dulles are increasingly profitable.

From both the fiscal and competitive perspectives, therefore, the proposed transfer is indefensible. It is further unacceptable because it would open the way to repeal of the limits on nighttime noise which Washington area residents fought long and hard to obtain.

Apart from a few, well-defined exceptions, a 10 p.m. to 7 a.m. curfew is now in effect at National. To minimize the impact of noise on the densely populated areas surrounding the airport, the required approach and takeoff patterns all follow the Potomac River; but the points at which pilots leave these patterns are located in large part over Maryland. All the communities which have successfully fought for the curfew now face the stark fact that the bill gives the authority power to ease the hard-won restrictions on operating hours and noise levels.

The composition of the independent authority only adds insult to injury. Of its 11 members, 5 would be appointed by the Governor of Virginia, 3 by the Mayor of the District of Columbia, 2 by the Governor of Maryland and 1 by the President. The airport transfer bill, in effect, rides roughshod over the regional, and indeed national, interest in airport facilities serving the national capital area. BWI and Dulles are, after all, equidistant from downtown Washington, and both have important roles to play in the region's air transportation network.

BWI is proof that a State authority can turn a struggling airport into a stunning success. Fourteen years ago, Maryland purchased Friendship Airport from Baltimore, and with vision, hard work, and an investment, in current dollars, of over $250 million, created an efficient and convenient airport. Virginia can certainly do as much with Dulles and Maryland would welcome the competition Dulles would provide. Since National is a vital concern to residents of the District, Maryland, and Virginia alike, it belongs under a truly tripartite local authority with Federal membership to represent the Federal interest.

In sum, the problems facing our regional airports are real but they require fair and sensible solutions. These are not found in the airport transfer bill. It would be better for all the parties to seek a more balanced and constructive proposal, which would command a regional consensus. Then we could all get on with the job of providing quality air service for the national capital area.

Mr. President, those, in brief summary, are in my view the major deficiencies of the legislation before us which we will now have to address. In turning to that point, I want to address some questions to my colleague from Virginia [Mr. TRIBLE] because, depending on the understanding of some of this legislation, weaknesses or loopholes in the amendment can perhaps be closed out.

In his short statement, the Senator from Virginia, quoting the Post editorial, said that "this is a 35-year lease and not a sale." I simply direct the attention of my colleague to the legislation, to the language at the end of the legislation on page 49, and ask him what will happen to this property at the end of the 35-year period.

(Mr. KASTEN assumed the chair.)

Mr. TRIBLE. It is the intention of this legislation for these properties to be administered by the regional authority for the course of 35 years, during which time Congress would have a substantial oversight authority. During that time there will be specific rules and regulations as drafted by Congress that would shape the operation of these airports.

At the end of the 35-year lease, the properties would be turned over to the authority.

Mr. SARBANES. So, in effect, you have a lease period with these limited payments but at the end of that period the property is transferred to the authority.

Mr. TRIBLE. There is no doubt there will be a transfer of these properties at the end of the 35 years but during the course of that 35-year period——

Mr. SARBANES. I am concerned about the moment after the 35-year period.

Mr. TRIBLE. At the end of the 35-year lease period it is envisioned by this legislation that the properties would be transferred to the regional airports authority.

Mr. SARBANES. What could the authority do with the properties then? As I read the legislation, there is no restriction on what the authority could do with the property after the 35-year period.

Mr. TRIBLE. It is certainly the purpose of this legislation to transfer these properties to a regional airports authority for use as airports to serve the public. The bill, as you know, is replete with references to the use of the airports for airport purposes. The failure to use the airport lands for airport purposes during the course of the 35-year lease period would cause a reversion of these properties to the Secretary of Transportation. The board is constituted for the sole purpose of governing airports.

It is my purpose, by way of this legislation, to transfer these airports from the Federal Government to a regional airports authority so that these properties can be used for airport purposes to serve the public.

Mr. SARBANES. I understand the restrictions on the 35-year period, although I think they are inadequate in terms of the restraints they place but there are some commitments to airport use. But after the 35-year period, it seems to me that under this bill the authority could if it wished, in effect, cease to use the property, let us say, at National for an airport. What in the legislation prevents that from happening?

Mr. TRIBLE. The whole purpose of this legislation is clearcut. Moreover, in the enabling legislation passed by the Commonwealth of Virginia and the District of Columbia, the authority is set up for a single purpose, that is, of operating an airport.

If the Senator has continuing concerns about how these properties will be used, I would suggest that in preparing the lease, which would be drafted pursuant to the adoption of this legislation, the lease arrangement could once again provide that these properties are to be used for airport purposes and airport purposes alone.

Mr. SARBANES. I am not concerned with the lease period. I am concerned for the period beyond the lease. Is it the Senator's intention that after the 35-year period the authority should be able to cease to use these properties for airport purposes?

Mr. TRIBLE. No, that is not the intention of this Senator. My intention is to work for the passage of legislation that will free these airports from the shackles of the Federal Government and turn them over to a regional authority composed of citizens of this metropolitan area so that these properties can be used for airport purposes.

Mr. President, we are fast approaching the noon hour at which time the Senate will recess for 2 hours. But before that bewitching time arrives, I want to complete a colloquy that I was having with Senator SARBANES, the distinguished Senator from Maryland, about the use to which these airports can be placed. Heretofore I said it was the intention of the Senator that these properties would be used for airport purposes now and in the future.

I want to direct the attention of my colleagues to two provisions in the legislation, Senate bill 1017 now before us. Section 7 of this legislation provides the powers of the independent Airports Authority. Paragraph 1 of section 7 of the bill provides:

(1) authorized to acquire, maintain, improve, operate, protect, and promote the Metropolitan Washington Airports for public purposes;

Then in paragraph 5, the bill goes on to say:

(5) a corporation constituted solely to operate both Metropolitan Washington Airports as primary airports serving the Metropolitan Washington area;

It is my judgment that this language makes it very clear that these airports are to be used for airport purposes and airport purposes only.

I will tell the Senator there is no intention to do otherwise. If he believes there needs to be further qualification of that point, that can certainly be accomplished. The object of this legislation simply put is to turn these airports over to a regional authority that can operate them more effectively. These important jetways to our Nation's Capital must be expanded, modernized, and their operations enhanced so that all of our citizens, whether they live in the great metropolitan area of Washington or in South Dakota, Oregon, or Louisiana, will be better served.

Again, these properties are to be used for airport purposes, for airport purposes alone, and the bottom line of those operations is not profit. It is service.

Mr. SARBANES. Mr. President, I say to my colleague it will be my intention this afternoon, because I know we are about to recess, after those of our colleagues who indicated that they intend to offer amendments immediately after the luncheon recess, to offer an amendment which would ensure that after the end of the 35-year lease the real property would continue to be used for airport purposes. I do not think it should be able to be shifted into a different purpose unless the authority came back to the Congress. I do not think the authority ought to be able at any point, even after the 35-year period, to cease to operate one of these airports on its own judgment, and to divert that real property then to some other use.

Mr. TRIBLE. On that point there is no quarrel. Hopefully, we can resolve the other concerns the Senator has as expeditiously and as positively. If the Senator will advance those concerns in the form of amendments, and I know that is his intention, the Senate will be able to proceed and then this legislation can be adopted by this body.

Mr. SARBANES. While I have the Senator on that point, on page 58 of the bill, it says in paragraph 3, right in the middle of the page: "All of the facilities of the Metropolitan Washington Airports shall, during the term of the lease, be available to the public," including commercial and general aviation on fair and reasonable terms without unjust discrimination.

In light of the conversations we just had, I assume that the Senator would have no objection to that nondiscriminatory provision carrying over beyond the lease agreement?

Mr. TRIBLE. Mr. President, is it possible to ask unanimous consent to continue this colloquy for 1 additional minute? If so, I make that request.

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

Mr. TRIBLE. I would point the Senator from Maryland to section 7, paragraph 1, which says expressly, without qualification, that this Airports Authority is "authorized to acquire, maintain, improve, operate, protect, and promote the Washington Metropolitan Airports for public purposes." There is no limitation there. It is to

public purposes that this property should be placed now and in the future.

Let us continue this colloquy at 2 o'clock. Moreover, there are amendments that will be offered by our colleagues. Two Senators have expressed their intention to offer amendments this afternoon, Senator LAUTENBERG and Senator KASSEBAUM. Those amendments will be pending before us this afternoon.

Mr. SARBANES. I would say to the Senator, this Senator from Maryland is also prepared to offer amendments.

Mr. TRIBLE. Good. The more amendments that can be offered, dispatched, and resolved this afternoon the better.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until the hour of 2 p.m.

Thereupon, at 12:02 p.m., the Senate recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. RUDMAN).

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

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

FEDERAL CHARTER TO THE VIETNAM VETERANS OF AMERICA, INC.

The PRESIDING OFFICER. Under the previous order, the hour of 2 p.m., having arrived, the Senate will now resume consideration of S. 8, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 8) to grant a Federal charter to the Vietnam Veterans of America, Inc.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. The time for debate on this bill is limited to 10 minutes, to be equally divided and controlled by the chairman and ranking member of the Judiciary Committee, with no amendment except the committee reported amended to be in order, and with a vote on final passage to occur immedately following the debate.

The acting majority leader.

Mr. SIMPSON. Mr. President, I yield to the chairman of the Veterans' Affairs Committee and the ranking minority member, and ask for 1 minute for my remarks, if I may, after they conclude.

Mr. MURKOWSKI. Mr. President, I rise in support of S. 8, a bill to grant a Federal charter to the Vietnam Veterans of America.

The Vietnam war was itself a conflict of controversy. But, Mr. President, the men and women whose duty took them to Southeast Asia to fight, and all those who served during that era, do not deserve to be stigmatized by such controversy.

They did their jobs. They served America.

During those days of national frustration, while our politicians debated and our students demonstrated, our soldiers were fighting real battles * * * they were suffering real injuries * * * and they were dying.

They did because they were—and still are—dedicated to duty. Dedicated to America.

Down on the Mall is an eloquent and stark reminder of the Vietnam veterans' dedication to, and love of, this country. Nearly 60,000 names are reflected back in the faces of the millions of visitors who are visiting the Vietnam Memorial every year. Among those visitors are members of the Vietnam Veterans of America.

How ironic to be a Vietnam veteran and to stand before those black walls and wonder whether the sacrifice of your generation is considered by the Congress to be important enough to merit the approval of the same charter granted to veterans of other combat eras.

Mr. President, it took America almost 10 years to hold a homecoming parade for Vietnam veterans. It seems we are slow to accept the truth that those who served are not those who set the policy.

Mr. President, let us not be slow to accept this appropriate request for a charter: A Vietnam soldier was an American soldier. And his or her duty was an American duty.

In granting a Federal charter to the Vietnam Veterans of America, the Congress recognizes the important role to be played by this organization—to serve their fellow veterans of Vietnam and the Vietnam era. The Vietnam Veterans of America has an excellent track record in its first decade of existence. This organization has been in the forefront of legal and service representation for its members. I expect the Vietnam Veterans of America to continue on this course which will have the added prestige and responsibilities provided by a congressional charter.

I urge my colleagues to join with me in support of granting a charter to the Vietnam Veterans of America; no group of America's veterans has done more to deserve our approval.

Mr. SIMPSON. Mr. President, I believe we have a situation of 10 minutes equally divided. I do not believe there will be anyone to speak in opposition. I ask unanimous consent that if there is no one in opposition, that the time for opposition be assigned to proponents of the legislation.

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

Mr. SIMPSON. Mr. President, I ask that I be recognized for 1 minute.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, let me say very quickly, during my time as chairman of the Veterans' Affairs Committee, I worked with the remarkable Senator from California [Mr. CRANSTON] and now the new chairman of the committee the Senator from Alaska [Mr. MURKOWSKI]. I have seen how they have worked on this issue and have given such great effort to it.

I just want to say that the Vietnam Veterans of America has proved to me to be a remarkable group. Whatever situations occurred years ago I should think have no place any longer in the national debate.

I have found them to be a very delightful group with which to work. They do not go into a "knee-jerking" posture on veterans' legislation. When we try to do something reasonable or responsible with the Veterans' Administration budget, they are very responsible, sensible, and reasonable.

Mr. President, they are a marvelous group to work with and I think they are very deserving of this grant of a Federal charter.

I cannot imagine a more deserving group. I commend their leader, Bobby Muller, who has brought them from their beginning. Perception of the organization has certainly changed. They are most worthy of a charter from the Federal Government.

Mr. CRANSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. Mr. President, I yield myself 2 minutes.

Mr. CRANSTON. Mr. President, as the ranking minority member of the Veterans' Affairs Committee and the author of the pending-measure, S. 8, a bill that would grant a Federal charter to the Vietnam Veterans of America, Inc. [VVA], I am delighted to rise in its support. Introduced on January 3, 1985, and ordered reported on an 18 to 0 vote by the Judiciary Committee on March 20, 1986, this measure is cosponsored by the following 67 of my Senate colleagues: Senators SIMPSON, MATSUNAGA, STAFFORD, SPECTER, BRADLEY, BURDICK, CHILES, COHEN, DODD, FORD, GLENN, HART, HATFIELD, KASSEBAUM, KENNEDY, LEAHY, LEVIN, MATHIAS, METZENBAUM, PELL, PRESSLER, PROXMIRE, PRYOR, SASSER, WILSON, BYRD, KERRY, BIDEN, DECONCINI, SARBANES, LAUTENBERG, GORE, DURENBERGER, GORTON, MITCHELL, HAWKINS, HECHT, JOHNSTON, SIMON, EVANS, RIEGLE, ROCKEFELLER, ANDREWS, EXON, BUMPERS, BOSCHWITZ, PACKWOOD,

HARKIN, CHAFEE, EAGLETON, ZORINSKY, MOYNIHAN, HOLLINGS, HEINZ, BENTSEN, MURKOWSKI, D'AMATO, NICKLES, ROTH, BOREN, BINGAMAN, MELCHER, NUNN, INOUYE, BAUCUS, KASTEN, and ABDNOR.

The VVA is a national service organization devoted to the welfare of Vietnam-era veterans. Formed in 1978, VVA has grown into an organization with over 220 active chapters stretching from New England to California and its membership is over 30,000 strong—a nearly 50-percent increase since last year.

For 8 years, the VVA has addressed the major issues that face Vietnam veterans, including needs for readjustment, employment, and economic assistance, the adequacy of GI bill benefits, VA health-care programs, agent orange, and posttraumatic stress disorder. In the past several years, as it has become a truly national organization, it has acted as a progressive catalyst on major legislative issues and has promoted the importance of recognizing Vietnam veterans as a valued and valuable national resource for America.

The members of VVA represent a wide spectrum of income levels, political beliefs, religions, professions, and ethnic groups. The VVA, through its State councils and local chapters, brings these different backgrounds and experiences together in order to seek to accomplish several purposes. One is to provide mechanisms through which Vietnam veterans can develop positive identification with their Vietnam service and with those who served with them. A second is to deal with the physical, psychological, and economic consequences of the war for individual veterans. A third is to seek to effect basic reform in the governmental and private institutions that have major impact on the lives of veterans.

The VVA is recognized by the Veteran's Administration under section 3402 of title 39, United States Code, to provide representation for veterans in connection with claims for benefits before the VA. Through VVA Legal Services—VVA's in-house law firm—the organization represents veterans with individual claims, brings lawsuits to advance Vietnam veterans issues, and has developed and distributed a comprehensive claims manual for use by VVA's service officers and others involved in assisting Vietnam veterans.

Mr. President, the VVA has also been deeply involved in efforts to gain a better understanding of the psychological and other health-related problems of Vietnam veterans and to foster their readjustment to civilian life. It has joined in the ongoing fight—in which the U.S. Senate has been deeply engaged for 10 years—to seek judicial review of VA decisions denying veterans' benefit claims. The organization has also contributed to efforts to promote employment opportunities for Vietnam veterans and to heighten recognition of the needs of women, minority groups, and incarcerated Vietnam veterans.

The VVA's 220 chapters are its local service providers. Each chapter sets its own goals to address the needs of its members and the community in which it operates. Each chapter has in common with others that they all serve as the primary contact point for information and referral services. Many have established local rap groups to help Vietnam veterans express their concerns and interests. They also operate other programs to meet the needs of Vietnam veterans, such as job fairs and substance abuse programs. Chapters also work to portray a positive image for Vietnam veterans in their commuities by sponsoring such programs as Special Olympics, Big Brothers, and other community programs.

Most importantly, Mr. President, the VVA works to enable Vietnam veterans to be proud of their time in the service in spite of the many controversies surrounding the war itself.

Mr. President, S. 8 is—with the exception of some minor technical changes—identical to legislation I introduced with Senator SIMPSON in the 98th Congess, S. 2266, and which was cosponsored by 51 of our Senate collagues then. Although no action was taken on S. 2266 in the 98th Congress, the companion measure, H.R. 4774—introduced by the distinguished chairman of the House Veterans' Affairs Committee [Mr. MONTGOMERY]—was passed by the House by a vote of 295 to 96 on June 11, 1984.

I am aware, Mr. President, of the concerns that some have had about the granting of a charter to the VVA. However, the VVA has come a very long way in its struggles for recognition and is continuing to move constructively forward in the veterans' community. The overwhelming vote—16 to 2—to waive the Judiciary Committee's 10-year rule—the VVA was founded 8 years ago in 1978—and thereby facilitate the committee's consideration of this measure, the committee's 18-0 vote to order this measure reported favorably to the floor, as well as the great bipartisan support in the form of cosponsorship of the bill, are evidence of the great strides that the VVA has made and is continuing to make.

Mr. President, I believe that the granting of a Federal charter is an appropriate form of recognition for the VVA and should help promote its valuable ongoing work as the largest organization which represents exclusively those who served during the very difficult Vietnam era. A charter would constitute both an appropriate and important recognition of the valuable contributions which Vietnam veterans have made to our Nation and a bolstering of the VVA's effectiveness to move forward with the significant work that remains to be done on behalf of Vietnam veterans.

Mr. President, before closing, I want to take this opportunity to express my special thanks to a number of Senators for their extraordinary assistance in this matter and for their efforts to bring this measure to the floor today, including the distinguished majority whip and principal cosponsor of S. 8—Mr. SIMPSON—the Senator from Arizona [Mr. DECONCINI], and Ohio [Mr. METZENBAUM], all three of whom provided such stalwart support in the Judiciary Committee, and, of course, our very able colleague and veteran of the Vietnam conflict, the Senator from Massachusetts [Mr. KERRY]. His fellow Vietnam veterans in the Senate, the Senators from Tennessee [Mr. GORE], Iowa [Mr. HARKIN], and South Dakota [Mr. PRESSLER], were also of great assistance. Each of these Senators was instrumental in facilitating the Senate's consideration of S. 8.

Mr. President, it is important that we recognize this group. I am delighted that we are about to do so.

I urge the Senate to provide overwhelming approval of the pending measure, S. 8.

Mr. DECONCINI. Mr. President, I rise in support of S. 8, a bill to grant a Federal charter to the Vietnam Veterans of America.

On January 24, 1985, my distinguished colleague, Senator CRANSTON, introduced S. 8, and I was pleased to add my name as a cosponsor. This legislation has been one of Senator CRANSTON's priority issues and it has been a pleasure to work with him and his outstanding staff as this bill has worked its way through the legislative process.

After months of intensive negotiations in which I was actively involved, the Senate Judiciary Committee unanimously approved S. 8, and I am pleased that the full Senate finally will have the opportunity to vote on this important legislation today. I would particularly like to compliment Senator DENTON without whose cooperation this bill would never have reached the floor of the Senate. I would also like to compliment the leadership of the VVA for negotiating in good faith with Senator DENTON and the other members of the Judiciary Committee who had a special interest in this legislation. When two opposing sides on an issue are entrenched, it is difficult, if not impossible, for the full Senate to work its will. S. 8 is an outstanding example of what can be accomplished in a cooperative spirit, and I commend all the active participants in the process.

The Vietnam Veterans of America is the largest national service organization devoted exclusively to Vietnam veterans. During the more than 8

years since its establishment, the VVA has worked tirelessly to provide services to Vietnam veterans and to represent their interests before Congress. As a member of the Senate Committee on Veterans' Affairs, I can personally attest that the VVA has been effective and persuasive in presenting testimony before our committee on a wide array of legislation impacting on Vietnam veterans. When the successful Vet Center Program was in jeopardy, the VVA was a crucial factor in it being saved. When the employment problems of Vietnam veterans became painfully apparent, the VVA was in large measure responsible for the enactment of the Emergency Veterans Job Training Act. When the health problems related to exposure to agent orange could no longer be ignored, the VVA was instrumental in helping to enact Public Law 97-72 which provides health care to veterans who may be suffering from diseases resulting from agent orange exposure.

The VVA is a legitimate veterans service organization with a membership of approximately 27,000 which includes many Members of Congress. It has over 200 chapters nationwide in 40 States. Enactment of this bill will enhance the VVA's ability to provide needed services to the 9 million men and women who served during the Vietnam era. This much we, the Members of the United States Senate, owe to those who answered their Nation's call.

Mr. CRANSTON. Mr. President, I am delighted to yield to the Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, I would like to thank the distinguished Senator from California [Mr. CRANSTON], the distinguished Senator from Wyoming [Mr. SIMPSON], the distinguished Senator from Alaska [Mr. MURKOWSKI], and also the distinguished Senator from Alabama [Mr. DENTON], all of whom played a significant part in seeing that this bill would come to the floor.

I think all of us know that the Vietnam veterans fought in two struggles. The first struggle, obviously, was the 10-year, the longest war in the history of this country, in and of itself. The second struggle has in many ways, though never quite as difficult, been a difficult struggle and been a longer struggle. That has been the struggle here, at home, to find respect and to bring themselves home—ourselves home, veterans as a group.

Today, the Senate, by finally giving formal charter for the first time to any group of veterans from the Vietnam War, I think is taking a very significant step in moving one further milestone toward closing the chapter of that second struggle.

For myself, as a member of the Vietnam Veterans of America, as a friend of Bobby Muller and of many of those who have kept that struggle going for so long, this is a very, very important day and a very gratifying day. I hope my colleagues will join in an overwhelming vote in support of this effort.

I know for myself that the Vietnam Veterans of America have been dedicated as no other group to outreach programs, to dealing with the post-Vietnam stress syndrome, to dealing with drug problems and unemployment problems, and I join with my colleague from Wyoming and others and congratulate them on the reasonableness of their approach.

Mr. President, I thank all of my colleagues who have joined in this effort and I look forward to this vote as a firm expression of the Senate's welcoming Vietnam veterans.

I thank the Chair.

Mr. SIMPSON. Mr. President, I think the Senator from North Carolina has a statement. How much time remains?

The PRESIDING OFFICER. Thirty seconds.

Mr. SIMPSON. I ask unanimous consent for an additional 2 minutes for the Senator from North Carolina.

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

Mr. HELMS. Mr. President, I thank the distinguished Senator from Wyoming. I thank the Chair.

Mr. President, after reviewing materials about the VVA I have decided I cannot support S. 8, a bill to grant a Federal charter to the Vietnam Veterans of America. The VVA's past activities and its rapidly declining membership rolls does not warrant, in this Senator's opinion, congressional approval of a Federal charter.

Let us look at the facts: Since its inception in 1978, the VVA's national leadership has engaged in a number of activities which unduly interfered in U.S. foreign policy initiatives. Documentation shows that in the early 1980's the VVA leadership visited the Communist regimes of Vietnam and Cambodia. During the second trip, Robert Muller, the VVA's national president, laid a wreath on Ho Chi Minh's grave with the inscription "With respect from the Vietnam Veterans of America."

The VVA leadership has also interfered with the United States Government's efforts to resolve the status of our MIA's by separately calling for normalization of relations with Vietnam before the United States had a full accounting of all United States MIA's. It has sought reconciliation with the Government of Vietnam and presented itself as the official liaison between Hanoi and Washington. It continues to welcome to membership those men and women who were dishonorably discharged or who deserted. The anti-American nature of these activities should not be rewarded in my judgment, by granting the VVA a national charter.

The VVA also fails to represent a significant number of Vietnam-era veterans. It is my understanding that over 10,000 members have left the organization since November 1985, leaving fewer than 17,000 members on its rolls. In contrast, the Veterans of Foreign Wars lists over 500,000 Vietnam-era vets. The American Legion lists approximately 700,000 Vietnam vets. Even the Veterans of the Vietnam War, a veterans organization still seeking a Federal charter, lists 30,000 members. Clearly the VVA's declining rolls demonstrate that the VVA does not reflect the philosophy of the majority of Vietnam veterans.

This Senator is well aware of the amendment adopted by the VVA this past fall to restrict the VVA's activities in the area of foreign policy. It is this Senator's opinion that the language of the amendment would not, in fact, halt the anti-American activities of the VVA's leadership.

This Senator's vote against S. 8 should not be interpreted by anyone as a vote against Vietnam veterans. I will support chartering any veterans organization that I believe warrants a Federal charter. But until there is a real "change of heart" on the part of VVA's national leadership and greater support from the Vietnam vet population, I cannot sanction the VVA's activities by supporting legislation to grant them a Federal charter.

I thank the Chair.

Mr. THURMOND. Mr. President, I rise in support of S. 8, a bill to grant a Federal charter to the Vietnam Veterans of America, Inc.

Senator DENTON raised some serious reservations in the Senate Judiciary Committee concerning many of the activities of this organization. There is no Senator in this Senate that I have more respect for than the able Senator from Alabama, Senator DENTON. If there was ever a true patriot, he is one. He was a prisoner of war for 7 years during the Vietnam conflict. No one know what he underwent. He expressed a desire to look into the matter further. After meetings with the president of the Vietnam Veterans of America, Robert Muller, Senator DENTON now feels that "the intentions of the leadership are just and honorable and that past discretions will not be repeated." He subsequently has removed his reservations to the charter, allowing the measure to come before the full committee.

On March 20, 1986, the Senate Committee on the Judiciary, pursuant to committee rule, waived by two-thirds vote the standard to require a private organization to have been in operation

under a charter granted by a State or the District of Columbia for a minimum of 10 years. The committee, without objection, then approved S. 8 with a technical amendment and ordered the bill favorably reported.

I think the time has come for us to acknowledge more fully the commitment of service made by these Vietnam veterans. I urge my colleagues to support this legislation.

Mr. DENTON. Mr. President, S. 8, a bill to grant a Federal charter to the Vietnam Veterans of America, Inc. [VVA], was introduced on January 3, 1985. At the time of introduction, I had serious reservations about the bill.

I had serious reservations about the VVA's past history of activities, about its original orientation, and about its direction of leadership. Since it is the national leadership that is seeking the Federal charter, its activities are pertinent to the decision on whether or not to support the request. Many of its past activities appeared to have been unwarranted interferences in the conduct of our foreign policy. Other activities had seemed to bring dishonor upon Americans who served our country in Vietnam, including those who gave their lives.

The questionable activities included:

First, welcoming to membership men and women who were discharged with dishonorable status or who deserted rather than basing the membership upon honorable service to the United States.

Second, conducting visits to the Communist regimes of Vietnam and Cambodia. During one such trip, Robert Muller, the national president, laid a wreath at the grave of Ho Chi Minh with the inscription "With respect from the Vietnam Veterans of America." That action has considerably less merit than President Reagan's visit to Bitburg Cemetery, which was condemned in the Senate.

Third, interfering with our Government's efforts to resolve the status of our MIA's by separately calling for normalization of relations with Vietnam prior to a full accounting of all American MIA's; and

Fourth, seeking reconciliation with the Government of Vietnam, and in fact presenting itself as the official liaison between Hanoi and Washington.

As a result of the perception I had of the VVA based on the past activities of its leadership, I decided to meet with Bobby Muller, the organization's president. In fact, we had a number of good meetings entailing several hours. As a result of these meetings, I must say that I understand and respect Bobby, and I commend him for his military service to this country. I must also state that these meetings developed a degree of commonality between Bobby and myself as to the special needs of the Vietnam-era veterans.

Finally, during the course of these meetings it became apparent that Bobby and the leadership of the VVA have realized the past errors of politicizing the organization by involving the VVA in nonveteran policy issues. In fact, at the national convention this past November, Bobby pushed through an amendment to the organization's constitution which specifically prohibits the national organization and the State chapters from becoming involved in political issues outside of the veteran's area. I believe that Bobby has done his organization a tremendous service by compelling it to focus on the needs of the Vietnam vet and not on extraneous highly political issues.

Mr. President, I now believe that the intentions of the VVA are just and honorable and that the past discretions will not be repeated because of the modification of the organization's constitution.

In light of the foregoing, I removed my reservation as to the bill and joined the other members of the committee in unanimously voting to report S. 8 to the floor.

Mr. RIEGLE. Mr. President, I am pleased that the Senate is today considering S. 8, a bill to grant a Federal charter to the Vietnam Veterans of America, Inc. As a cosponsor of this important legislation, I urge the Senate to vote its approval without further delay.

Several months ago, I was privileged to participate in the VVA's annual convention which was held in Detroit, MI. Although the veterans attending that convention represented a variety of backgrounds and political attitudes, they were unanimous in their desire to achieve a Federal charter.

In granting a charter to the VVA, we salute Vietnam veterans for their devotion to our country, and for their service during the Vietnam war. We confirm our belief in their organization, in its purpose, and in its future.

As a nation, we are indebted to our Vietnam veterans for many things. Above all, we owe them our appreciation and understanding for performing the tasks that were asked of them, and for carrying the physical and mental scars which came from that service.

It is not right for America to look away from its Vietnam veterans because we may wish to block the Vietnam war out of our thinking. Instead, we must make ourselves understand the Vietnam war. We must open our arms and hearts to every Vietnam veteran, and provide the support which they have never fully received.

We must be as committed to our servicemen and women during times of peace as we are during times of war. When a Vietnam veteran is without a job, or is suffering the effects of agent orange, America must be there to help. If the Pentagon can pay $9,000 for a coffee pot, surely we can find the necessary resources to cure the service-connected illnesses of our veterans.

Our duty as a nation is not just to fight the wars. It is to build the peace that follows the wars.

Because of their experiences, our Vietnam veterans have been forced to think deeply about national values and national purpose. They are one of the most important parts of the conscience of America, and their greater personal awareness is one of our great national assets. Perhaps that is one reason why the Vietnam Veterans Memorial attracts more visitors than almost any other site in Washington. America is coming to honor its Vietnam vets and to search and find meaning, to think, to share a sense of national grief, and to understand the lessons of the past for the future.

With their special insights, strength and dedication, our Vietnam veterans can play a key role in helping America decide its destiny. But before they can help us build the America of our dreams, we must first help heal their wounds. Granting official status to their organization is an important first step.

Since its birth 8 years ago, the VVA has been invaluable in helping veterans deal with their special problems. On March 20, 1986, the Senate of the State of Michigan adopted a resolution urging the U.S. Congress to enact legislation granting the Vietnam Veterans of America a Federal charter.

Their resolution read, in part:

* * * the people of this country have been especially blessed in the dedication of the individuals who have made immeasurable sacrifices to preserve our way of life and our liberties. In addition to the obvious debt we harbor for those who have served in the Armed Forces, our country also is greatly enriched through the programs and efforts of several veterans groups. These organizations have assisted veterans and their families, as well as fostering a spirit of patriotism and service at the local, State and national levels; and

* * * an organization which epitomizes this tradition of service to veterans and the community is the Vietnam Veterans of America. This group touches many lives, especially for those among us with personal knowledge of the hardships, triumphs, and losses of this war. The unique services of this organization are most essential and highly commendable.

To ensure that the special needs of millions of Vietnam veterans are given the priority attention they deserve, it is both necessary and appropriate that Congress promptly grant a Federal charter to the VVA, so that it may work effectively on behalf of those who have sacrificed so much.

Mr. DOLE. Mr. President, over the years, much has been written and spoken about the Vietnam war. As a nation, we still debate the wisdom of our involvement in the Vietnam war and our strategies and tactics for

waging it. But I do think we have achieved a national consensus on at least one issue—that America's fighting men and women in that war, not less than in any other war, deserve our honor for their patriotism, respect for their courage, and admiration for their good intentions.

The granting of a Federal charter to the Vietnam Veterans of America is one very symbolic step in recognizing the tremendous contribution this organization has made to not only the veterans of the Vietnam war but to the discourse on national policy these men and women have truly given of themselves both on and off the battlefield.

DISABLED AMERICAN VETERANS

Two nights ago, I was privileged to be recipient of the Victory of the Human Spirit Award for the injuries I received in World War II. As a disabled veteran, I can appreciate the needs of our Vietnam veterans and recognize the tremendous debt we owe them. These brave Americans shall for the rest of their lives carry with them harsh reminders of the hell of war. Their disabilities range from the loss of limbs, sight, hearing and mobility to delayed stress syndrome. They have made a sacrifice that can never fully be repaid. We have honored them with ceremonies, speeches, and remembrances. While important, it is not enough. The Vietnam Veterans of America have done a great deal in helping the many disabled veterans of Vietnam become productive members of society. This must be recognized.

OUR POW-MIA'S MUST NEVER BE FORGOTTEN

However, for many, the war did not end in 1975 and, in fact, has not yet ended. These are still Americans whose fate remains unknown and whose families and loved ones still live lives of fear, pain and frustration. The attitude of the Vietnamese Government is the single most important factor in resolving the fate of our POW-MIA's. Many, many Americans—in Kansas and around the country—are waiting, as they have for more than a decade, to see if Hanoi is serious, to see if the Vietnamese Communists will live up to minimum standards of humane behavior, to see if they will do what is right.

A NOTE OF THANKS TO THOSE WHO MADE IT POSSIBLE

Mr. President, a great deal of thanks should go to Senator MURKOWSKI, chairman of the Senate Veterans Affairs Committee and Senator SIMPSON, ranking member of the committee, who took such an interest in the granting of this charter. Also, Senator CRANSTON, ranking minority member of the committee deserves a note of thanks for his work on behalf of the charter. A great deal of the credit goes to Robert Mueller, president of the Vietnam Veterans of America. Bob, a former marine who is 100-percent disabled—along with the many dedicated members of the organization—has done an admirable job in keeping this issue on the congressional front burner. I look forward to joining my colleagues and others at the White House when the President signs this bill granting a Federal charter.

Mr. President, this vote pays tribute to those who have accepted the ultimate responsibility for the well-being of our Nation. Let us demonstrate our individual consideration and respect to these men, and on a larger scale, by insuring the efficient and adequate maintenance of programs, benefits and services our veterans justly deserve—we can do this by granting a Federal charter to the Vietnam Veterans of America.

Mr. CHAFEE. Mr. President, the U.S. Senate is presented with a unique opportunity today. By adopting S. 8, legislation which will grant a Federal charter to the Vietnam Veterans of America, Inc., this body will have the chance to positively affect the lives of many veterans at no cost to the Federal Government.

I am a proud cosponsor of this measure and I urge my Senate colleagues to join me in enacting it.

As many Senators know, the Vietnam Veterans of America, Inc. [VVA], was founded in 1978. Incorporated in New York the same year, VVA aimed to foster and promote improvement of the condition of Vietnam veterans, widows and orphans of Vietnam veterans, and veterans of other wartime service.

If membership is any indication, Mr. President, VVA aimed well. In fact, it is now the largest national service organization exclusively devoted to Vietnam veterans. The organization claims about 32,000 members in over 40 States and more than 200 chapters. Its national activities benefit the more than 40,000 Rhode Islanders who served our country during the Vietnam era.

The VVA has been accredited by the Veterans' Administration for several years. It has been providing valuable service since its inception. Approval of a Federal charter will greatly enhance the VVA's credibility as a viable, top-notch veterans service organization and bolster its position in the fraternity of service organizations.

This legislation has been cosponsored by over 60 of my Senate colleagues and has the unqualified endorsement of nearly every veterans service and employment organization in Rhode Island, including the Rhode Island Veterans Action Center, the Vietnam-Era Veterans Association, the Vietnam Veterans Betterment Organization, and others.

Mr. President, the truly remarkable feature about this bill is that its adoption will come at no cost to Federal, State, or local governments, according to estimates of the Congressional Budget Office. With acrimonious budget debates looming in the immediate future, today's vote could be the last opportunity Senators will have in the 99th Congress to cast a vote for a worthy cause, without spending American taxpayer dollars.

Mr. President, I commend S. 8 to my colleagues and urge its adoption.

Mr. BIDEN. Mr. President, I rise in support of this charter and believe we should move quickly to see that the Vietnam Veterans of America can take their place alongside our other fine veterans organizations. In recognizing the contributions this organization has already made we only need to look at the increase in membership and new chapters they have achieved in the last 5 years. In 1980, the Vietnam Veterans of America had 2,000 members and 15 chapters. Today there are 32,000 members and 250 chapters. As the chairman and ranking member of the Veterans' Affairs Committee have indicated the testimony of the Vietnam Veterans of America is often sought in considering numerous veterans' issues.

I believe the wounds from the Vietnam war have left some veterans of that conflict disillusioned and reluctant to participate and seek their rightful place in the mainstream of America. This is an area where I believe the Vietnam Veterans of America have already made a valuable contribution in seeking out these men and women. I can't imagine any of us not wanting to help an organization that is working to secure the rightful benefits and the appreciation owed to the nearly 3 million Americans who served in Southeast Asia.

I think it is important that we understand the type of people who are affiliated with the Vietnam Veterans of America. Their elected leaders include a Congressional Medal of Honor winner, a wheelchair-bound marine, a former POW, and a banker. Their membership also includes doctors, teachers, active duty military personnel, blue collar, white collar, and men and women who may be unemployed. Their goal is to foster, encourage, and promote improvements of the condition of the Vietnam veterans, widows, and orphans of Vietnam veterans, veterans of other wartime service, and others. Their publications, training services, and assistance programs are widely praised throughout the Nation.

In my home State the work of this organization is well recognized. Delaware Chapter No. 83 of the Vietnam Veterans of America has been doing good work in assisting veterans in our State and I believe they have been instrumental in rekindling a sense of patriotism among some Vietnam vets who had been very disillusioned. In fact, in October 1985, when my State

established a Veterans' Affairs Committee, the first chairman chosen from among representatives of all the major veterans organizations, was James H. Harbison who was the president of Delaware Chapter No. 83 of the Vietnam Veterans.

In summary I would like to quote from an editorial that appeared in the Stars and Stripes, which is well recognized as the veterans newspaper. This editorial succinctly explains why this charter should be passed today. I will quote from the last paragraph:

* * * in war Vietnam Veterans of America were there when their country called. In peacetime they are there for fellow vets. Now the U.S. Senate should be there when VVA needs its well deserved congressional charter. It's time * * *

I ask my colleagues to join with me in voting for S. 8, the Vietnam Veterans of America, Inc., Charter.

Mr. LAUTENBERG. Mr. President, I rise as a cosponsor of S. 8, the bill to grant a Federal charter to the Vietnam Veterans of America [VVA], to urge the swift passage of this bill.

Formed in 1978, the VVA has devoted itself in an outstanding way to the welfare and the problems of Vietnam-era veterans. The VVA nationally, and the New Jersey Chapter, led by the New Jersey State chairman, Bob Hopkins, have provided valuable leadership on Vietnam veterans' problems like needs for readjustment, employment and economic assistance, the adequacy of GI bill benefits, VA health-care programs, agent orange, and posttraumatic stress disorder. Now over 32,000 members strong, the VVA has ably and conscientiously advanced these causes through the legislative process as well as by increasing public awareness.

At the same time, VVA provides valuable practical assistance to veterans by representing them in connection with claims for benefits before the Veterans' Administration. The VVA claims service department has gone one step beyond this traditional veterans organization service by developing and distributing a comprehensive claims manual for use by its service officers and others involved in assisting Vietnam veterans.

As the local service providers, the VVA's 150 chapters are the backbone of the organization. Every chapter serves as the primary contact point for information and referral services, and many have established local rap groups to help Vietnam veterans express themselves and address their common problems in a supportive environment.

Perhaps as important as the practical services provided by VVA, this organization has helped to instill pride and a sense of positive identification into Vietnam veterans who served their country at a different and divisive time in our national history.

As a World War II veteran myself, it is clear that granting a Federal charter to the VVA would be a fitting way to express our recognition of the contributions which Vietnam veterans have made to our country, both during that war and in its aftermath. This charter would strengthen the ability of VVA to continue to serve its veterans in meaningful and effective ways. As important a tribute as the Vietnam Veterans Memorial erected in this city, this charter will help those who survived the war to go on living and contributing to our society in the fullest way possible.

I urge my colleagues to approve this legislation and send VVA a strong signal of support for their important work.

Mr. HEINZ. Mr. President, I am pleased to be a cosponsor of S. 8, to grant a Federal charter to the Vietnam Veterans of America. Since 1979 this organization has served the veterans of Pennsylvania and the Nation with distinction, and I am looking forward to the passage and enactment of this measure.

In the past 6 years VVA has shown themselves to be worthy of a charter by concentrating on services to veterans. In Pennsylvania this has been accomplished through local VVA chapters, and local business and volunteer groups working together to provide opportunities for veterans. Through VVA, small businesses have been developed, and have succeeded. Unemployed veterans have been located, job search assistance provided, and productive employment has been the result. Of equal importance is the counseling and representation VVA provides to its members. Veterans suffering from posttraumatic stress syndrome or other service-related difficulties have a friend and adviser in the VVA. In addition, VVA provides full representation to members seeking to ajudicate claims before the Veterans Administration.

These services which VVA makes available not only to my consitituents, but throughout the Nation, prove that VVA deserves a charter. But, moreover, VVA is of real help here in Washington as well. The Washington office has worked tirelessly to secure compensation for agent orange victims and job training for unemployed vertans, among many, many other issues.

For these reasons I have been a cosponsor of the VVA charter measure, and will glady vote in favor of it. I urge all my colleagues to join me and do likewise.

Mr. DODD. Mr. President, as one of its original sponsors I rise in strong support of the pending legislation, S.8, granting a Federal charter to the Vietnam Veterans of America, Inc. It is one of our country's noblest traditions to honor those among us who have served in our Armed Forces at the time of war or other conflicts short of actual war. For a long time, however, the veterans of the Vietnam war had not been given the recognition and gratitude by the Nation that they were entitled to. That war has divided our Nation in a way no war did since our Civil War. Amidst the political infighting about that war, the mutual recriminations from its opponents and supporters our servicemen at best were forgotten, at worst were made scapegoats for the division that was, the least of all, their fault.

I am very pleased that with time most Americans have recognized the injustice that was done to our Vietnam veterans and they have been given belated recognition for their sacrifices for our Nation. Still, there were many issues and concerns that were specific and important to Vietnam veterans and that called for a service organization dedicated to those concerns. The Vietnam Veterans of America, Inc., has filled that gap and has institutionalized a specific advocacy service to the Vietnam vet.

This organization was not formed to rival older, more established service organizations but to complement their work. Indeed, many members and leaders of Vietnam Veterans of America also belong to the American Legion and the Veterans of Foreign Wars, just to mention two of the most prestigious older groups.

Mr. President, a Federal charter is an official acknowledgment of the record and commitment of a service organization in providing assistance to those it was formed to support. It also enables the organization to take advantage of certain forms of Federal and State benefits to its work. During its existence the Vietnam Veterans of America has established and outstanding record in support of Vietnam veterans. Its membership now surpasses 30,000. I see absolutely no reason to deny them the honor of a Federal charter and I urge all my colleagues to approve this legislation.

Mr. GLENN. Mr. President, I rise to express my support for S. 8, a bill to grant a Federal charter to the Vietnam Veterans of America. My State of Ohio boasts the largest number of VVA chapters, with 28 active chapters and an additional 16 to 20 in formation. The Ohio VVA has been actively involved in veterans employment assistance activities, operating six job counseling and placement centers in the State in conjunction with the Vietnam Veterans Leadership Program. Later this year the Ohio VVA will cosponsor a Small Business Veterans Business Conference with the SBA. Ohio VVA has 10 trained veterans service representatives around the State whose advice and assistance are available to all veterans and dependents. The Ohio VVA also participates

in voter registration efforts and the antidrug abuse program called "Just Say No." They are members of the Governor's Advisory Commission on Veterans Affairs and the Veterans Association of State Commanders and Adjutants. With respect to community service, Ohio VVA chapters run an annual soapbox derby for handicapped children and participate in a Christmas "Toys for Tots" Program.

On the national level the VVA has become an active and effective advocate of Vietnam veterans concerns before Congress and executive agencies. Their voice has heard and heeded on a range of issues including Vietnam veteran unemployment, the Vet Center Program and agent orange. The VVA operates an active Legal Services Program offering claims assistance to veterans.

In 8 short years the VVA has established itself as a true veterans service organization, and as such deserves the recognition of a Federal charter.

Mr. HOLLINGS. Mr. President, I am pleased to be a cosponsor of S. 8, a bill which grants a Federal charter to the Vietnam Veterans of America, Inc. [VVA]. VVA is the largest national service organization devoted exclusively to encourage and promote the welfare of Vietnam-era veterans.

Its membership, which doubled in 1982 and again in 1983, currently stands at 21,000. Each of the 150 chapters across the country works to meet the individual needs of the Vietnam veteran by providing information and referral services, substance abuse programs and job fairs. Events and activities such as Special Olympics and Big Brothers organized by VVA chapters not only benefit the communities in which they are held, but also portray a positive image for Vietnam veterans and help to foster their readjustment to civilian life.

Vietnam Veterans of America, Inc., addresses the major issues that confront all veterans of Vietnam, inlcuding not only their readjustment needs, but also employment opportunities and economic assistance, adequacy of GI bill benefits, and VA health-care programs. In addition, this organization has been involved in efforts to seek judicial review of veterans' benefit claims.

Since its formation in 1978, Mr. President, VVA has made great strides. Its rapid growth attests to the important work it does and the respect our Vietnam-era veterans have for it. It has become a major voice in all aspects of veterans affairs, providing valuable counsel to Federal and local agencies, to the Senate Veterans Affairs Committee and individual Members of the Senate. Because of its commitment to providing this insight and assistance, and the need for it to continue to do so, the VVA should have access to the many veterans' affairs forums which are limited to organizations with Federal charters.

I am happy to lend my support to this important bipartisan legislation, and, Mr. President, I urge my colleagues to join with me and vote for its passage.

Mr. LEAHY. Mr. President, 25 years ago this country embarked on what was to become the most divisive and destructive war since the 1860's. By the time we finally extracted ourselves from the horrors of Vietnam, 59,000 Americans and many more Vietnamese had lost their lives.

The brave men and women who served in that war came home to a country that wanted to forget. For many of them the nightmare of Vietnam was far from over. Some, still suffering from the physical and psychological injuries of the war, were rejected by families and friends, and succumbed to drugs and even suicide. For the past decade, Vietnam veterans have struggled to gain the honor and the respect they deserve.

Vietnam Veterans of America was begun in 1978, when Vietnam veterans were almost forgotten. VVA now has over 200 chapters in 41 States. It is the only national organization devoted solely to providing vital services, advocacy and opportunity to the 9 million Americans who served in the armed services during the Vietnam war.

VVA has proven many times over that it deserves our strongest support, for the central role it has played in reuniting this country. It has provided legal representation to thousands of Vietnam veterans in Veterans' Administration claims and discharge review cases. Hundreds of veterans have had their discharges upgraded as a result of this advocacy.

It has lobbied hard for legislation to benefit veterans, including the Emergency Job Training Act, funding to support Veterans centers, compensation for agent orange victims, and the Vietnam War Memorial.

VVA has worked tirelessly with the Veterans' Administration and other Federal agencies, and sponsored community projects on issues that directly aid veterans, including jobs and substance abuse programs, special Olympics, veterans small business conferences, blood drives and State and local Vietnam memorials.

By these efforts and many others, VVA has helped tens of thousands of Vietnam veterans succeed in government, in education, in business and in countless other endeavors that benefit all of us.

By adopting S. 8 to grant a Federal charter to VVA, we can give it our full support to build on its past record of achievements. VVA will then have access to important Veterans' Administration support services, and to State funds and resources for Vietnam veterans services.

This legislation has the overwhelming support of Republicans and Democrats, including several who served in Vietnam. Like the Vietnam War Memorial, visited by more Americans than any other memorial, and last year's New York City parade in honor of Vietnam veterans, this Federal charter is an expression of our recognition of the veterans of an unpopular war, and of the organization that has done the most to put that war behind us all.

Mr. HART. Mr. President, I am pleased that the Senate will vote today on S. 8, which grants a Federal charter to the Vietnam Veterans of America [VVA]. As an original cosponsor of this measure, I support granting this charter to recognize and further the work of VVA.

VVA has grown to become the largest national service organization exclusively devoted to the Vietnam veteran. The organization works with veterans who need job counseling and training; it offers them legal aid, and promotes overall assistance to veterans through legislative lobbying activities.

It has been over a decade since the end of the Vietnam war, but, the wounds are only now beginning to heal. Most veterans have moved quietly back into the mainstream of American society. And many have taken up positions of leadership in our government—leaders like Senators JOHN KERRY, ALBERT GORE, TOM HARKIN, LARRY PRESSLER, JEREMIAH DENTON, Gov. Bob Kerrey, of Nebraska, and Representatives TOM DASCHLE and BYRON DORGAN to name but a few. Yet some veterans continue to have problems related to their wartime experiences and will continue to need our help and encouragement.

One way we have helped is last year's action by the U.S. Senate in granting the right to judicial review for veterans benefit claims. This legislation is long overdue, and a much deserved and needed boost for those who fought in wars defending our country.

But even this legislation is not enough. It has taken years for American citizens and our Government to fully realize the gripping reality of the war in Vietnam. VVA has worked diligently over the last 8 years to help the people and Government of this country understand how we must move forward to secure the future for the hundreds of thousands of Vietnam veterans in the United States today.

Bobby Muller, president and founder of VVA has been the principal behind many of these efforts. His accomplishments for veterans are many. In addition to founding VVA, he lead an American delegation of Vietnam veterans in 1981 to Vietnam to create a dialog between our countries on the effects of agent orange, the fate of American soldiers still listed as miss-

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ing in action, and the plight of outcast Amerasian children. His delegation contained the first group of combat veterans to visit Vietnam since the United States disengaged from the fighting in 1975.

Since the creation of VVA in 1978, the organization has grown to nearly 30,000 members with over 200 chapters in 41 States. There, Mr. Muller's efforts have really borne fruit. His work has been primarily to seek justice on behalf of the thousands of veterans who fought the war in Vietnam and for the survivors of the men killed.

One of the most fitting ways to honor this man and the organization he started is for the Senate to pass a Federal charter for the Vietnam Veterans of America.

A congressional charter for VVA would enable the organization to continue its invaluable efforts for the veterans of that war and to act as a catalyst for enacting legislation they need.

Enactment of S. 8 will place this latest generation of veterans on the same footing as veterans from previous wars whose representative organizations have received similar recognition.

Mr. President, VVA is an outstanding group of caring men and women who have served our country with distinction. I support S. 8, and I urge the entire Senate to join me in voting for the VVA Federal charter today.

The PRESIDING OFFICER. All time has expired.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. PRESSLER. Mr. President, I ask unanimous consent that I may proceed for 1 minute on the Vietnam Veterans of America charter resolution.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. PRESSLER. Mr. President, as a Vietnam veteran, and as a member of the Vietnam Veterans of America, I strongly support this legislation. I have spoken many times on the Senate floor about the need to give recognition to Vietnam veterans. It has been much easier in the last 3 or 4 years. It was much more difficult 5 or 6 years ago.

I have had a particular interest in Vietnam veterans since serving in the Army in Vietnam myself some years ago. In the past I have led efforts in this body in support of legislation to aid the Vietnam veterans cause. Today I join with many of my distinguished colleagues in cosponsoring this legislation on behalf of the Vietnam Veterans of America.

Every recognized veterans' organization today was formed with a particular interest in mind. The American Legion was formed in 1919 by veterans of World War I and was granted a Federal charter the same year. AMVETS was organized by World War II veterans in 1944 and was granted a Federal charter in 1947. The Veterans of Foreign Wars, of which I am a member, was formed in 1899 and was granted a Federal charter in 1936. There are veterans' organizations which pertain to religion. For example, the Jewish War Veterans organization was founded in 1896 and received its Federal charter in 1984. The Catholic War Veterans group was founded in 1935 and in 1985 received a Federal charter. The Disabled American Veterans organization, of which I am a member was founded in 1920 and was granted a Federal charter in 1932. The Paralyzed Veterans of America group was founded in 1947 and was granted a Federal charter in 1971. The VVA is a legitimate interest group, and should be granted this charter so that they may better care for their own.

The VVA is a national organization devoted to the welfare of the Vietnam era veterans. They are the largest service organization for Vietnam veterans with a national membership of more than 25,000 members in over 200 chapters nationwide. Their main purpose is to promote a cultural, economic, educational and emotional readjustment to civilian life. The VVA's local chapters conduct rap groups and job fairs. They are active in charitable organizations, Special Olympics, Boys' Clubs and Girls' Clubs, walkathons for the March of Dimes, and telethons for Muscular Dystrophy, soap box derby races for the handicapped, food programs, blood drives, and drug and alcohol abuse programs. They are involved in veterans' counseling and referral services, veterans' small business conferences and veterans' business resource councils.

But most important is their work which enables Vietnam veterans to be proud of their service to this Nation. The Vietnam war was a difficult period in our Nation's history. Many veterans of Vietnam suffered feelings of guilt and great psychological stress as a result of their service and the treatment they received upon returning home. They had severe difficulties adjusting to the job market, and sometimes were discriminated against in their efforts to readjust to civilian life. I recall vividly that when I first returned home from Vietnam, very few veterans wore their uniforms publicly for fear of insults. They became ashamed to admit that they had served in the Armed Forces. They were unlike veterans from other wars, who were welcomed home with ceremonies and parades.

Fortunately, Mr. President the Nation is moving toward a better understanding of its veteran population. The Vietnam Veterans of America already have made valuable contributions to this Nation. The granting of a Federal charter will recognize their accomplishments and help them toward further achievements. I urge the immediate adoption of this resolution.

The PRESIDING OFFICER. All time under the agreement with relation to S. 8 has expired.

The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment of the amendments the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

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. SIMPSON. I announce that the Senator from Florida [Mrs. HAWKINS] and the Senator from Vermont [Mr. STAFFORD] are necessarily absent.

I further announce that, if present and voting, the Senator from Florida [Mrs. HAWKINS] would vote "yea."

Mr. CRANSTON. I announce that the Sentor from Missouri [Mr. EAGLETON] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 94, nays 3, as follows:

[Rollcall Vote No. 52 Leg.]

YEAS—94

Abdnor	Goldwater	Metzenbaum
Andrews	Gore	Mitchell
Armstrong	Gorton	Moynihan
Baucus	Gramm	Murkowski
Bentsen	Grassley	Nickles
Biden	Harkin	Nunn
Bingaman	Hart	Packwood
Boren	Hatch	Pell
Boschwitz	Hatfield	Pressler
Bradley	Hecht	Proxmire
Bumpers	Heflin	Pryor
Burdick	Heinz	Quayle
Byrd	Hollings	Riegle
Chafee	Humphrey	Rockefeller
Chiles	Inouye	Roth
Cochran	Johnston	Rudman
Cohen	Kassebaum	Sarbanes
Cranston	Kasten	Sasser
D'Amato	Kennedy	Simon
Danforth	Kerry	Simpson
DeConcini	Lautenberg	Specter
Denton	Laxalt	Stennis
Dixon	Leahy	Stevens
Dodd	Levin	Symms
Dole	Long	Thurmond
Domenici	Lugar	Trible
Durenberger	Mathias	Warner
Evans	Matsunaga	Weicker
Exon	Mattingly	Wilson
Ford	McClure	Zorinsky
Garn	McConnell	
Glenn	Melcher	

NAYS—3

East	Helms	Wallop

NOT VOTING—3

Eagleton Hawkins Stafford

So the bill (S. 8, as amended) was passed, as follows:

S. 8

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

RECOGNITION AS CORPORATION AND GRANT OF FEDERAL CHARTER

SECTION 1. The Vietnam Veterans of America, Inc., a nonprofit corporation organized under the laws of the State of New York, is hereby recognized as such and is granted a charter.

CORPORATE POWERS

SEC. 2. The Vietnam Veterans of America, Inc. (hereinafter in this Act referred to as the "corporation"), shall have only those powers granted to it through its articles of incorporation filed in the State in which it is incorporated and its constitution and bylaws, and subject to the laws of such State.

OBJECTS AND PURPOSES OF CORPORATION

SEC. 3. The objects and purposes of the corporation are those stated in its articles of incorporation, constitution, and bylaws and include a commitment to—

(1) uphold and defend the Constitution of the United States;

(2) foster the improvement of the condition of Vietnam-era veterans;

(3) promote the social welfare (including educational, economic, social, physical, and cultural improvement) in the United States by encouraging the growth and development, readjustment, self-respect, self-confidence and usefulness of Vietnam-era veterans and other veterans;

(4) improve conditions for Vietnam-era veterans and develop channels of communication to assist Vietnam-era veterans;

(5) conduct and publish research, on a nonpartisan basis, pertaining to the relationship between Vietnam-era veterans and the American society, to the Vietnam war experience, to the role of the United States in securing peaceful coexistence for the world community, and to other matters which affect the educational, economic, social, physical, or cultural welfare of Vietnam-era veterans and other veterans and the families of such veterans;

(6) assist disabled Vietnam-era veterans and other veterans in need of assistance and the dependents and survivors of such veterans; and

(7) consecrate the efforts of the members of the corporation and Vietnam-era veterans generally to mutual helpfulness and service to their country.

SERVICE OF PROCESS

SEC. 4. With respect to service of process, the corporation shall comply with the laws of the State in which it is incorporated and those States in which it carries on its activities in furtherance of its corporate purposes.

MEMBERSHIP

SEC. 5. Except as provided in section 8, eligibility for membership in the corporation and the rights and privileges of members shall be as provided in the constitution and bylaws of the corporation.

BOARD OF DIRECTORS

SEC. 6. Except as provided in section 8, the board of directors of the corporation, and the responsibilities of the board, shall be as provided in the constitution and bylaws of the corporation and in conformity with the laws of the State in which it is incorporated.

OFFICERS

SEC. 7. Except as provided in section 8, the officers of the corporation, and the election of such officers, shall be as provided in the constitution and bylaws of the corporation and in conformity with the laws of the State in which it is incorporated.

NONDISCRIMINATION

SEC. 8. In establishing the conditions of membership in the corporation and in determining the requirements for serving on the board of directors or as an officer of the corporation, the corporation may not discriminate on the basis of race, color, religion, sex, national origin, handicap, or age.

RESTRICTIONS ON CORPORATE POWERS

SEC. 9. (a) No part of the income or assets of the corporation shall inure to any person who is a member, officer, or director of the corporation or be distributed to any such person during the life of this charter. Nothing in this subsection shall be construed to prevent the payment of reasonable compensation to the officers of the corporation or reimbursement for actual necessary expenses in amounts approved by the board of directors.

(b) The corporation shall not make any loan to any officer, director, or employee of the corporation.

(c) The corporation shall have no power to issue any shares of stock nor to declare or pay any dividends.

(d) The corporation shall not claim congressional approval or Federal Government authority by virtue of this Act for any of its activities.

LIABILITY FOR ACTS OF OFFICERS AND AGENTS

SEC. 10. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

BOOKS AND RECORDS; INSPECTION

SEC. 11. The corporation shall keep correct and complete books and records of accounts and shall keep minutes of any proceeding of the corporation involving any of its members, the board of directors, or any committee having authority under the board of directors. The corporation shall keep at its principal office a record of the names and addresses of all members having the right to vote. All books and records of the corporation may be inspected by any member having the right to vote, or by any agent or attorney of such member, for any proper purpose, at any reasonable time. Nothing in this section shall be construed to contravene any applicable State law.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 12. The first section of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (36 U.S.C. 1101), is amended by inserting after paragraph (71) the following new paragraph:

"(72) The Vietnam Veterans of America, Inc.".

ANNUAL REPORT

SEC. 13. The corporation shall report annually to the Congress concerning the activities of the corporation during the preceding fiscal year. Such annual report shall be submitted at the same time as is the report of the audit of the corporation required by section 2 of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (36 U.S.C. 1102). The report shall not be printed as a public document.

RESERVATION OF RIGHT TO ALTER, AMEND, OR REPEAL CHARTER

SEC. 14. The right to alter, amend, or repeal this charter is expressly reserved to the Congress.

DEFINITION OF "STATE"

SEC. 15. For purposes of this Act, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and each of the territories and possessions of the United States.

TAX-EXEMPT STATUS

SEC. 16. The corporation shall maintain its status as an organization exempt from taxation as provided in the Internal Revenue Code of 1954.

EXCLUSIVE RIGHT TO NAMES

SEC. 17. The corporation shall have the sole and exclusive right to use the name "The Vietnam Veterans of America, Inc.", "Vietnam Veterans of America, Inc.", and "Vietnam Veterans of America", and such seals, emblems, and badges as the corporation may lawfully adopt. Nothing in this section shall be construed to interfere or conflict with established or vested rights.

FAILURE TO COMPLY WITH RESTRICTIONS OR PROVISIONS

SEC. 18. If the corporation shall fail to comply with any of the restrictions or provisions of this Act, the charter granted by this Act shall expire.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. TRIBLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

METROPOLITAN WASHINGTON AIRPORTS TRANSFER ACT

The PRESIDING OFFICER. The pending business is S. 1017, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (S. 1017) to provide for the transfer of the Metropolitan Washington Airports to an independent airport authority.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. BYRD. Mr. President, will the distinguished Senator yield?

Mr. TRIBLE. I am happy to yield to the minority leader.

Mr. BYRD. Mr. President, I inquire of the distinguished majority leader what the program will be for the remainder of the day and whether or not he anticipates any more rollcall votes today and possibly if he could also indicate how late the Senate might be in today.

Mr. DOLE. Mr. President, if we could have order.

The PRESIDING OFFICER. The majority leader is correct. The Senate is not in order.

The majority leader is recognized.

Mr. DOLE. Mr. President, I think how late we are in depends on whether or not we can start offering amendments to this bill. This is a very minor piece of legislation, in many respects. It is the seventh day it has been on the Senate floor. I am advised that there are some who do not want anything done today or tomorrow. They just want to talk for a couple more days. So I am prepared to stay here late this evening so we can start offering amendments to this bill. It is a matter that ought to be disposed of.

We have had adequate debate. No one has quarreled about anybody's right to debate. We have tried to protect the rights of everyone.

I am advised there are at least 15 amendments to the bill. I am not certain all of them will be offered. But if we can start offering amendments and having votes this afternoon, it would certainly help us get out earlier this evening and tomorrow evening. But, unless there is some disposition to do that, I am prepared to stay until midnight and later tomorrow night.

Mr. BYRD. Mr. President, will the distinguished Senator yield further?

Mr. TRIBLE. I am happy to yield to the distinguished minority leader.

Mr. BYRD. Mr. President, I can associate myself with the Senator's problem of having the responsibility to move the program along.

Is the distinguished majority leader in a position to say now that definitely the Senate will be in tonight until 10 o'clock or that it will be in until midnight or that there will be no votes beyond 6 o'clock or 7 o'clock? Is he in a position to let our colleagues know about the prospects in those regards?

Mr. DOLE. If the Senator from Virginia will yield further.

Mr. TRIBLE. I am happy to yield.

Mr. DOLE. I am not yet prepared to make that statement, because I would like to complete action on this bill. There are a number of other Members pushing other pieces of legislation that we cannot dispose of until we deal with this. I am told there are at least two amendments have now been taken off the list—about 15 amendments and there may be others. I am not certain they all will be offered. But if we could start voting on the amendments, I believe we would be in a position to try to accommodate some of the concerns on both sides, to have votes start about 7 o'clock this evening. But let me try to advise my colleague by, let us say, 4:30.

Mr. BYRD. By 4:30; I thank the Senator.

I have one more question, if the Senator from Virginia will permit me and if the majority leader will be patient with me. The budget resolution is a privileged matter and regardless of the unfinished business now before the Senate, the budget resolution can be brought up. Is the distinguished majority leader today, tomorrow, or Friday, even, to call the budget resolution up? I believe there are 50 hours of debate thereon.

Mr. DOLE. Let me indicate, if the Senator from Virginia will yield.

Mr. TRIBLE. I am happy to yield.

THE BUDGET RESOLUTION

Mr. DOLE. I met with most of the committee chairmen this morning, along with the OMB Director. It is my hope to have additional meetings during the afternoon. I doubt that we will get on the budget resolution this week. Then we will probably have the Republican conference later on in the week. I think it is fair to say—it is public information—that there are rather sharp divisions on this side on the budget resolution. About 24 or 25 Senators have indicated in writing their opposition to the budget resolution. The others, I guess, without checking, may be on the other side of the issue.

Mr. BYRD. Let me encourage the distinguished majority leader, if I may presume to do so, to bring this budget resolution up as soon as possible. It came out of committee on a bipartisan vote. I would hope that, with debate on the floor and Senators having amendments which they feel will improve the measure, fix this or fix that, I believe the distinguished majority leader would probably hasten the final action on the resolution if the Senate could get to it earlier. And, I feel confident that he is going to get some good support from this side of the aisle.

I wish to take, while I have this opportunity, the time to compliment the chairman and the ranking member for hammering out what appears to be a pretty moderate and balanced approach. We will have some amendments, but I hope that we can get to the budget sooner rather than later, if the distinguished majority leader will allow me to say so without appearing too presumptuous as to what is his responsibility.

Mr. EXON. Will the Senator yield for a question?

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

Mr. TRIBLE. I yield to the Senator from Nebraska for a question.

Mr. EXON. Mr. President, I wish to ask a question of the minority leader and majority leader before they leave the floor. I wish to associate myself with the remarks just made by the minority leader. As a member of the Budget Committee, we hammered out a proposal that is not perfect but at least it had strong bipartisan support. I think the quicker we bring that matter to the floor of the U.S. Senate and get on with the business of enacting a budget, the better off we will be.

My question has to do with the April 15 magical date. The law clearly states that we are to have action by April 15, which is 6 days away from right now, on the budget proposal. I know that we have conveniently ignored those dates from time to time, but that should not be precedent setting, especially in the situation that we find ourselves in right now.

This Senator did not support the Gramm-Rudman-Hollings proposal, but that is standing back there, I suggest. And if you think things are tough now, those of you who voted for Gramm-Rudman-Hollings, I would be scared to death if I voted for that bill and started to see a slippage of these dates that were set to bring some fundamental changes to the budget.

Therefore, I say, good, bad, or indifferent, I support strongly the able chairman of the Budget Committee who has done an outstanding job in bringing a coalition together. Senator DOMENICI, working together with Senator CHILES, the ranking Democrat, came out with not a perfect budget, but a budget that is fully workable, fully sound, protects many of the programs that we think should be protected, and meets the Gramm-Rudman proposal for a $144 billion deficit by the end of this fiscal year.

I just encourage our leaders to bring this up. The way we work our will here is that, after the appropriate body has made their decision, in this case the Budget Committee, if the committee system means anything in this body, it should come up on the floor of the Senate where it is fully amendable. I would think the quicker we get on with that the better.

My question, and I would like to ask the majority leader and the minority leader: What happens if we let the April 15 date slip by, which apparently we are about to do? Is that not a major concern to finding the give and take and the compromising and the votes that are going to be necessary on this floor to oppose those amendments that obviously are going to be offered? What do we do if we miss the April 15 date; nothing?

Mr. DOLE. Take it up later.

Mr. EXON. Take it up later.

Mr. TRIBLE. Mr. President, let me reclaim my time and say that we are now prepared, I believe, to consider a number of amendments to the airports legislation. Senator METZENBAUM is prepared now to proceed with an amendment. I promised him he would have an opportunity to do that before 3 o'clock. After the resolution of that amendment, it would be my hope then that we could proceed to an amendment to be offered by the Senator from New Jersey, Senator LAUTENBERG.

AMENDMENT NO. 1733

(Purpose: To protect the interests of the United States in the transfer of the Metropolitan Washington Airports)

Mr. METZENBAUM. 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 Ohio [Mr. METZENBAUM] proposes an amendment numbered 1733.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment reads as follows:

On page 37, line 6, beginning after the words "or for", strike through the word "Authority" on line 8, and insert in lieu thereof: "activities necessary and appropriate to serve passengers or cargo in air commerce, or for non-profit, public use facilities".

Mr. METZENBAUM. Mr. President, we are today considering legislation to transfer control of Dulles Airport and National Airport to a regional airports authority for the price of $47 million. In return this new authority is committed to make long-needed improvements at National and Dulles, and to continue to operate the airports in the public interest.

This amendment would help to ensure that the bill does what it is supposed to do by tightening a provision that relates to the future development of land at Dulles Airport.

Much of Dulles' 10,800 acres of land is currently used to provide adequate runway clear zones and airport noise buffer space. In addition, some of the land is reserved for future development of a new runway.

At the same time, however, this land would undoubtedly yield the airports authority a far greater return if it were instead developed for commercial purposes. That is the basis of my concern.

Here is one possible scenario. As drafted, the bill would permit the new airports authority to lease Dulles for a period of 35 years, during which time it may not develop the reserved or buffer land for profit. However, there is nothing in the bill that would prevent the authority from entering into a 50-year lease with a developer to build an industrial park or some other totally nonaviation related enterprise on the buffer land. Under this scenario, the airports authority could realize its profit in the form of a balloon payment after its 35-year lease with the Federal Government expires.

Again, this is the land that Dulles' planners had the foresight to acquire 30 years ago so that Dulles would have adequate runway clear zones and noise buffer space.

Members of the Holton Commission, the administration, and the Washington-Dulles Task Force have attempted to assure me that there are no plans to develop this land for commercial purposes.

But the fact is, there is nothing in this bill that would prevent it.

Section 8(a)(1) of the bill says that the airports authority shall use the real and personal property of Dulles Airport only for "airport purposes." The same provision defines airport purposes to include both aviation business and nonaviation business.

The fact is, this language would permit the airports authority to do anything it darn well pleases with the land at Dulles.

I do not question the motives or the sincerity of the Holton Commission or the local coalitions that developed this bill.

That is why I believe they should have no objection to this amendment.

This amendment simply ensures that the land at Dulles Airport is used for aviation business purposes and activities necessary to move passengers or cargo engaged in air commerce. It does not prohibit the types of commercial development needed by an airport and that already exist at Dulles, such as car rentals or parking.

I believe it is a good amendment, and I urge my colleagues to accept it.

Mr. TRIBLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. TRIBLE. Mr. President, this amendment would lay to rest the concerns of a number of my colleagues about the possibility of commercial development unrelated to the airports' proper function.

The amendment, as my colleague from Ohio has explained, eliminates the ability of the authority to lease space to nonaviation related business.

I have maintained that there is no excess land available for these purposes at Dulles. In fact, the implementation of the master plan will leave a mere 15 acres north of the terminal for business activities that are not strictly speaking directly related to aviation such as a hotel, or a filling station.

In other words, the potential for commercial development is minimal at best. However, this amendment will assure my colleagues that the authority will not engage in commercial real estate development, and that the integrity of the airports will be maintained.

For that purpose, I am pleased to accept the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Ohio.

The amendment (No. 1733) was agreed to.

Mr. METZENBAUM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. TRIBLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who seeks recognition?

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. SARBANES. Mr. President, will the Senator from Ohio yield for a question?

The PRESIDING OFFICER. The Senator from New Jersey was just recognized.

Mr. LAUTENBERG. I yield to the Senator from Maryland for a question.

Mr. SARBANES. As I understand the amendment, the activities would have to be necessary and appropriate to serve passengers or cargo in air commerce. Is that correct?

Mr. METZENBAUM. That is correct.

Mr. SARBANES. So they would have to be necessary activities?

Mr. MATZENBAUM. That is correct.

AMENDMENT NO. 1734

Mr. LAUTENBERG. 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 New Jersey [Mr. LAUTENBERG], Mr. KERRY, Mr. DODD, Mr. MOYNIHAN, Mr. SARBANES, Mr. MATHIAS, Mr. EAGLETON, Mr. LEVIN, and Mr. CRANSTON, proposes an amendment numbered 1734.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that further 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, add the following:

Safe and efficient air transportation is essential to the economy of the nation; and

The margin of safety in the skies is jeopardized by a serious experience drain in the air traffic control system; and

The total number of air traffic controllers is significantly below the level employed in 1981; and

At a time of rising air travel, the air traffic controller system is at 59 percent of full performance level as of September 30, 1985 as contrasted to 82 percent in 1981 and is subject to further experience drain due to expected retirement: Now, Therefore,

(1) it is the Sense of the Senate that the Executive Branch should employ the quickest and most cost efficient means to return the air traffic control system to past experience levels;

(2) the Executive Branch should, to the extent required, rehire, as new employees,

those experienced air traffic controllers fired from the Federal Aviation Administration in 1981, who meet standards for employment in the Federal civil service, necessary to fulfill this objective;

(3) the Executive Branch should, in implementing the intent of this resolution, insure that no involuntary displacement of existing Federal Aviation Administration personnel results from the reentry of former controllers.

Mr. LAUTENBERG. Mr. President, the amendment I am offering is a revised version of Senate Resolution 276, a sense of the Senate Resolution which I introduced last December 18. It is cosponsored by 11 Senators. While not immediately relevant to the bill before us, I believe it raises an important issue which the Congress should address: the margin of safety in our skies and how we can widen it.

Mr. President, there is an acute need for more experienced, seasoned air traffic controllers in our Nation's air traffic control towers and facilities. This resolution urges the executive branch to return the air traffic control system to past experience levels at the earliest possible date. To accomplish this goal, to the extent required, it calls for the selective rehiring of previously terminated air traffic controllers in 1981 who have been denied employment in the Federal Aviation Administration since that time.

Mr. President, 1985 was the worst year in commercial aviation since 1977 in terms of lives lost in air crashes; 526 people lost their lives in crashes involving U.S. airlines. These tragic crashes have heightened the public's concern over air safety. That concern is shared by the Congress, which has provided funds for more air traffic controllers and safety inspectors.

Evidence of how the margin of safety in our skies has been compromised is provided by the growing number of near midair collisions. Pilot-reported near misses are up 93 percent from 1981. There were 395 such incidents in 1981 and 763 near misses reported by pilots in 1985.

A recent poll of its membership conducted by the International Airline Passengers Association, revealed that 64 percent of respondents said they are more concerned with flying than before these crashes, 52 percent said they would avoid certain airlines and 67 percent thought the Government and airline industry were not reporting the facts of accidents accurately.

Mr. President, the public is not alone in its concern for air safety. In a recent report based on an extensive survey of FAA personnel, the General Accounting Office found that the controller workforce at many major facilities is being stretched too thin and the margin of safety in the skies is becoming increasingly difficult to maintain. On-line controllers and their supervisors are clearly saying that they are overworked and understaffed.

In July 1981, Mr. President, the Nation has 15,244 air traffic controllers; 13,205 of whom were full performance level controllers. In September 1985, the FAA had only 12,532 controllers; 8,315 of whom were at the full performance level. The shortage of seasoned air traffic controllers is most acute at the busiest FAA facilities.

In the New York Air Traffic Control Center, there are less than half the full performance level controllers than were there in 1981, although air traffic has increased by 15 percent. At the Tracon radar facility, there are 87 full performance level controllers today; in 1981, there were 124. This situation is repeated in Chicago, Cleveland, and Minneapolis.

Now, Mr. President, most people agree we need more air traffic controllers. In fact, the administration has requested funding for another 500 air traffic controllers in fiscal year 1987. I support this request.

Why then do we need to get involved in rehiring controllers from the 1981 strike? Because, Mr. President, there is a vast difference between funding more controller positions and actually getting experienced controllers on the job. At the end of September 1985, for example, there were 13,998 controllers on duty if you count, as FAA does, air traffic assistants as part of that total. At the end of January 1986, despite the growth in air traffic, that number had actually decreased to 13,972.

Simply, Mr. President, it takes a long time to train controllers. Money alone cannot solve the problem. Further, the administration's plan to add more controllers could fall victim to a heavy rate of retirement expected in the controller workforce. The GAO reports that more than 80 percent of the controllers and supervisors they surveyed, who are eligible for retirement, will in fact retire.

Mr. President, the air traffic control system is being asked to handle more traffic than it can safely handle. In major traffic areas, increases in traffic over 1981 levels have been substantial. Newark Airport in New Jersey has seen traffic grow by 54.3 percent. The New York area has seen a 14.1 percent increase. Atlanta has had a 25.2 percent growth, Salt Lake City 18.5 percent and Washington, DC a 16.6 percent increase.

The combination of increased air traffic and the failure of the air traffic control system to keep pace with that traffic has seriously eroded the margin of safety in our skies. This is a problem of concern to every State.

Mr. President, the amendment I am offering expresses the sense of the Senate that the FAA should not rule out any option in returning the air traffic control system to pre-1981 experience levels. One option rejected to date is the recertification of controllers fired in 1981. This amendment calls on the executive branch to reexamine that issue.

This amendment does not suggest that all of those who struck in 1981 be granted an amnesty and be returned to work at the expense of controllers presently in the system. It merely calls on the administration to allow some of those now excluded from FAA service to apply for the positions that must be filled. The resolution provides the Office of Personnel Management with the discretion to discriminate between those who led the strike in 1981 and those who followed the leadership of their union.

Mr. President, there are those who say that rehiring will not work, because the present work force will not stand for the fired controllers return. Studies commissioned by the FAA itself do not support that position. Experience does not support that position. Hundreds of fired controllers have been returned to the work force through various appeal procedures. There has been no widespread revolt against these controllers among controllers who stayed on the job in 1981 or were subsequently hired. In fact, the management relations report commissioned by the FAA, commonly known as the Jones report, found no strong opposition and some support for rehiring among present controllers.

Because this resolution does not support a general amnesty for fired controllers, its recommendations pose no threat to the existing work force. Controllers who return to the FAA would do so as new employees. They would be starting over, going to the back of the line, in terms of seniority and benefits. If changes in statutes are required to accomplish the transition of former controllers back into the work force as new employees, the administration should so inform the Congress.

In offering this resolution, I am not suggesting that those who left their jobs in 1981 did so legally. The President was within his rights and duty to fire those who struck in 1981. The question now is: Have those who struck suffered enough as a result of their actions to serve as a deterrent to any future job action and do the costs of not rehiring them outweigh the gains? I believe the answer to both of these questions is yes. I believe the time for a selective rehiring has arrived.

Mr. President, I urge my colleagues to support this amendment. I urge that they support the amendment, not for any ideological reason, but for the very practical reason that we must not exclude any pool of talent in the effort to address a serious national aviation safety problem.

We owe it to the traveling public, to the citizens of our communities, and to our families.

Mr. President, I urge adoption of the amendment and I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. NICKLES). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I have great respect for the Senator from New Jersey in his always thoughtful and very constructive approaches to aviation matters, and for his concern for the margin of safety in our skies, an issue that he has addressed regularly in the years he has been here in the Senate. As chairman of the Aviation Subcommittee of the Commerce Committee I share that concern. It is something that we have focused on in hearings ever since the air traffic controller strike. We have carefully studied the Jones Commission, and the second commission that Mr. Jones worked on, as far as oversight of the progress being made by the Secretary of Transportation in protecting the safety of the airways.

It is my belief that Secretary of Transportation Dole and Adm. Donald Engen, Administrator of the Federal Aviation Administration, are dedicated to the safety of our airways and, through careful planning, they are successfully addressing this issue and are laying out a course which I believe will further address the issue in the future.

I do not think there are any of us who would not be concerned by the situation we face today. As the Senator from New Jersey has pointed out, the retirement of those who have been professionals in this field causes us concern.

However, I would like to pose several questions, because I believe that some are attracted to the notion of hiring new controllers. We do now have the new FAA cross option program, which has encouraged controllers nationwide to apply for positions and transfer to those facilities where controller problems exist.

Yet I wonder whether selective rehiring, with no standards set for such rehires, would be able to draw back into the system without further retraining—it has been some 5 years now since the strike—those who would make a substantial addition to the system almost immediately?

I do not know if the Senator from New Jersey has thought this through as far as the difficult questions raised by a selective rehiring process.

It seems to me it would be very difficult to lay down criteria that could be met nationally.

Mr. LAUTENBERG. I appreciate and respect the comments of the Senator from Kansas. We have worked together very closely on matters in this field and other fields, but particularly those concerning aviation. I know we share a common view on what our goals are. I would like to respond to the concern of how we could continue to populate the air traffic control system with experienced people.

I would say that what we have seen so far, and I invite the Senator from Kansas to travel to some of the installations that I have traveled to—Newark Airport and a couple of others—is how stressful the situation is in the towers and how difficult it is to stay on top of all of the events that are occurring—takeoffs and landings, ground control, et cetera—and to point out to the Senator from Kansas that we have not had a very good success rate in terms of building up that force. We have a budget out there that calls for a far higher complement of people, or a significantly higher complement of people, than we have been able to recruit and train. The failure rate is also high once people are on the job.

We had a tragic incident in northern New Jersey recently at a general aviation airport, Teterboro Airport where a combination of circumstances including a controller miscue and a breakdown of the system occurred, where we had a midair collision with the loss of lives and a terrible loss of property and damage on the ground nearby.

We just have not been able to find a better way to do this. Believe me, Mr. President, as I said in my earlier remarks, it is not my intention at all to reward the behavior of those who illegally struck in 1981. But we are not in a position to evaluate that. What we must do is improve the system to the point that we know, when our families and our friends and our constituents get into an airplane, that their chances are better all the time of arriving safely, as opposed to taking the risks that are now imposed upon them. We have seen recent reports that, in addition to a shortage of trained people in the towers, in fact, we are beginning to run shortages of people who fix the equipment that is used in air traffic control.

I see a breakdown in the system that I think we have to repair as quickly as we can. We have searched and thought very carefully about how we do this in the best fashion possible and what we have come up with is this selective program. I think that, certainly within the management of the administration of the FAA, they can find a way to select those who would be able to be brought up to grade most quickly, those who, as I said earlier, followed the lead as opposed to those who were the leaders in the strike of 1981, and to be able, without any placing of any undue burden or obstructions on the filling of the positions necessary, to select those who would fill the bill. I hope we shall be able to give them the opportunity to do so.

Before I yield the floor, I ask unanimous consent that Senator BYRD be added as an original cosponsor.

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

Mrs. KASSEBAUM. Mr. President, I think that the Senator from New Jersey has raised one of the main issues that seems to come up when we analyze the situation at the control centers. I have visited several myself.

For the most part it has always been a question of managing peak traffic periods. Over and over again, we hear the issues of morale and tension and pressure during the peak hours, and how to better manage time and resources and thereby address this problem. Unfortunately, I do not believe that problem is necessarily addressed by bringing back former air traffic controllers. There was a story in the Atlanta, GA, paper on April 2 which states that the supervisors there were unanimously opposed to the rehiring of controllers.

I think it is of great concern that at a time when we are trying to sort through some troubling questions regarding the air traffic control system, that such a proposal interjects further tension, further pressure, and does not really help us resolve the problem.

I realize this is just a sense-of-the-Senate resolution, but even that, I think, sends a message from the Senate that, at this time, is the wrong message.

I share with the Senator from New Jersey his concern about the safety of our skies and our airways. I think we all share that concern. I think, Mr. President, it is wrong for us at this point to send this particular message about rehiring the striking air traffic controllers, through a sense-of-the-Senate resolution.

Mr. LAUTENBERG. Mr. President, we have a limited number of choices to make. I am not convinced at all, and I draw from my own experiences as a corporate executive of a substantial corporation. We in the commercial and business world often wrestled with the problems of morale and leadership. There are times when unpopular decisions are made about promoting somebody, advancing the career of somebody who has not perhaps spent as much time as others or has come up through a different route. I believe, and I have said this to Admiral Engen, that there are times in leadership that promoting those who might have a dissenting view becomes necessary, that at times their mission is better served by bringing in these people and explaining why it is that we have to go out and resort to this pool of talent to fill our reservoir of need. I think it is a part of the executive responsibility to do so.

I think we have now proven over a period of time that we are unable to manage it in any other way and I would argue that whether or not we like the peak hour problems, as the Senator from Kansas had discussed, the fact is that that is when most people want to travel, that is when the demand is there. We have an obligation to try to satisfy that demand as much as we can. Commerce depends on it, jobs depend on it, our ability to help our economy grow depends on our ability to move people and goods as rapidly as we can. That, very frankly, is what enabled the United States in this post World War II period to build its economy to the strength it has, the fact that they were able to travel conveniently and quickly at whatever times they needed to be able to conduct their business. I think that is no different than the number of clerks needed at Christmas time in the retail business. At some point, you have to adjust to peak hours.

That is, I think, our requirement. The fact that there is a little bit less to do at other times notwithstanding, during the heavy hours is when we need those control towers to be fully manned.

I hope that we shall have an opportunity to consider carefully what our responsibility is here. We have been talking about this problem now for some time, at least for a couple of years, since we have gotten past the period when the strikers have been duly punished, I think. Again, the mission is not to reward them.

I would like to take just a minute more to remind my colleagues about the situation we are discussing and what the numbers are here. We have now been counting clerical personnel for the first time as air traffic controllers to make the public and the Congress think that we have, in fact, 14,000 air traffic controllers at work. We have about 12,500 air traffic controllers. I remind my colleagues that the need is something over 14,000. Of the 12,500 who are at work, only 8,300—only 8,300—are at full performance level. That compares to 13,000 full-performance-level controllers that we had in 1981, when air traffic, before the days of deregulation, was substantially lower.

Mr. President, the majority leader told us that unless Congress reaches agreement with the White House on a budget, the second round of Gramm-Rudman-Hollings cuts are going to be triggered. I do not have to repeat his observations about how far we are from any such agreement. The FAA administrator, Donald Engen, has told Congress there is no way his administration can take the budget cut and assure safety. I agree with him that that situation will be compounded by the automatic budget triggering action. So we do not really have the ability to keep faith with those who have entrusted us with the maintenance of air safety. We face difficult days ahead and I think we ought to get on with asserting our view.

Again, this is not a binding amendment or a binding piece of legislation. This is a resolution of the Senate directed to the FAA to keep its complement up to full staffing as quickly as we can. I think we can do it by reaching into this pool of talent that is presently unused.

Mr. SIMON. Mr. President, I am pleased to support the amendment offered by the Senator from New Jersey.

The real question is not whether we are going to do justice to the air controllers. The question is, How do we get safer skies?

In the first 7 months of 1985, we had more near misses than we did in the entire previous year of 1984, and 1984 was a record year of near misses.

In order to get some greater feel for what we should be doing in this matter, I dropped into the Air Control Center at Aurora, IL. I see the Senator from Kansas [Mrs. KASSEBAUM] in the Chamber. She heads the subcommittee that deals with this whole question. I am sure she recognizes that as the center that deals with more air traffic, I am told, than any other center in the Nation. That may be a little provincial talk on the part of the people there, but that is what they told me.

I talked to the management people; and I talked to the air controllers. I must have talked to 30 people there. One person said that he did not believe that the older air controllers should be rehired. But every one of the others said, in one form or another, that, No. 1, we have problems; No. 2, we ought to be rehiring the former air controllers, with some screening. I hasten to add that, and I looked over the amendment very carefully; and it is a carefully crafted amendment that permits that screening.

The point that was made by some of the people there is that some of the air controllers, frankly, have had physical problems in the meantime. Some of them also, perhaps understandably, have some bitterness about what has happened, and emotionally they really are not equipped to become air controllers again.

I happen to believe that President Reagan did the right thing in firing the air controllers. You cannot strike against the Federal Government. But the question is, How do we effectively have greater air safety?

It is still true that it is safer to travel by air than it is by automobile, but that is not really the question. The question is, Is it as safe as it could be? The answer, unfortunately, is that it is not as safe as it could be.

One of the ways in which we can make it safer is to adopt this amendment and to rehire some of the people who were air controllers. The argument may be made: "Won't that encourage people to strike against the Federal Government?" These people lost their jobs 4 years ago. They have lost 4 years of advancement. They have lost 4 years of retirement benefits. I do not think anyone believes that you are giving them some kind of award.

We have a tradition of forgiveness in this country. Even if you rob a service station—and I am not equating this with that—but if you rob a service station, you may be put in prison for 90 days, or whatever it may be, and then you are brought back into society. We have that tradition of forgiveness.

The key question, I say to my colleagues here and to my colleagues who may be listening in their offices, is this: Is air traffic in this country as safe as it could be? The answer is clearly no.

The second question is, Would it become safer if we rehired some of these air controllers? The answer, unquestionably, is that it would be.

So I commend my colleague from New Jersey. I think he has a sensible amendment here.

Forgetting national interest, all 100 of us do a lot of flying, and just in terms of self-protection, we ought to adopt this amendment. I hope we do the sensible thing. I again commend my colleague.

Mr. LAUTENBERG. Mr. President, I just want to add a short comment to the remarks of the Senator from Illinois, and that is to clarify what we are doing and what we are not doing.

We are not rewarding those who took a decision to strike when it was illegal. We are not offering them compensation for the time they lost. We are not restoring their standing. We are not giving them seniority. We are not adding to their pension rights. We are not doing any of those things.

What we are doing with this vote—and I urge each colleague to consider it—is saying to the American people, "We want to protect you when you travel as much as we can."

If we vote against this amendment, we are saying that we would rather stick to procedure and make sure the punishment that was laid out continues to be administered, as opposed to saying, once and for all, to the traveling public—friends, family, children, adults, business people, those traveling for recreation or for whatever purpose—"We want to do the best we can, as quickly as we can, to assure your safety."

We have a choice, and that is between the status quo and reaching into this pool of talent. We are not saying "must"; we are not saying "im-

mediately." We are saying: "Look at this; and, on a selective basis, take those who can be of help in getting this system functioning as it should be, with deregulated air travel." Air travel has now become the mass transit mechanism of the United States. More and more people are traveling every day. We have an obligation, each of us in this body, a constitutional obligation, to protect the health and well-being of our citizens. One way we do that is to make sure that they travel under a system that functions as efficiently as it can.

Mr. SIMON. Mr. President, will the Senator yield?

Mr. LAUTENBERG. I yield.

Mr. SIMON. Mr. President, I simply want to add another point.

The Aurora Beacon News, in Aurora, IL, where this air traffic control center is, is a newspaper that is so Republican that I do not think they have ever endorsed a Democratic candidate for anything. They are more for the Reagan program than the President is. They know what the facts are, and they had an editorial that said what we are doing just does not make sense. It is not in the national interest. I think they are right. I hope all of us listen to their good advice.

Mr. BYRD. Mr. President, I commend my distinguished colleague from New Jersey for this amendment. I ask unanimous consent that I be added as a cosponsor.

This amendment addresses a concern I know many of my colleagues share about the condition of the Nation's air traffic control system. Since the air traffic controllers' strike in 1981, a number of studies have indicated that there is considerable room for improvement in the air traffic control system. Recently, the GAO completed a study of air traffic controllers and the air traffic control system. The GAO report included the following key findings:

One, about 70 percent of the controllers in a systemwide survey reported that they are handling more traffic than they should handle. Indeed, the FAA is heavily dependent on controller overtime to make the system work. In 1985 controllers worked 908,000 hours of overtime, compared to 377,000 hours in 1980.

Two, the FAA has 4,900 fewer controllers at the highest experience level than before the air traffic controllers' strike in 1981.

Three, retirement of experienced controllers will be a greater problem than the FAA has estimated. About 84 percent of air traffic controllers, and 81 percent of supervisors eligible to retire in the next 2 years said they will do so.

Based on these findings, the GAO suggested that it would be prudent to limit the growth in air traffic before the air traffic control system loses its proper margin of safety.

What is the FAA's response to the GAO report? It appears that the FAA has simply dismissed and disregarded the study. According to a story which appeared in the New York Times on March 18, GAO representatives who conducted the study of air traffic controllers told a House subcommittee that "officials of the FAA had belittled their study * * * and later dismissed the findings of the study as just another survey."

When the GAO began its study, the Agency presented the questionnaire that was to be used to gather information to the FAA for comments and suggestions. According to GAO, FAA's response was that the FAA could derive nothing of value from the questionnaire. Incredibly, Mr. President, FAA apparently dismissed the GAO findings as just another opinion survey, and, according to the New York Times story, FAA officials said that "controllers were predictable complainers."

Mr. President, I ask unanimous consent that the article to which I referred from the New York Times be inserted in the RECORD at the end of my statement.

Mr. President, I believe that the distinguished Senator from New Jersey has hit the nail right on the head with his amendment. I urge my colleagues to support this amendment, and vote against tabling.

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

[From the New York Times, Mar. 17, 1986]

AIR SAFETY CHIEF MINIMIZES SURVEY FINDINGS

(By Reginald Stuart)

WASHINGTON, March 17.—The head of the Federal Aviation Administration today minimized the importance of a survey by a Congressional agency that reflected a high level of dissatisfaction among air traffic controllers.

Donald Engen, Administrator of the F.A.A., appearing before the Subcommittee on Oversight and Investigations of the House Committee on Public Works and Transportation, also rejected a recommendation in the survey that his agency restrict air traffic until the number of fully qualified traffic controllers and overtime requirements meet the goals of the air safety agency.

Referring to the survey by the General Accounting Office, a Congressional investigative arm, Mr. Engen said it was "a good tool for me to use in gauging the perceptions of our controllers." He said the report also tended to confirm the findings of earlier ones done by the agency itself.

His comments came after a panel of air traffic controllers echoed the lawmakers in urging the F.A.A. to take the study seriously.

'SLOW THE SYSTEM DOWN'

"If the F.A.A. ignores this survey, we're just going to have more of the same," said Michael Connor, chairman of the F.A.A. conference of the Federal Managers Association. Predicting a retirement rate larger than anticipated in the future of seasoned controllers, Mr. Connor said, "The remaining supervisors are going to slow the system down and slow it down to a walk if they have to."

The comments of Mr. Engen and the controllers followed testimony by General Accounting Office representatives who told the House panel that officials of the F.A.A. had belittled their study of the air traffic control work force and later dismissed the findings of the study as just "another survey."

This report made public earlier this month, said the F.A.A. had not met its goal of replacing the thousands of fully qualified controllers who were dismissed by President Reagan after they struck in 1981, and their union was decertified.

The Congressional researchers also reported that the growth in air traffic activity, most of it stemming from deregulation of the airline industry, has brought the workload for controllers to "a point where controllers are stretched too thin." Controllers and their supervisors have expressed "serious concern about their ability to maintain the proper margin of safety," despite F.A.A. assurances to the contrary, the report said.

"NOTHING OF VALUE"

Joseph M. McGrail, evaluator in charge of the G.A.O. study, told subcommittee members that last April he presented the agency's proposed questionnaire for F.A.A. employees to the office of Walter S. Luffsey, associate administrator for air traffic, for comments and suggestions.

The response, he said, was "that the F.A.A. could derive nothing of value from the questionnaire.

"The only comments we got back were grammatical changes," he said. An official of the investigative agency said later that the grammatical errors were intentionally included to make sure the proposal was carefully reviewed.

Once the survey of some 4,000 air traffic control personnel had been completed and the results analyzed, G.A.O. officials met with aviation agency officials in December to present their findings, the research agency officials said.

The findings were "dimissed as just another opinion survey," Mr. McGrail said. He said that he thought the large percentage of negative comments on work conditions would cause the F.A.A. concern, but that its officials said controllers were predictable complainers.

"You said the F.A.A. said the controllers are by nature complainers and they discount your conclusions?" asked Representative Newt Gingrich, Republican of Georgia, ranking minority member of the subcommittee. "There is a problem," he said.

Mr. DIXON. Mr. President, I am pleased to join my distinguished colleague from New Jersey, Senator LAUTENBERG, in offering this amendment urging the administration to upgrade our air traffic control system, and to selectively rehire some former air traffic controllers as a way of helping to ensure a proper level of air safety.

There is no doubt that we need to expand our controller work force. Air traffic is up substantially above the 1981 levels. What is more, the problem is growing worse, not better. Many of

the senior controllers are now eligible for retirement—or soon will be. If, as expected, they begin to exercise their rights, and retire, then the pressure on the remaining inadequate controller force will be even more severe.

The GAO, in a recent report, recognized these problems, but I cannot agree with its proposed solution. The GAO is recommending that air traffic in this country be curtailed until the air controller work force can safely handle it.

Frankly, I find that recommendation totally unacceptable. The ability to travel freely is an important contributor to the strength of our economy. Further, it is the Government's job to meet the demand for safe and efficient airline travel. It is not the Government's job to place artifical constraints that limit Americans' ability to travel.

I find this recommendation particularly appalling because there is a way to address this problem: selectively rehire some of the former air traffic controllers. I supported the President's decision to fire the striking controllers in 1981, but I think we have made our point. Now is the time to take advantage of the skills those former controllers have.

I do not advocate this course of action to reward those who struck. On the contrary, the strikers have been severely punished by losing their jobs and their pensions. I believe some of these controllers should be selectively rehired because the safety of our air traffic system depends on it. Traveling Americans deserve a safe air traffic system; they also deserve a system that is adequate to meet transportation needs. Selectively hiring some of the former controllers can help ensure that we continue to have that kind of system. I hope my colleagues will support this essential amendment.

Mr. TRIBLE. Mr. President, the Senator from New Jersey advises me that he knows of no other Democrats who wish to speak on this issue. I know of no other Republicans who wish to speak. Therefore, at this time I move to table the pending matter, and 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 question is on agreeing to the motion to table the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Arizona [Mr. GOLDWATER], the Senator from Florida [Mrs. HAWKINS] and the Senator from Vermont [Mr. STAFFORD] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Missouri [Mr. EAGLETON] is necessarily absent.

The PRESIDING OFFICER (Mr. EVANS). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 57, nays 39, as follows:

[Rollcall Vote No. 53 Leg.]

YEAS—57

Abdnor	Ford	Murkowski
Andrews	Garn	Nickles
Armstrong	Gorton	Nunn
Boren	Gramm	Packwood
Boschwitz	Grassley	Pressler
Bumpers	Hatch	Pryor
Chafee	Hecht	Quayle
Chiles	Heflin	Roth
Cochran	Heinz	Rudman
Cohen	Helms	Simpson
Danforth	Humphrey	Stennis
DeConcini	Kassebaum	Stevens
Denton	Kasten	Symms
Dole	Laxalt	Thurmond
Domenici	Long	Trible
Durenberger	Lugar	Wallop
East	Mattingly	Warner
Evans	McClure	Wilson
Exon	McConnell	Zorinsky

NAYS—39

Baucus	Harkin	Melcher
Bentsen	Hart	Metzenbaum
Biden	Hatfield	Mitchell
Bingaman	Hollings	Moynihan
Bradley	Inouye	Pell
Burdick	Johnston	Proxmire
Byrd	Kennedy	Riegle
Cranston	Kerry	Rockefeller
D'Amato	Lautenberg	Sarbanes
Dixon	Leahy	Sasser
Dodd	Levin	Simon
Glenn	Mathias	Specter
Gore	Matsunaga	Weicker

NOT VOTING—4

Eagleton	Hawkins
Goldwater	Stafford

So the motion to lay on the table the amendment (No. 1734) was agreed to.

Mr. TRIBLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mrs. KASSEBAUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TRIBLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. TRIBLE. Mr. President, the Senate has now resolved two amendments, one by a voice vote and one by a recorded vote.

I understand that the Senator from South Dakota is now prepared to offer an amendment, and I yield the floor for that purpose.

Mr. SARBANES. Mr. President, have we entered into an agreement? I do not understand that any consent agreement has been entered into that would allow the manager of the bill to control recognition for an amendment. Am I correct in that regard?

The PRESIDING OFFICER. There is no such agreement.

Mr. TRIBLE. If the Senator will yield, that is precisely the case. The Senator from South Dakota indicated a willingness to proceed. I asked him to speak to the Senator from Maryland to see if that was agreeable.

Mr. SARBANES. That is fine. There is no agreement to control recognition.

Mr. TRIBLE. Every Senator has the opportunity to stand up and be recognized. On that note, I will sit down.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

AMENDMENT NO. 1731

(Purpose: To change composition of membership on the board of the Airports Authority)

Mr. PRESSLER. 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 South Dakota [Mr. PRESSLER], for himself, and Mr. EXON, Mr. HOLLINGS, and Mr. SPECTER, proposes an amendment numbered 1731.

Mr. PRESSLER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 35, strike all from line 7 through line 13 on page 36 and insert in lieu thereof the following:

(A) Two members shall be appointed by the Governor of Virginia,

AMENDMENT NO. 1732

Mr. PRESSLER. Mr. President, I ask unanimous consent to send a second-degree amendment to the desk, and I ask for its immediate consideration.

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

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Dakota [Mr. PRESSLER], proposes an amendment numbered 1732 to amendment numbered 1731.

At the end of the amendment, add the following: two members shall be appointed by the Mayor of the District of Columbia, two members shall be appointed by the Governor of Maryland, and five members shall be appointed by the President with the advice and consent of the Senate; the Chairman shall be appointed from among the members by majority vote of the members and shall serve until replaced by majority vote of the members.

(B) Members shall (i) not hold elective or appointive political office, (ii) serve without compensation other than for reasonable expenses incident to board functions, and (iii) reside within the Washington Standard Metropolitan Statistical Area, except that the members appointed by the President shall not be required to reside in that area.

(C) Appointments to the board shall be for a period of 6 years; however, initial appointments to the board shall be made as follows: each jurisdiction shall appoint one member for a full 6-year term and a second member for a 4-year term; and the President shall appoint one member for a full 6-

year term, a second member for a 4-year term, and the final three members for a 2-year term, with such Federal appointees subject to removal for cause.

Mr. PRESSLER. Mr. President, the purpose of this amendment is to spread out a bit the composition of the board. Under the legislation now before this Chamber, the board would basically be controlled by the State of Virginia, and indeed if you are a Virginian that would be a very desirable thing. But the two airports we are talking about, Dulles and National, have a much broader connotation to Americans.

Many of my constituents come to Washington, DC to petition their Government. Some come to appear before regulatory committees. Others come to meet with their Members of Congress. We do not know what the environment will be in the next few years insofar as regulation or deregulation of airlines. We do not know who will determine whether jumbo jets can land at prime times at Dulles and National. We cannot foresee all of the legislation, rules, and conditions that might exist in the future.

This amendment would provide for two representatives to be appointed from the State of Virginia rather than five as under the current provisions of S. 1017. There would be two appointed from the State of Maryland, which is the same as is now provided for the State of Maryland. Maryland gets a rather raw deal under the present proposed legislation. It would be better for Maryland because Maryland would remain at two but the number of Presidential appointees would increase to five.

The District of Columbia under the current provisions of S. 1017 has three members. This amendment would allow it to have two. The major difference would be that the Presidential appointees would change. Under S. 1017 there is only one Presidential appointee. Under this amendment there would be five Presidential appointees.

I think that is of great interest to people from across the country. I might say this amendment is cosponsored by Senators SPECTER, EXON, and HOLLINGS. We did not make a great effort to get additional cosponsors. But there are enough here to indicate that States from all across the country have an interest on what goes on at National and Dulles.

This amendment really addresses the controversy surrounding the makeup of the airports authority board. The amendment is very simple and straightforward. It would redistribute the composition of the governing board in order that a single State would not dominate the decisions of this authority.

As the bill is now drafted and before the Senate, there would be five members from Virginia, two from Maryland, and three from the District of Columbia, and, with the advice and consent of the Senate, only one for the President to appoint.

My amendment would change the composition of this authority by allowing two members from each of Virginia, Maryland, and the District of Columbia, with five members appointed by the President with the advice and consent of the Senate.

The purpose of the amendment is to provide for a more equitable division of the authority's voting power. Rather than allowing any one State to dominate, the amendment would give a substantial voice to all three local constituencies, with the balance of the membership appointed to represent the overall national interests of these uniquely national airports.

One might ask, why should there be any national representation on the governing board? Why not just let the local people in Virginia, Maryland, and the District of Columbia decide?

First of all, even the distribution between those three is very inequitable under S. 1017. I think that Maryland would always be outvoted by Virginia and the District of Columbia.

So basically, we have one State and the District making all the decisions. That is the truth of the matter.

Even the authors of the bill recognize that there should be some national recognition by allowing for the appointment of one national representative. The problem with that approach, however, is that the one vote on an 11-member Board makes little difference when the rest of the deck is stacked in favor of a particular parochial concern.

Therefore, this amendment would provide that there be five appointed by the President, not one, and that these would have the advice and consent of the Senate.

Why would that be important to Senators and Congressmen? Let us think it through for a minute.

Let us say that some constituents from the State of California have come to Washington, DC, and have a particular legitimate grievance about the way they were treated at the airports, either in terms of flights or in terms of treatment at the airports, and they came in to see their Senator. Their Senator can say, "Well, we have one person on the Board that I can go to," and that person appointed on the advice and consent of the Senate would be responsible. But that person would have very little to say on the 11-member Board.

Under my amendment, there would be five such people, not a majority. There is a majority of six on the Board from Virginia, Maryland, and the District of Columbia. They would still have a majority of six if they all got together and outvoted the Presidential appointees.

Certainly, the five members appointed by the President would be acting in the interest of the local airports also, but they would give it some national scope.

The truth of the matter is that Congress is providing bonding authority, which is a tax break; Congress is selling this at a very low price to the State of Virginia, to the local authority, and there would be additional demands on Congress as time passes regarding these airports, regardless of what we might say here.

We already have one member appointed by the President. Certainly, it would not hurt to have five. It would probably improve the operations of the airports. It would give them a national scope.

This amendment is an attempt to restore some semblance of equity by preventing decisions affecting these two special airports, recognizing them, since their inception, as unique in purpose and governments, to be dominated by the interests of any single State.

So, Mr. President, in conclusion of my presentation on this amendment, let me say that I look forward to working very closely with my colleagues from Virginia on this matter, but I would ask for their assistance in expanding the number of Presidential appointees. It certainly will not hurt. No one has feared Presidential appointees. I am sure the President would appoint people who would act in the interest of the local airports and not act against them. But since these two airports have a national nature to them, since our constituents come from all 50 States, since many people have business before the Federal Government, Congress will be called upon from time to time to have input into the local authority. I think it is terribly important that we expand the number of Presidential appointees. This in no way will take Virginia, Maryland, or the District of Columbia out of the picture. If they should find their courses conflicting locally, if such a situation would ever occur—and I would doubt that it would because I would think that the local members would work closely with the Presidential appointees on most issues—the local members still control a majority. Let us imagine at some future time that the local interests had a division with the Presidential interests, that is, with the national appointees. The local appointees would still have a majority of 1 at 6 to 5.

Mr. President, I conclude by urging my colleagues to support this amendment. 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.

Mr. WARNER. Mr. President, might I explain the statement of the manag-

er of the bill by way of a question? The Senator raised the issue of flights from his home State directed to one or two of the airports, or perhaps both of them. I do not know how many flights he has in mind. I am sure that is a consideration of many other Senators.

First, I would like to ask the Senator, what is his understanding on the procedure by which you initiate a flight into either National or Dulles?

Mr. PRESSLER. First, I think the point that the Senator is coming to is that currently these things are decided by the airlines.

Mr. WARNER. Together with the Federal Aviation Administration.

Mr. PRESSLER. Together with the Federal Aviation Administration. But that may not always be the case.

Let me continue to answer the question. They would certainly act in consultation with the authority of the airports. That may not be the only question, but that is one example. I can imagine the issue of evening hours and all kinds of issues under some new regulation or deregulation legislation that may pass. Indeed, my colleague has served on the Commerce Committee and knows that when he and I came to this body the rules for airports were much different than they are today. The rules will probably be much different 4 or 5 years from now.

But whatever the rules or whatever the problems are, I can stand and perhaps go through 8 or 10 potential problems that might arise. Why would my colleague be fearful if members were appointed by the President of the United States with the advice and consent of the Senate? My colleague from Virginia would surely stop any member he did not feel was well qualified. Why should my friend fear appointees appointed by the President of the United States with the advice and consent of this body, in which each State has two members?

Mr. WARNER. Mr. President, it was my privilege to serve as a member of the commission presided over by the distinguished former Governor of Virginia, Governor Holton. This composition was arrived at after many sessions of consideration.

I cannot recall any of the commission members—from the State of Maryland, the District of Columbia, the State of Virginia was represented on the commission, as well as the persons who had no clear identification with any of those specific localities—this concern was never raised at all. Nor was it really addressed in the Commerce Committee at the time.

Mr. PRESSLER. It was addressed in the Commerce Committee. My friend from Nebraska [Mr. EXON] offered substantially identical amendment.

I do think also that several of the Pennsylvania airports have expressed some concern about this matter. I do not know if Senator SPECTER is going to speak—I cannot speak for him.

Would my colleague answer a question? Why is it that he is fearful of Presidential appointees? He was once one himself, a very distinguished one.

Mr. WARNER. Mr. President, I thank my distinguished colleague for bringing up the past. I do not know if it is relevant to the present or the future.

Indeed, I have full confidence in the ability of a President, together with the advice and consent of the Senate, to select a person to serve on this Commission as well as others who would be highly competent. Nevertheless, the Holton commission and the Commerce Committee addressed this issue in various ways and it was the consensus that this was the formula that best served the objectives that are sought by the legislation.

What troubled me is the Senator raised the point of flights coming in as if this Board of Directors would have anything to do with the fact that he wants a flight from his State or other Senators might want a flight from their States into one or more of these airports. That is a question that is outside the purview of the Board and we should not use that type of example, in my judgment, in fairness in the debate.

Mr. PRESSLER. Certainly, the Board would have something to say about it.

Mr. WARNER. I think they should say we welcome it, because they are trying to promote opportunities.

Mr. PRESSLER. It is obvious they would welcome the flight, because they are concerned with times and so forth.

Mr. WARNER. I think we would recognize the community of the Greater Metropolitan Area must be taken into consideration as to times. That question is carefully addressed in the bill elsewhere.

Mr. PRESSLER. I do not understand the point.

Mr. WARNER. The point is the Senator is using an example that he would like to have a flight from his State into one or two of these airports. I do not think that point is germane as the laws and regulations are presently written.

Mr. PRESSLER. Mr. President, I do not think I would require that a flight from my State get into the airport at a certain time. Indeed, the five Presidential appointees may rule the same in some instances and work the same in some instances as the local board. But for those parts of the country that are distant from these airports, or even Pennsylvania, which has a lot of smaller airports and smaller cities, what will happen to them with the present composition of the Board—five being from Virginia, three from the District of Columbia, and two from Maryland—Maryland will be cut out of most things almost entirely? The Presidential appointee, being one, will have very little to say. And the bottom line is that Virginia will make all the decisions.

It is true that the Federal Aviation Administration has jurisdiction, it is true that the airlines make some of the decisions. We do not know what sort of airline deregulation or re-regulation bill might be proposed. But why does my friend fear two from Virginia, two from Maryland, two from D.C., and five appointed by the President?

Mr. WARNER. Mr. President, I say to my colleagues there is no fear on my part. It is just that this bill has been carefully drawn reflecting the work of two bodies—namely, the Holton Commission and the Commerce Committee. The issue was looked at, not with the intent that the Senator raises. My point is that the examples which are being used by the Senator from South Dakota, in my judgment, are not relevant to his request.

Mr. PRESSLER. Do not the operating hours and the nighttime hours considerations affect the number of flights coming in? Would not the operating hours affect the number of flights coming in?

Mr. WARNER. Mr. President, I point out as a member of the Commerce Committee that the number of flights into National is controlled by the FAA.

Mr. PRESSLER. Would not the operating hours of this airport be largely controlled by this board? That affects the number of flights that can land in any given day.

Mr. WARNER. They would have a voice in it but again, it is a matter that is largely under the jurisdiction of the FAA.

Mr. PRESSLER. But they would certainly have a voice in it, would they not?

Mr. WARNER. They would have a voice in it?

Mr. PRESSLER. Why would the Senator object to this arrangement?

Mr. WARNER. Is the Senator from South Dakota suggesting that this airport be turned into a 24-hour airport?

Mr. PRESSLER. No: I am not suggesting that.

Mr. WARNER. The hours are in the legislation right now, based on a large history of experience.

Mr. SARBANES. Would the Senator from South Dakota yield on that point?

Mr. PRESSLER. I yield.

Mr. SARBANES. In fact, this legislation allows the Airports Authority to do just that to turn this into a 24-hour airport. That is in there right now. It is the impact of a Trible amendment which was a late starter in the committee and was added 2 months after

the committee reported out the bill. That is exactly what this legislation allows to happen.

I say to the Senator from South Dakota that the perspective that he is bringing to this bill is a perspective that was not available in the Holton Commission. I am prepared to plead guilty to that myself, as I think my distinguished colleague, the senior Senator from Virginia [Mr. WARNER], would probably also agree to do.

The Holton Commission, which Mrs. Dole appointed, was composed entirely of local representatives from Virginia, Maryland, and the District of Columbia, of certain representatives of private interests—the Air Transport Association and the Business Aircraft Association. Bill Ronan was perhaps the only person who did not bring this local perspective. So there was no one in the whole commission looking at the question from the national perspective which the Senator from South Dakota is discussing.

In other words, all the members, including the Maryland members, were thinking of addressing this thing at a local level.

I differ with my Virginia colleagues, because I think this authority is dominated by Virginians unfairly. We had a proposal for a tripartite authority for National and for Dulles to go to Virginia. I am prepared to concede that even that does not reflect the national perspective which the Senator from South Dakota is now putting forward, with this contention that these airports, particularly National, have a strong Federal interest.

I certainly want to clear up that item of fact. I think therefore it ought to be appreciated that the examination by the Holton Commission was really an examination by people who were locally oriented, who essentially were tied to one of the local jurisdictions and were looking at this problem in that perspective. They were not looking at it in the perspective that the Senator from South Dakota is presenting his amendment.

Second, in fact, the Airports Authority board can have some influence over what comes in and out of the airports because they would be engaged in trying to attract carriers. It is reasonable to assume they would be seeking carriers from heavily traveled routes rather than lesser traveled routes. In their whole approach to the carriers, trying to bring them into these facilities, they might well reflect that attitude. So I think the concern that the Senator from South Dakota has suggested is not irrelevant and not beside the point. Given the part of the country where he comes from, I understand why he is advancing this proposition.

It was not the way it was looked at in the Holton Commission but that may well have been a deficiency in the Holton Commission which the Senator is now trying to correct with his amendment. I do not think we should leave on the record the notion that the Holton Commission considered this perspective. I think it did not do that and it was really structured in such a way that that was simply not going to happen.

Furthermore, I do believe that the authority can influence what happens at its facilities. It is my contention, which I will get into later in the course of considering a different amendment, that under this legislation, National could be turned into an around-the-clock operation. I am not saying it would be, but the authority, the authorization, the power is there for that to happen.

Mr. PRESSLER. Mr. President, let me emphasize that I do not want this amendment to be entirely coupled with the example of landing flights or times. That is a small example. I fully understand that these things are done basically by the airlines in conjunction with the Federal Government. It certainly takes into account what the local authority says.

It could be other things. It could be operating hours, noise levels, a lot of things that affect flights. It could be operations of the airport and various things this board is going to control.

Also, let me emphasize that I do not want to take away control from the local States. But unless you are from Virginia, you should support my amendment, because every other State needs to have the potential of some representation. Under my amendment, the President would appoint 5 members of an 11-member board, with the advice and consent of the Senate, which would give every Senator some input or a chance to have some input.

This does not mean that the members appointed by the President would work against Virginia, Maryland, and the District. Indeed, it may enrich the board in terms of the national experience they would bring to it.

These particular airports enjoy, and Virginia enjoys, the fact that visitors come from all over the United States, from all 50 States, for the purpose of petitioning their Government or doing business. Some might say that Virginia suffers from having all those people come through. But it is an asset to the economy of Virginia, Maryland, and the District to have those visitors, not only in terms of people petitioning their Government but also coming to see the Government, as tourists, to see the Capitol, to see the monuments. There is a legitimate national interest in these two airports.

This amendment does not do anything to hurt Virginia, Maryland, or the District. Indeed, they would each have two representatives on the board, and I should emphasize that. I want to emphasize in this debate that I do not want it to be hung up on whether or not direct flights could come in from Pennsylvania, South Dakota, or North Carolina. We do not know what the rules are going to be in 4 years or 2 years.

This is my 12th year in Congress, and in that time we have changed the rules several times in terms of what flights come into airports, and we might change them again. But in each case, under each system, the local authority has a lot to say about it. There are many things the local authority has a lot of control over.

I think we need to write this legislation in such a fashion that we can live with it for many years to come.

There are certain things that the board decides—for example, operating hours, nighttime hours, noise control levels, capital expenditures financed by Federal tax-exempt bonds, and so forth. But there are many other things the board will decide that will affect travelers. So I think every Senator has an interest in this.

I say to my friends from Virginia, with whom I work and for whom I have a high regard, that it has been pointed out by the Senator from Maryland that the Holton Commission did not consider the national aspect of this. They were all local people. It would be as though North Dakota and South Dakota had two national airports and everybody on the commission was from North Dakota and South Dakota. If there are national airports, there should be national representation.

Next, it is said that the Commerce Committee considered this thoroughly. The Commerce Committee considered it briefly and decided to go on to other amendments and try to resolve it on the Senate floor or through compromise.

I predict that, before this measure goes through the two Houses, whether this amendment succeeds or fails, there is going to be an insistence that the number of Presidential appointees is increased, because it is too unbalanced the way it is. If this amendment fails, there will be other amendments offered seeking to do the same thing to a lesser degree.

So I believe that this represents a good balance and a healthy balance. I still have not heard a single argument from anybody as to why Virginia fears Presidential appointees, with the advice and consent of the Senate. This would give a Senator a chance to question nominees about their beliefs. There would be five members of the board who would have gone through the Commerce Committee and the full Senate. Once appointed, they would act according to their consciences. It would give every Member of the Senate some input as to how this board is run.

The way we presently have it structured, if someone comes into our office in 5 years and says, "How did you let this happen? We are doing everything in favor of a certain section of the country. Virginia is getting too good a deal out of this"—or something of that sort—we will have to shrug our shoulders and say, "There is nothing we can do about it. It is a local board appointed by Maryland, Virginia, and the District."

Mr. WARNER. Mr. President, the two airports are located in the State of Virginia. Their relationship to the community, and the infrastructure, the roads, any number of issues that are uniquely with the Commonwealth of Virginia, bear upon the operation of these airports. It is for that reason that Virginia should take a greater interest, so that they can foster the growth, prosperity, safety, and welfare of these two airports. They are not located in no-man's land. They are in the Commonwealth of Virginia.

Mr. PRESSLER. Virginia will have two representatives on the board. Five will be appointed by the President. The Senator from Virginia would not want someone to go through on advice and consent who would act against the State of Virginia.

Mr. TRIBLE. Mr. President, I have listened with special interest to the colloquy of the Senators, and let me respond directly.

This amendment is directed at the concerns of citizens in Maryland on the one hand and, on the other, the concerns of the Senator from South Dakota that in some way his constituents will be unfairly represented or unfairly served by this new authority.

Let me speak to these concerns. First of all, in terms of Maryland's representation: During the course of this enterprise, Maryland was asked to become a full participant. It was suggested on several occasions that BWI, National, and Dulles all be made part of a system of airports serving this greater metropolitan area. Maryland said, no.

It was then necessary to focus on the two airports located in Virginia that are now the centerpiece of this legislation. How then can we draft representation that is fair for the interests to be served, Maryland, the District of Columbia, Virginia, and all the citizens of this great land?

I point out that roughly 20 percent of the passengers at National and Dulles originate their trips in Maryland, and Maryland's representation is roughly proportionate. Moreover, these two airports lie in Virginia. Virginia does have a special interest in what is at stake here. I would also suggest, as this debate shows so persuasively, it would hardly make sense to give Maryland greater representation. Maryland officials have shown only competitive hostility to the proper development of Dulles and National through the decades.

What we have here is representation that reflects the use of these airports. These airports are operated for their users, and those users will have an opportunity to influence the deliberations of the authority.

Mr. PRESSLER. Mr. President, will my colleague yield?

Mr. TRIBLE. Let me complete the point and then I will be more than happy to talk to the Senator about this issue or any other issues of concern to him.

So this board represents, as I said in the debates before Easter, a carefully drafted agreement that reflects, I believe very fairly, the culmination of years that look to us to enhance these airports and to improve dramatically the service.

Let us discuss the national interest because it is about the national interest that my colleague from South Dakota speaks here today.

During the several days that we have had an opportunity to talk about his concerns, my good friend has failed to put forward a specific concern that he believes this proposal will address. In fact, when we debated this several weeks ago, he said, "Well, I can't really think of anything today, but I am concerned about the future."

The truth is that in this day of deregulated airplane traffic, the decisions about flights and markets are made by the airlines themselves within regulatory parameters established by the FAA. These decisions are not made by the authority.

Therefore, the Senator's constituents will not be disadvantaged by their collective wisdom.

Mr. PRESSLER. Will my colleague yield on that point?

Mr. TRIBLE. Let me complete this point and then I will be happy to yield.

My colleague from South Dakota suggested, moreover, that the Holton Commission and those of us involved in shepherding this legislation through Congress have not focused on the national interest at stake. That is very, very wrong.

We recognize that these airports serve our Nation's Capital. We want to encourage all people to come and visit this dynamic metropolitan region, and we surely want them to have the opportunity to knock on the door of my distinguished colleague from South Dakota.

To that end, this bill requires that on matters of budget and major improvements, the most weightiest decisions that will be made by this authority, an extraordinary majority of seven votes is required for action. That means that Virginia standing alone will not be able to undertake these kinds of actions but Virginia, of necessity, will have to reach across the Potomac and work in concert with her neighbors in the District of Columbia and Maryland. That is an important consideration.

Moreover, we have attempted to protect the Federal interest, even further by way of a lease agreement which for 35 years gives Congress oversight responsibility. We can ensure that this airport authority lives up to its promises.

Finally, I point out that, notwithstanding the dynamics of the political process of the Washington metropolitan area, the slots are frozen and cannot be reduced at Washington National. So, flights will continue at the present rate, and that is a rate, of course, established by the FAA.

So in these ways, I think this bill, as decisively supported by Republicans and Democrats on the Commerce Committee, is fair. It is fair to Maryland, and it is surely fair to the national interests that are at stake here.

I am happy to yield for questions by my distinguished colleague.

Mr. PRESSLER. I thank my colleague.

First of all, he stated that 20 percent of the passengers originate in Maryland; therefore, 20 percent of the representation was given to Maryland. Did I understand that correctly?

Mr. TRIBLE. Roughly 20 percent of the passengers in National and Dulles originate their trips in Maryland, roughly 40 percent in Virginia, and 40 percent in the District of Columbia. Forty percent, 40 percent, and 20 represents a 100 percent mix.

Mr. PRESSLER. What percentage of the total traffic is from out of town, that is properly coming into Maryland, Virginia, and the District and stay in hotels?

Mr. TRIBLE. I do not know.

Mr. PRESSLER. I would venture to say that between 30 and 50 percent at least and maybe higher.

So if my colleague's logic is we are going to use percentages to allocate representatives, then surely the people from outside Virginia, the District, and Maryland should have higher representation on the board. Would he not apply that same percentage to people who are making trips but who do not live permanently in Maryland, the District, or Virginia?

Mr. TRIBLE. The only figure that I have seen are those that I have shared with the Senator that indicate the mix of passengers is 20, 40, 40, as I have enumerated earlier on.

I would tell the Senator that I would be more responsive to his amendment if I could see some indication of what it would achieve, but my distinguished colleague has yet to put forward a specific example of how his constituents will benefit.

Mr. PRESSLER. Let me list seven specific things that might be affected:

operating hours, nightime hours, noise control levels, capital expenditures financed by Federal tax-exempt bonds, ground transportation, general airport services, and physical facility expansion or curtailment. Those are seven things at least that are determined by the board that could affect people who do not live in Maryland, the District, or Virginia, but live elsewhere. The fact of the matter is that a lot of people in this country come to the Nation's Capital and they would be affected by all these things.

We might have complaints to Congress on any of these things or there might be problems even if there were not complaints. I have now listed seven specific areas that there could be problems with.

Mr. TRIBLE. The Senator seems to suggest that this authority action will disadvantage some passengers. That is simply not the case. This authority will obviously possess certain responsibilities and certain rights as do all the operators of all commercial airports in the country.

The point I am making is that since the Senator cannot delineate his concern more precisely, it demonstrates the fairness of this arrangement. Clearly, the only way that we are going to enhance service to the Senator's constituents is to enact this legislation and to turn these airports over to a regional authority that can get on with the important job of enhancing their operations.

Mr. PRESSLER. My colleague asked me for specific examples of where people from all over the United States might be unfairly affected. Would he give me some specific examples of how it would be bad for Virginia to have more Presidential appointees?

Mr. TRIBLE. I think we have thoroughly discussed this, and I am not sure that we are shedding any more light on the subject, although I enjoy my discussions with my colleagues both on and off the floor. Obviously, we are not going to agree.

I have attempted to establish for the record as persuasively as I can that this bill is fair for both Maryland and for our citizens, and for the life of me, I cannot see how increasing by an arbitrary number the representation of people from beyond the metropolitan area is going to improve one whit the quality of service at this airport.

It is specific concerns that I have asked for. Obviously, we can delineate a long list of responsibilities and rights that this authority has, but there is no evidence to suggest that the authority will not undertake those responsibilities constructively and positively.

That is indeed the only way that the Senator's constituents can be better served.

Mr. PRESSLER. I would say these numbers are not arbitrary. They are designed in such a fashion to give a majority vote to the local States—Virginia, Maryland, and the District of Columbia—and the Presidential appointees would be in a minority. They are not arbitrary.

Indeed, I could say that giving Virginia five members to the board would be an arbitrary move and the District of Columbia three. With Virginia and the District voting together, they would have eight votes and Maryland and the Presidential combined add up to three.

Indeed, we cite something that might appear arbitrary to someone who does not reside in one of these States but uses the airport. Indeed, I am a Member of Congress and I use that airport to get back home to my constituents. So I am in that category. That percentage is crying out for more representation.

Let me repeat again—I have given seven specific examples. It seems all the burden has been on me, and I am offering the amendment.

Mr. TRIBLE. You are the only proponent.

Mr. PRESSLER. Could my colleague from Virginia give me a specific example of how Virginia would be hurt by this amendment?

Mr. TRIBLE. Well, I would suggest to the Senator that I think the national interests have been fully protected both in terms of their voice on the board and also in terms of the freezing of slots which will prohibit a diminishing of service to your constituents or to people throughout the country and in terms of the lease agreement which will give to the Congress oversight responsibilities and the right to ensure that these airports are run properly.

I do not see anything accomplished by changing the composition of that board. It could be highly destructive to this process.

Mr. PRESSLER. But why would it be destructive to the process?

Mr. TRIBLE. Tell me what your proposal will do. What will it accomplish?

Mr. PRESSLER. It will prevent a single State from completely dominating the operation of two airports that are national in scope, two airports which I travel through frequently, two airports which probably over 50 percent of the passengers, I would say, even a much higher number, come from the other 48 States. Indeed, Maryland does not have enough votes on this board to make much difference, so we are down to one State. And it could make a great deal of difference in the following areas: Ground transportation, general airport services, physical facility expansion or curtailment, operating hours, nighttime hours, noise control level, capital expenditures financed by Federal tax-exempt bonds, and the spinoff effects of all of those specific examples.

Mr. TRIBLE. Those are all responsibilities and rights of commercial airports and commercial airports operate to provide quality service to people that use them. There is no suggestion here that those that use this airport would not be well served. Indeed, it is clear from the debate the only way to enhance service to those individuals, wherever they come from, is by adopting this legislation.

I would say that my experience is, and the experience of others that have been engaged in these kinds of things, that the politics of who serves on these boards is always of much greater moment before the fact than after the fact, because once these people are appointed, they will establish a consensus as to what must be done and that consensus will reflect the obvious need to improve these airports, to build new facilities, to improve the transportation system, and to do the kinds of things we have discussed here today.

I would point out one final point, and that is simply that Virginia is not receiving these airports. These airports are being turned over to the regional authority of which Virginia is a part and the Virginia representatives on the commission are not in the position to contemplate substantial action without achieving a consensus and agreement on the part of those that preside on the other side of the Potomac and those that represent the national interests.

Mr. PRESSLER. Mr. President, I would say that many of the things in my colleague's statement argue for this amendment in the sense there is nothing to say that people appointed by the President will not act in the interest of the airports. They will do that. They will take into consideration the interest of other States.

Let me address the arbitrariness argument. When one State has such a dominant position as having 5 members on an 11-member board representing 4 constituencies, that appears to me to be maybe not arbitrary, but a deliberate stacking of the deck so to speak.

So, Mr. President, I urge my colleagues from throughout the Nation to support this amendment.

The PRESIDING OFFICER. Is there further debate?

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I want to address the comments made by the junior Senator from Virginia about the Maryland approach to this issue, because I think they are factually inaccurate and I think it is very important to put this on the record.

Governor Holton, in the Holton Commission, actually ruled out considering the possibility of putting all three airports in one authority. The Senator from Virginia has, in effect,

sought to blame Maryland for that, but that is just not correct. In fact, at one point in the deliberations, Governor Holton stated: "And it is certainly beyond our charter as written by the Secretary of Transportation."

And I want this point to be very clear, because I do not think it is either accurate or fair or reasonable to make that argument when it runs completely contrary to the very tight constraints in which the Holton Commission was operating.

The charter establishing that commission directed the commission to develop a comprehensive proposal for the transfer of the Metropolitan Washington Airports, which embraces Dulles and National, to an appropriate State, local, or interstate governmental body. In other words, Mrs. Dole had a plan in mind and she circumscribed it very narrowly in the charter, so narrowly that Governor Holton himself stated that the notion of considering all three airports in a common authority was beyond the charter as written by the Secretary of Transportation.

Now I realize this is moving on a divergent path from the amendment of the Senator from South Dakota, but I am really responding to assertions made by my colleague from Virginia.

Not only did Mrs. Dole set out this very narrow charter language, but it was subsequently given a very strict construction by Chairman Holton at the opening session of the commission when he stated:

I would like to emphasize as part of my remarks the very narrow charter that this commission has. This commission is charged with making a recommendation to carry out a decision that Secretary Dole has made. That decision is that the airports will be transferred from the FAA jurisdiction to the jurisdiction of a local, regional, or State government entity.

In fact, that charge was being read as so narrow that the Maryland proposal just dealing with the two airports, which is all Mrs. Dole contained in the charter, that they ought to be separate in terms of how they were transferred and operated, was initially rejected as being procedurally outside the scope of the commission.

Now, fearing later, Governor Holton's strict construction on that point gave away a bit, and he said:

The Chair may be giving you a little bit too much leeway to start talking about splitting National and Dulles, but I think it is closely enough related to what we are talking about. It is not the principal consideration of this Commission to divide these two airports because that is not going to be done.

So I think it is completely contrary to the historical record, in effect, to assert that Maryland precluded the consideration of the option of including all three airports in one authority. That, in fact, was precluded by the chairman of the commission on the basis of the charge given in the charter from the Secretary of Transportation.

My colleague has made that point before, and we questioned it before. But I think the record of the commission from which I have just quoted is very clear on this issue.

The other point on the question of competition, as I have repeatedly asserted Maryland is perfectly happy to have competition between BWI and Dulles which are essentially directly competitive airports. We do not think it ought to be possible to cross subsidize those airports, and therefore structure an unfair competitive situation.

That in fact was even recognized by some of the Virginia members of the Holton Commission in the course of the discussion. It was a problem.

There are even some provisions in the bill included by the Commerce Committee to address that which are in my view inadequate. But clearly they reflected some concern about this issue. We are perfectly happy to have competition between BWI and Dulles. But it ought to be structured on a fair and equitable basis which this bill does not do.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, as I have noted earlier in this debate, I was a member of that commission. I recall the discussion several times with respect to the incorporation of Maryland into a three-airport situation.

I just momentarily stepped from the floor to refresh my recollection with Governor Holton and other persons who actively participated in those commission hearings and staff members. It is clear to the Governor's recollection, as it is mine—and eventually we will find a place in the record of the proceedings where it is documented—that the commission as a whole was petitioned by the Government to determine if there is any basis on which, irrespective of the charter from the Secretary of Transportation, all three airports could be combined under one authority.

At that point the representatives from Maryland—bear in mind the Governor of Maryland was a representative. The distinguished Senator, the junior Senator from Maryland, present on the floor was a member of that commission. I cannot recall that he was present at that time, and a Member of the House of Representatives from Maryland was a member, Congressman HOYER.

It is the recollection of both Governor Holton and myself that those present from Maryland at that particular meeting summarily rejected any notion that all three airports could be included in this authority. And thereafter, the Commerce Committee likewise considered the impossibility, and again representatives from Maryland—so I am told those members of the committee speaking on behalf of Maryland—rejected the proposition.

Mr. SARBANES. If the Senator will yield, in the deliberations of the commission, Governor Holton's statement related to Jim Truby's discussion, which was one of the Maryland representatives.

And he and I had a little dialog earlier about whether the effect of it should be that all three airports be considered together. And he and I agreed. And I think everybody here would agree. That is not a politically feasible option to put all three of them in. And it is certainly beyond our charter as written by the Secretary of Transportation.

That is Governor Holton talking.

So all I am saying to the Senator from Virginia is, in effect, as his colleague has sought to do—actually I do not think the senior Senator has done so in the course of the debate, but his colleague has sought to do—to hang all this around Maryland's neck is really contrary to the historical record.

Really what happened is the Holton Commission was put in extraordinarily narrow parameters by the charter given to it by Secretary Dole. In other words, it is almost as though Secretary Dole had predetermined where this thing was going to end up. In fact, the change was so narrow as I indicated earlier that not only was it seen as precluding reaching out to bring in an airport that she did not include in the charge, but it was even seen originally in the deliberation as precluding dealing with the two airports in the way that did not keep them together as a unit.

That was subsequently discussed within the commission because Governor Holton decided I think wisely to allow discussion of that sort to take place. But all I am saying is what happened is the commission was placed in very narrow constraints. The Governor originally started out to stay very closely to those narrow constraints, and somewhat bent them a little bit so we could consider that Maryland proposal with respect to separating National and Dulles.

So I want this record to be clear here, and that is why I quoted extensively from the record. I am not simply making these assertions out of the air. I am quoting from the record. I just want this discussion to be very clear on this point.

Mr. WARNER. Mr. President, I also say to my distinguished colleague that elsewhere in the record I hope to find documentation to support Governor Holton's representation that there was consideration.

I should also point out that nowhere in the record I think can be found any initiative by any of the representatives

from Maryland to try to work this thing out on a three-way basis with all airports.

Mr. SARBANES. As I said, Maryland had a different option which constituted its initiative which it put forth, which is seen to us as a more reasonable response which would be for Dulles to go to Virginia just as BWI is to Maryland, directly competitive, and for National Airport to go into a tripartite authority with Federal representatives. It seems to me that Maryland in effect carried the burden of trying to offer a constructive option, which is what I think our proposal was.

The PRESIDING OFFICER. Is there further debate?

Mr. PRESSLER. Mr. President, let me conclude the argument for my amendment by again very briefly describing it for the benefit of any Senator or staff listening on the boxes.

First of all, under the current bill before the Senate, the composition of the board is as follows: There would be five members from Virginia, two from Maryland, three from the District of Columbia, and one appointed by the President of the United States with the advice and consent of the Senate. That will total 11 members.

This amendment would change the bill. There would still be 11 total members. But there would be two from Virginia, two from Maryland, two from the District of Columbia, and five appointed by the President with the advice and consent of the Senate. Thus, the local three jurisdictions would still have a majority, but the Presidential appointees would be increased.

This amendment would take away almost exclusive control of one State as it is now and would spread it out in a more equitable fashion.

The PRESIDING OFFICER. Is there further debate?

Mr. TRIBLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. TRIBLE. I at this time move to table the amendment now before us, and 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 question is on agreeing to the motion of the Senator from Virginia to lay on the table the amendment of the Senator from South Dakota. On this question, the yeas and nays have been ordered and the clerk will call the roll.

Mr. TRIBLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. TRIBLE. Let me ask a parliamentary question.

The PRESIDING OFFICER. The motion to table is not debatable.

The clerk will call the roll.

Mr. SIMPSON. I announce that the Senator from Florida [Mrs. HAWKINS] and the Senator from Vermont [Mr. STAFFORD] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Missouri [Mr. EAGLETON] and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

The PRESIDING OFFICER (Mr. DANFORTH). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 52, nays 44, as follows:

[Rollcall Vote No. 54 Leg.]

YEAS—52

Armstrong	Gramm	Murkowski
Bentsen	Hatfield	Nickles
Chafee	Hecht	Nunn
Cochran	Helms	Packwood
Cohen	Humphrey	Quayle
D'Amato	Inouye	Rockefeller
Danforth	Johnston	Roth
Denton	Kassebaum	Rudman
Dodd	Kasten	Simpson
Dole	Kerry	Stevens
Domenici	Lautenberg	Symms
Durenberger	Laxalt	Thurmond
East	Long	Trible
Evans	Lugar	Wallop
Garn	Mattingly	Warner
Goldwater	McClure	Wilson
Gore	McConnell	
Gorton	Metzenbaum	

NAYS—44

Abdnor	Exon	Melcher
Andrews	Ford	Mitchell
Baucus	Glenn	Moynihan
Biden	Grassley	Pell
Bingaman	Harkin	Pressler
Boren	Hart	Proxmire
Boschwitz	Hatch	Pryor
Bradley	Heflin	Riegle
Bumpers	Heinz	Sarbanes
Burdick	Hollings	Sasser
Byrd	Kennedy	Simon
Chiles	Leahy	Specter
Cranston	Levin	Weicker
DeConcini	Mathias	Zorinsky
Dixon	Matsunaga	

NOT VOTING—4

Eagleton	Stafford
Hawkins	Stennis

So the motion to lay on the table Amendment No. 1732 was agreed to.

Mr. TRIBLE. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WARNER. Mr. President, on behalf of the managers, we thank our colleagues for supporting the work that has been done on this bill in the Commerce Committee and for the manner in which we are moving along in an expedited way to consider this bill. I hope that now other amendments will be brought forth and that we will be able to bring this matter to a conclusion.

AMENDMENT NO. 1735

(Purpose: To add provisions regarding the transfer of slots at certain airports)

Mrs. KASSEBAUM. Mr. President, I send an amendment to the desk, and I ask for its immediate consideration.

Mr. TRIBLE. Mr. President, will the Senator yield?

Mrs. KASSEBAUM. I yield.

Mr. TRIBLE. I am advised by the Parliamentarian that the underlying amendment of the Senator from South Dakota is still pending. In view of the expression of this body, I ask that he withdraw that, so that we can move on with the amendment of the Senator from Kansas.

The PRESIDING OFFICER. The Senate is not in order. The Senate will be in order.

Mr. TRIBLE. Mr. President, the Senate has now spoken on the Pressler amendment, but I am advised that the underlying amendment of the Senator from South Dakota is still pending. In view of the expression of the Senate, I now ask that the underlying amendment be withdrawn, and then we can turn to the amendment to be offered by the Senator from Kansas.

Mr. PRESSLER. Mr. President, it would be my intention to do so, but also to state that I am filing a second amendment, which I will offer later this week or later this evening. The amendment would increase the Presidential appointees to two, leaving three for Virginia, Maryland and the District of Columbia, respectively. If my colleague from Virginia would be interested in accepting that amendment, I would be interested in his response. However, that is not pertinent to the question my colleague asks about the present amendment at the desk.

The second-degree amendment was tabled. Therefore, I withdraw that amendment, without losing the right to offer an additional amendment. I ask that the text of the amendment I am now filing be inserted in the RECORD at this point.

The PRESIDING OFFICER. The amendment (No. 1731) is withdrawn.

The text of the proposed amendment will be printed in the RECORD.

The amendment follows:

On page 35, strike all from line 7 through line 13 on page 36 and insert in lieu thereof the following:

(A) Three members shall be appointed by the Governor of Virginia, three members shall be appointed by the Mayor of the District of Columbia, three members shall be appointed by the Governor of Maryland, and two members shall be appointed by the President with the advice and consent of the Senate; the Chairman shall be appointed from among the members by majority vote of the members and shall serve until replaced by majority vote of the members.

(B) Members shall (i) not hold elective or appointive political office, (ii) serve without compensation other than for reasonable expenses incident to board functions, and (iii) reside within the Washington Standard Metropolitan Statistical Area, except that the members appointed by the President shall not be required to reside in that area.

(C) Appointments to the board shall be for a period of 6 years; however, initial appointments to the board shall be made as

follows: each jurisdiction shall appoint one member for a full 6-year term and two members for 4-year terms; and the President shall appoint two members for full 6-year terms, with such Federal appointees subject to removal for cause.

Mrs. KASSEBAUM. Mr. President, I have sent an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas [Mrs. KASSEBAUM], for herself and others, proposes an amendment numbered 1735.

Mrs. KASSEBAUM. 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 50, insert the following immediately after line 9:

AIRPORT SLOTS

SEC. 13. (a) The Secretary and the Administrator of the Federal Aviation Administration (hereinafter referred to as the "Administrator") shall—

(1) repeal the final rule regarding Slot Allocation and Transfer Methods at High Density Traffic Airports, issued on December 20, 1985 (50 Fed. Reg. 52180), as in effect on the date of enactment of this Act; and

(2) after the date of enactment of this Act, not promulgate any rule or regulation or issue any order (other than on an emergency basis) relating to restrictions on aircraft operations at high density traffic airports designated in Subpart K of part 93 of title 14, Code of Federal Regulations (14 CFR 93.121 et seq.), that is inconsistent with the provisions of this section.

(b) Consistent with aviation safety, the Administrator shall, not later than 120 days after the date of enactment of this Act, provide by rule or otherwise for the recall and subsequent allocation pursuant to subsection (c) of this section of any air carrier or commuter operator instrument flight rule takeoff and landing operational privilege at high density traffic airports, hereinafter in this section referred to as a "slot", that is substantially unused. The provisions of this subsection shall not apply to any slot reserved for international operations or for essential air transportation (as defined in section 419 of the Federal Aviation Act of 1958 (49 App. U.S.C. 1389)).

(c)(1) Consistent with aviation safety, the Administrator shall, not later than 120 days after the date of enactment of this Act, establish by rule or otherwise, after affording the opportunity for and considering public comment, a mechanism for the equitable allocation of slots to which Subpart K of part 93 of title 14, Code of Federal Regulations, applies, in accordance with the provisions of this subsection.

(2) The allocation of slots (other than on a basis consistent with paragraph (4) of this subsection) shall be made by a separate air carrier and commuter air carrier scheduling committee established for each of such high density traffic airports. The administrator shall establish the composition of each such scheduling committee.

(3) The scheduling committee shall allocate and reallocate slots according to a time schedule to be established by the Administrator.

(4)(A) The Administrator shall, no later than 120 days after the date of enactment of this act, and after affording the opportunity for and considering public comment, establish a special mechanism for the allocation of slots, to be utilized in the event that any scheduling committee is unable to reach agreement on the manner in which it will allocate slots within the time period established by the Administrator. Such special mechanism may include commitment of the issues involved to binding arbitration, lottery, lease by the Administrator (by auction or other market mechanism) of some or all of the slots currently in use at such airports, or any other non-market mechanism determined by the Administrator to be appropriate. The duration of any lease or other allocation of slots shall be determined by the Administrator, after giving due consideration to the need for maintaining competition between and among airlines at high density traffic airports, the capital investment of existing users of slots at such airports, and the need for adequate air service to such airports from small- and medium-sized communities, except that no such lease or other allocation of slots shall remain in effect after December 31, 1988. Notwithstanding any other provision of law, the revenues generated by any lease of slots by the Administrator under this paragraph shall be credited to the Airport and Airway Trust Fund established in section 9502 of the Internal Revenue Code of 1954 (26 U.S.C. 9502). The Administrator shall also formulate a mechanism to allocate all new slots, voluntarily returned slots, and unused slots.

(B) Any allocation mechanism established by the Administrator under this paragraph shall be adequate to ensure the opportunity for new entry, to maintain essential air transportation, and to protect the access rights of commuter operators. In addition, the Administrator shall employ a method for the withdrawal of slots currently in use that ensures that no carrier incurs the loss of an undue proportion of its slots.

(d) No mechanism formulated or utilized under section 93.123 of title 14, Code of Federal Regulations, as in effect on February 1, 1986, or under this section shall be construed to create a permanent property right in any slot. Any such slot shall be public property, and its use shall represent a nonpermanent operating privilege within the exclusive control and jurisdiction of the Administrator. Any such privilege may be withdrawn, recalled or reallocated by the Administrator for reasons of aviation safety or airspace efficiency, or to enhance competition in air transportation.

(e)(1) Other than on an emergency basis, the Administrator shall not promulgate any rule or regulation or implement any practice that restricts aircraft operation by means of slot controls at any airport or air traffic control facility other than those specified in section 93.123 of title 14, Code of Federal Regulations, as in effect on February 1, 1986, unless the Administrator first transmits to the Congress a written report justifying the need for such rule, regulation or practice not less than 90 days before the effective date of such rule, regulation or practice.

(2)(A) No later than January 1, 1987, and every two years thereafter, the Secretary shall conclude a rulemaking to reauthorize or eliminate all high density traffic airport slot controls specified in section 93.123 of title 14, Code of Federal Regulations, and any other slot control created subsequent to such date by the Administrator. Each such rulemaking shall include a report to Congress concerning the extent to which the retention of slot controls at any airport, or the creation of new slot controls, is required in the public interest. Such report shall describe possible improvements in facilities or related air traffic control facilities or procedures that would allow slot controls to be reduced or eliminated, and shall describe any action taken by the Administrator to reduce or eliminate the need for such controls.

(B) No regulation imposing slot controls to which this paragraph applies shall have the force and effect of law after two years from the date on which it becomes effective, unless such regulation is reauthorized pursuant to subparagraph (A) of this paragraph.

(f) The Secretary and the Administrator shall make timely recommendations to the Congress regarding any additional statutory authority they consider necessary or appropriate to carry out the purposes of this section. In addition, the Secretary and the Administrator shall report annually to the Congress on the extent to which the allocation mechanisms established pursuant to subsection (c) of this section and any slot control regulations reauthorized pursuant to subsection (e) of this section have minimized barriers to entry at high density traffic airports.

Mrs. KASSEBAUM. Mr. President, I am offering this amendment on behalf of myself and Senators DANFORTH, HOLLINGS, EXON, FORD, ROCKEFELLER, KASTEN, GOLDWATER, PROXMIRE, METZENBAUM, ABDNOR, NUNN, SIMON, BURDICK, LAUTENBERG, DECONCINI, MATSUNAGA, RIEGLE, BUMPERS, STENNIS, PRESSLER, GORE, COCHRAN, MATHIAS, LEVIN, and STEVENS.

I am offering as an amendment, S. 1966, legislation favorably reported by the Commerce Committee which prohibits implementation of a regulation issued by the Department of Transportation. The DOT rule permits airlines to buy, sell, and lease valuable takeoff and landing rights at the four busiest airports in this country—LaGuardia, Kennedy, O'Hare, and National.

In December 1985 the DOT issued this rule over the strenuous objection of several Senators, and serious concern of both parties and both Houses. The rule would immediately affect the Nation's four high density airports—LaGuardia, JFK, Washington National, and O'Hare. At each of these airports, either air traffic control capacity or lack of runway has constrained traffic. Historically, it has been difficult to allocate takeoff and landing rights at these high-demand airports. Scheduling committees made up of representatives of each airline using a particular airport have tried to do the allocation. However, for a variety of reasons they have failed, not the least of which was the potential issuance of the DOT buy/sell rule.

DOT has chosen to come forward with a rule that relies on market forces to allocate these slots—slots that exist in a market, however, that is not free and that is in fact artificial-

ly created by the high density rule. Under this rule, incumbent carriers will be allowed to buy and sell takeoff and landing rights for which they never paid a cent. They will reap profits from these sales estimated by some to be worth $750,000 and $1 million per slot.

The rule creates another barrier for entry to new carriers. They will be forced to pay for landing rights that the incumbents were given and can now profit from. DOT claims it solves this problem by requiring a one-time lottery of some of the existing slots at the beginning of the rule. A grand total of 5 percent of existing slots would be reserved for new entrants. This does nothing for the entry problem 6 months from now.

The DOT rule creates other, very real dangers. Air service to small- and medium-size communities will be adversely impacted as carriers try to recoup the costs of their slots by flying long-haul, larger planes. As the large carriers gain total dominance of an airport by control of these slots, there will be no incentive to increase airport capacity, for such an increase could only diminish the worth of their new-found assets.

Perhaps even more disturbing than these known flaws is the fact that no thought has been given to the long-term consequences of this rule. At a time when flow control again seems a possibility—at a time when the airline mergers and potential anticompetitive problems are only now beginning to be addressed—at this time DOT has chosen to introduce a rule with anti-competitive effects which have not been studied—a rule which, I believe, will only exacerbate the congestion at peak times at crowded airports.

My amendment addresses many of the problems which I have just described. It may not be the perfect solution, but I believe it offers a rational alternative to totally abandoning takeoff and landing rights to the airlines.

First of all, it requires DOT to repeal their buy/sell rule. Next, it imposes a use it or lose it provision, meaning that if an airline is not using a slot a certain percentage of the time, the slot would be made available to an airline which would. This eliminates the airlines' incentive to pocket a slot in anticipation of future right to sell it for a profit.

The amendment than requires the Administrator of the FAA to fashion a new deadlock-breaking mechanism to encourage scheduling committees to reach agreement. The Administrator may choose binding arbitration, a lottery, or lease, of some or all slots at the deadlocked airport. He may not, however, opt for buy/sell. The proceeds from leasing would be credited to the Aviation Trust Fund. By prohibiting buying and selling, my amendment assures that slot ownership remains with the Government, and by directing any lease revenues to the trust fund it cures the windfall profits problem.

The amendment further requires the FAA to review every 2 years the continued need, if any, for the high density rule, and to justify its retention to Congress. I believe this is essential as congestion becomes an ever increasing problem, and we are faced with the spectre of the high density rule spreading across the country. It is important to note that any high density rule could soon apply to dozens of airports. By the 1990's, it is estimated that 33 airports will require some allocation of slots.

I am convinced that this amendment is sensible, solid transportation policy. The Aviation Subcommittee held extensive hearings on this legislation in February, and positive suggestions received there were incorporated in the amendment that is being addressed today. The legislation has 24 cosponsors, and was reported out of the Commerce Committee by a 15-to-1 vote. I believe it is a rational blueprint for dealing with a complicated problem, one that avoids the excesses of abandoning our responsibilites to the airlines. I hope my colleagues will join me and the cosponsors in this effort to replace the Department of Transportation's flawed buy/sell rule with a more positive and responsible approach.

I yield the floor, Mr. President.

Mr. STEVENS. Mr. President, I support the amendment of the distinguished subcommittee chairman. I do so as a cosponsor.

I think it is most important to understand what this policy that was announced by DOT would do.

I am informed by our staff that at these four airports some 4,200 slots are currently available and it has been suggested the value of those slots would be approximately $750,000 to $1 million each. In other words, these 4,200 slots that exist today are worth some $4 billion under the concept of selling the slots or giving them value.

It is ironic that 50 percent of those slots are currently controlled by two companies, Eastern and U.S. Air. They control almost 50 percent of the slots, I am informed. At least they have 50 percent at National and I think they control about 50 percent of those that are of the 4,200 slots.

I see no reason to give value to these slots and to allocate them on a basis that the slots themselves have economic value in excess of the value of the airlines involved. I certainly agree with the chairman of our subcommittee, Senator KASSEBAUM, with regard to the future. But 32 airports coming on by 1990 will require flight slot restrictions and 61 by the year 2000.

If this policy, is pursued, we will be creating a fantastic monopolistic block to the development of any new airlines and once more we will have the ironic situation that the failing airline may have more value in the slots that are created by this governmental policy than they will in their equipment and their rights that they are operating under.

I oppose entirely the proposed DOT rule and suggest that the proposal of Senator KASSEBAUM, which we have almost unanimously supported in the Commerce Committee, is the basic policy that should be established.

In this day of trying to get away from regulation, I see no reason to adopt a national policy that in effect is more monopolistic than the regulatory policy of the past has been.

I see no reason why we should expect that an existing carrier would sell at a fair price slots that are allocated to them by this policy to some newly developed competitor that might well develop into a carrier that will provide better service to the public and at a lesser cost were it not for the fact that it would have to come up with extremely high capital payments in order to acquire the basic access to the airports that have been created at taxpayers' expense.

I urge the support of the Senator's amendment.

Mr. GRAMM. Mr. President, I rise in opposition to the amendment.

Mr. President, I passed third grade arithmetic on the second time around, so it is pretty obvious to me that the distinguished Senator from Kansas has the vote on this amendment.

In fact, I constantly grieve that in the political process there is so little support for anything that appears to be letting the market make a decision instead of letting Government make the decision.

I hear my distinguished colleague from Alaska remarking that he does not want to give value to these slots. Let me remind my colleagues that we are not giving value to these slots. The market has given value to these slots. We all want to fly out of National. Some of us would like to fly to Texas out of National but we have to stop somewhere on the way because of policy.

But, nevertheless, slots at National are very valuable, not because someone gives it to them. It is because the supply and demand for those slots is such that they are valuable.

So the question is not whether we are going to give them value. They already have value. The question is, Who is going to determine who gets the value?

In reading the material sent out in favor of this amendment, I read the question "Is it good policy to allow private air carriers to obtain a public property right at no cost?" My feeling is that it is not good policy to do that

but that this amendment does not change the fact that they still do it. Under this amendment, people will still get a public property right that will have value.

So the question is not whether the slot should have value, whether private companies should get something that the public owns that has value. That is not the issue here. The question is, How are we going to decide who gets the slots?

Now, the Secretary of Transportation looked at the process that existed and found that it was not working, and interestingly we should not be surprised. The process of determining who gets the slots is basically a bureaucracy made up of the people who already have the slots. So, needless to say, they have a hard time deciding who should get this thing that is of great economic value.

The proposal of the Senator from Kansas is to continue to allow, granted in a modified function and probably better than what existed prior to the action of the Secretary of Transportation, the Government decide who gets the slots.

The argument is made that selling these slots, allowing them, because they do have value, to reflect it in price and allowing them to be bought and sold, is a barrier to entry, that since someone would have to come out and buy the slots either from the Government, if they issued new slots, or from the people who already own it, that that is a barrier to entry.

I would like to ask my colleagues how do you think you get a slot? How does an airline go about getting a slot at National? Do we assume it is free to get that slot?

I think the answer is no. They end up paying a tremendous price to get the slot. Only they do it by having to hire lawyers and lobbyists. They have to go through the bureaucratic process of trying to get the decision. They often get it on the basis of their ability to build a political coalition.

The slot often goes to people that do not have the best economic case or provide the most valuable service. And, in the process, we, as Members of the Senate, and I am sure it is true as Members of the House, have our constituents, who happen to be in the airline business, call up and say, "Could you help us? We are trying to get a slot at National," or, "We are trying to get a slot at one of these other airports." And we all pretend that we have this great influence and say "yes," we will write a letter and help them.

It is not free to get a slot. It is not free because slots are valuable, and the market forces that there be a process to allocate them. The process today is political favoritism. The process today is bureaucracy and the ability of companies to go out and hire lawyers and lobbyists and build a political base, and the process has broken down.

The new process proposed by the Senator from Kansas may be better, but it is still a bureaucracy. And as a bureaucracy it is going to make the decision not on the basis of efficiency, not on the basis of the ability of an airline to provide a service that people value, but on the basis of political pull and lobbying.

I hear the argument made that this is a barrier to entry because new airlines will not be able to buy the slots; they will not have the money. The point is they are already going to have to pay for it through this lobbying bureaucratic process. Now, I ask, what does a new airline have more of, money or political clout? Is it more likely that the existing carrier that is going broke would have more political clout than the new carrier that is trying to provide a new and competitive service?

The truth is, in my opinion, and I think it is borne out 1,001 times every day in the economy in which we operate, the existing inefficient provider of the service always has the political clout. The new, efficient provider rarely ever has it. The new provider does not have employees that can write their Congressmen. The new provider does not have the political connections that go with having gone through the process before, already having a retainer at those law firms that are specialists in this area. The truth is, in my humble opinion, that the barriers to entry are greater under regulation than they are in the market process; that the new provider providing the new and innovative service is benefited by the action taken by the Secretary of Transportation and will be hurt by this amendment.

What about small stops in small towns? Do we have a guarantee that under the current system the slots are going to small towns or small stops? Maybe we do, maybe we do not. But should they? Should we have slots being allocated for political reasons? Because I believe that the citizens of College Station, TX, ought to have a slot for a flight coming out of National Airport to College Station and because I might be able to go around and make political deals to try to line up support, should they get the slot because there is a Senator that lives in that little town? Or should they get the slot based on their ability to provide the service?

And how do you measure somebody's ability to provide the service? Well, you do not do it by their ability to influence bureaucrats. You do it by their ability to compete in terms of paying a price. And, in fact, in selling the slots you would not guarantee that each of our favorite cities would get a slot. You most certainly would not guarantee that. If you want to have political influence over the determination of selling the slots, you lose the influence. Nobody will write you again for help when they have got to go out and buy the slot, because they are going to have to go into the marketplace.

And where will the slots go? Are we guaranteed they will go to small stops? No. Maybe they should not. If we have a limited number of slots, maybe we ought to allocate them based on efficiency. And what other measure of efficiency is there than the ability of the service to earn money to pay for the slots?

So the truth is that while we hear the argument about small stops, small towns not getting slots if the slots we sold, but possibly getting them if they are given away, what we are really saying here is that politics will play a greater role over the use of the slots and they will not go to the highest user. Now, that is claimed as a benefit, but I see it as a cost. If we have got a limited number of slots at National, they ought to go to the highest valued user in terms of who can provide the greatest service. And the ability to buy the slot is clearly the measure of who can provide the greatest service to the American people.

The next argument is the argument about holding slots. If slots cost money—and slots do not pay interest; if you have got a gate out at National and you do not use it, you do not collect any interest on it—people are not going to hold them. They are going to either sell them or use them.

And again the argument—and it is a peculiar argument to be made here in the era of deregulation—the argument is that, by bureaucracts making decisions instead of the market, you are going to get better usage of resources. In no society in 5,000 years of history as a general consistent day-by-day principal has that ever been true. The market allocation of the slots would clearly be superior if your objective is maximum efficiency and the greatest benefit to the American people. If your objective is politics as usual and bureaucracy, then you do not want the market to do it.

Let me conclude my remarks, because I know a lot of people want to head out and we are heading toward 6 o'clock, by simply saying this: I have supported their sale of these two airports because I always rejoice when the Federal Government gets out of business and anybody else gets into that business. I figure that they may or may not do it as well as we do it, but at least we are not going to have to pay for it.

The idea of separate entities going out and raising capital rather than the taxpayers' money is an appealing one to me. But I must be honest, and that is this is a pretty marginal deal. We

are not getting very much money from this deal and, certainly, in terms of the physical assests that are being transferred, they are very valuable.

But while I have supported this effort to this point, if this amendment is adopted, I intend to vote against final passage. And I intend to argue with those in the administration who have argued that the passage of this amendment makes this bill unacceptable in the sense that we do benefit from the fact that we get out of the business of running two airports, but we lose in the sense that one of the most important innovations that we have come up with is in an area where we have deregulated the airlines but we have not deregulated in the sense of letting markets allocate who gets the slots. We are still letting politics decide the slots, but we are letting markets decide the profits and losses of the airlines.

In my opinion, the adoption of this amendment into law is far more harmful to our objective of trying to promote the public welfare, trying to promote the interests of the people of America who either use airports for travel or for the shipments of freight, that the loss of the adoption of this amendment is far greater than any gain from selling these airports could be.

In short, Mr. President, what this amendment does is it reverses the first real step toward bringing the market forces that we brought to bear on the airlines in allocating the slots. It is an indispensible part, in my opinion, of any effort to promote general efficiency.

There is a problem with allowing the people who own the slots to sell them. And the argument is they did not pay for them. Quite frankly, if I could go back and do it over again, they should have been sold to begin with, and perhaps we should have a proposal to sell them now. But that does not make valid the argument that we are giving people something of value. We are already giving them something of value. They have the slots. They are going to continue to have the slots so long as they use them. What we are doing is not allowing the market mechanism and system to work in allocating those slots. I think it is a tragic mistake.

I do not have any doubt about the fact that the amendment will be successful. But I did want to come to the floor and speak in opposition to it because I think we have seen a bold an ingenious action by the Secretary of Transportation, an action that was not politically popular because quite frankly we like politics in these things, but it was right in terms of the public interest—bringing market forces to bear in allocating a scarce resource. It is in every way in line with the platform of the President that appointed this Secretary of Transportation, and it is in every way in line with the general movement that we have undertaken in recent years in my opinion to the great benefit of the American people.

Unfortunately, we are here in the process of reversing it, and going back to a system of allocating these slots, a system that is being used in two-thirds of the world today to allocate resources but it is failing everywhere it is being used—allocation based on bureaucracy, privilege, and politics when we know in our national experience that the most efficient way to distribute resources is through a market.

I urge my colleagues to oppose the amendment, and I am certain that it will be adopted. But I wanted to go on record to explain why I intend to oppose final passage of this bill, and urge that the bill be vetoed when this amendment is adopted.

I yield the floor.

Mrs. KASSEBAUM. Mr. President, I would like to answer the Senator from Texas on a couple of points. I greatly respect his knowledge of the marketplace; he is an economist. When he says market allocation is superior, that may be true when one has an unrestricted marketplace. But one of the very troubling aspects of this issue, is that we are not dealing with an unrestricted marketplace, and slot allocation is not a proper subject for free market theories. The high density rule restricts the market because it limits flights in and out of airports during the day. It limits the slots that can be used because of high density of traffic at these particular airports. Where there is unrestricted use, where there is ample runway, then there is no problem. That is why we have to deal with the high density airports in a different manner, and why I think we all become frustrated at how best to handle the problem there. We simply cannot handle it in such a way that would allow the market to work its will in this limited environment.

Second, politics to my knowledge has not been an influence in slot allocation. I think all of us are concerned about allowing the status quo to continue. We are all concerned about the slots that are not being used. But it is not politics that has caused a breakdown of the scheduling committees. These committees, composed of the airlines that operate and desire to operate at the airports have been designated to solve the problems of slots that are not in use but were not given the tools to make this system work. The system has not been working largely because the industry has long believed that buy-sell would be implemented by rule. This of course gave the airlines reason to sit back, wait, and hope that they would be handed valuable landing rights to do with as they pleased.

To my knowledge it is the carriers that have been jockeying for position to own as many slots as possible which have impeded sensible, fair slot allocation. Politics has not really entered in. Of great concern is the fact that the high density rules I mentioned earlier may soon spread to other airports. If additional airports are restricted because they are not able to handle the growing volume of traffic, then all the problems we have seen with the high density rules and slot allocation could spread across the country. It thus behooves us at this point to create a sound, equitable method to handle the problem of allocation of scarce resources.

Mr. GRAMM and Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I do not want to engage in a prolonged debate. But I would like to answer those two points because these arguments are made over and over again, and I basically am in disagreement with them.

First of all, is this notion because you have limits on something that market forces do not apply, and if you have a limited supply of something, supply and demand forces do not work? Mr. President, we see examples of markets working well in areas of limited supply. There are so many lots that are on a lake. There are so many acres on river. There is only one mountain top on each mountain. But yet, we do not go around and say, well, we will not let the market allocate those things because it is limited.

The idea that we have only so many slots at National and Dulles is an argument for using the market, not an argument against it. I would not worry about the Government doing it instead of the market if it were relatively inexpensive and relatively unvaluable. If the Government wants to regulate something that is free, nobody is hurt by it. The more scarce it is, the more limited it is, the more harmful Government is.

A second point that somehow there will not be any incentive to create new slots if you sell these, in my opinion, is exactly the opposite of the fact. If we have Government regulation allocating slots, then there is no incentive for us to create new slots. In fact, the people that have the slots and have the political power will lobby us not to do it, and since we do not get anything for doing it, we will not do it.

On the other hand, if we are selling the slots, and the airport board, the airports authority or the taxpayer benefited from creating more, then there would be an incentive to create more slots.

The point I want to make is that by selling the slots by a market value, we not only get a better use out of them, but also we create an incentive to

build more of them because the airport board or the Government would benefit from it. That does not exist or did not exist prior to April 1, and will not exist if this amendment is adopted.

I yield the floor.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER (Mr. GORTON). The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I rise in support of this amendment, and in doing so, I want to direct the attention of my colleagues to an article in Barron's of February 24, 1986, which is headed "Golden Gates," and then a subheading "Landing Slots, A Windfall for the Airlines."

In the fifth year of the Presidency of Ronald Reagan, Uncle Sam is still a sugar daddy to more than a few American corporations. On April 1st, some airlines will get the latest multimillion dollar bauble. Their gift will come in the name of economic efficiency for the Federal Aviation Administration, the watchdog of civil aeronautic safety, and home of the last few airline regulators in the age of deregulation.

Then it goes on, and in part of the article that I think is particularly relevant, you find the following statement:

But as Eastern returns to the brink of bankruptcy for the third time in 4 years some investors are beginning to look at the company's breakup value.

Here is the important point:

A conservative value of the carrier's landing rights represents about a third of its book value, and nearly half of its market capitalization.

Under what possible logic would the U.S. Government make it possible for certain airlines who have paid nothing for the privilege to be entitled to have in perpetuity these landing slots, and be in the position to sell them? What have they given for the right for those rights?

As we talk about it, I thought about how this Nation so many years ago, and even at the present time, gave radio stations and TV stations the right to operate in and control certain portions of the airwaves. They are now selling those rights for sums that are totally unbelievable, up into the hundreds of millions of dollars, rights that, in my opinion, rightfully belong to the people of this country.

The rights at the airports do not belong to the airlines. There is no reason why the Department of Transportation should be permitting those rights to be sold or owned by the airlines that have them.

I am pleased to support this amendment because it would stop the Department of Transportation's rule permitting the buying and selling of takeoff and landing rights for airports, the names of which have previously been mentioned. That rule took effect April 1 of this year and it is unjustified and it is illogical public policy. It is bad public policy. It is bad economics. It would likely be disastrous for small community air service.

The Department of Transportation is promoting its proposed buy/sell rule as a market-based approach to allocating landing rights that is consistent with the concept of airline deregulation.

Nothing could be further from the truth.

It is not a solution to the problem of allocating limited airspace at these four congested airports. The rule is simply a giveaway of valuable public property for the private gain of a few airlines.

Frankly, I am disturbed by DOT's penchant for anticompetitive giveaways to big air carriers.

If DOT approves, for instance, the proposed merger between Texas Air and Eastern Airlines, the merged airline would control 24 percent of takeoff and landing slots at Washington National Airport and 27 percent of these slots at La Guardia.

That is a tremendous benefit for the merged airline but a tremendously bad deal for airline competition and American consumers.

Right now, there is true competition in the airline industry. But by the time the mergers take place and the landing slots are given to certain airlines in perpetuity, the American consumer is going to wind up holding the bag and the American Government will have let down that consumer once again.

But I am not certain DOT views it the same way.

They do not seem to be worried about promoting competition in the airline industry.

Instead of aiding entry into the airline business—one of the cornerstones of deregulation—DOT's buy-sell rule will perpetuate the results of 40 years of Government regulation. It will give the select group of incumbent airline companies who received the most valuable slots as route awards under regulation prior to 1978, title to those slots in perpetuity.

To that I can only say, why, why, why?

Of course, under the DOT rule the incumbent airline would be free to sell its slots to other airlines—for a very substantial profit.

How much are the slots worth?

Who said that those airlines should be given those valuable rights? What possible logic is there to say that an airline has the right and the ownership to a slot in perpetuity?

According to the Office of Management and Budget, a prime time landing slot at La Guardia or Washington National will sell for between $500,000 and $1 million—a substantial windfall considering the incumbent airline will have received the slot from the Department of Transportation for nothing.

I would say that may be the figure that the Office of Management and Budget uses, but I stand here on the floor of the U.S. Senate and I say that if that practice is continued, those slots in the future will sell for 2, 4, 5, and 10 times that $500,000 to $1 million that the OMB talks about.

You cannot operate without having those rights. Therefore, if there are fewer and fewer airlines, the premium about updating a slot is going to be that much more valuable.

I, for one, do not believe that a small commercial carrier or a startup budget airline will be able to afford that price, whether it be $500,000, $1 million, or $5 million. No airline entreprenuer putting together his first public stock deal is going to be able to afford $1 million for the right to land one plane per day at Washington National Airport.

A more likely scenario is that incumbent carriers will decide to keep most of their slots, no matter how inefficient, rather than sell or lease them to potential competitors, particularly low-budget airline competitors.

The fact is, the DOT proposal amounts to a multimillion dollar distortion of the marketplace by the Federal Government, rather than free enterprise at work. The practical effects of buy-sell are unearned profits to large, incumbent airlines and the loss of service to small and medium size communities.

In 1982, when buy-sell was tried on a temporary basis the loser was small community air service. Slot buyers were airlines with long haul, high density, highly profitable markets. Sellers were airlines with short haul, low density markets.

For example, Rocky Mountain Airways sold five of its slots at Denver Stapleton Airport from which it had previously flown to Laramie, Cheyenne, Colorado Springs, and Pueblo. United and Continental bought the slots, and now use them to fly from Denver to New Orleans, Oakland, Albuquerque, and San Jose.

There is no question that the slot allocation problem in New York, Washington, and Chicago is a serious one that needs to be addressed. The current scheme of having committees, composed of airlines that operate at airports, allocate limited slots is not working.

That is because there is no mechanism to force the airlines to reach agreement.

The commuter airlines, on the other hand, have such a mechanism to break deadlocks. When these airlines cannot agree on slot allocations, a lottery is automatically used to reallocate up to 20 percent of the incumbents' slots.

This is not the situation for the major air carriers. There is no deadlock-breaking mechanism in their committee systems.

In attempting to deal with the problem, DOT should have sought ways to ensure more competition at airports, instead of handing a few airlines an economic windfall.

Mr. President, the amendment before us incorporates a committee system with a deadlock-breaking mechanism. It represents a major improvement over the DOT proposal.

Mr. President, the issue is clear. DOT's buy-sell rule will do more harm than good. It is anticompetitive, anticonsumer, and it would set a dangerous precedent for the allocation of slots at other airports in the future. This amendment would rescind the rule, and replace it with a system that better protects competition in the airline industry and service for consumers. I commend the author of the amendment and I urge my colleagues to support the amendment.

AMENDMENT NO. 1738

(Purpose: To add provisions regarding the transfer of slots at certain airports)

Mr. GRAMM. Mr. President, I send a substitute 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 Texas [Mr. GRAMM] proposes an amendment numbered 1738 to amendment numbered 1735.

In lieu of language, insert:

AIRPORT SLOTS

SEC. 13. (a) The Secretary and the Administrator of the Federal Aviation Administration shall reclaim slots that have been allocated to private airlines and sell those slots to the highest bidder.

Mr. GRAMM. Mr. President, I have offered a substitute to see basically who is for real and who is not for real in terms of who wants to see we get value out of those slots.

I have listened to our distinguished colleague talk about how unfair it is that private airlines have these slots.

The truth is they have them today and they have them free today. What was proposed and what has been implemented by the Secretary is to allow them to be sold so that they will be allocated on an efficiency basis.

Our distinguished colleague has raised questions about giving the slots to the people who already have been given the slots and allowing them to resell them.

In this simple substitute, I propose to redress that problem by having the slots reclaimed and having them sold to the highest bidder. We can debate the issue about whether or not you want the slots given away—which they are now in a political process—or whether you want them sold to the highest bidder on an efficiency basis.

I yield the floor, Mr. President.

Mr. STEVENS. Mr. President, I have great respect for my friend from Texas and what he is trying to do. That is, somehow or other, to put value on the slots. I think our committee ought to be given an opportunity to explore the whole concept to see where we go if there is to be some system of charging for slots, but putting value on slots is an entirely different item. That is giving to the private sector—in this case, those who are involved in current air transportation—a means of acquiring these on the basis of value without regard to service, without regard to schedules, without regard to distance that the aircraft is going to travel.

We have a policy, as everyone knows, in terms of radius that people can fly out of National. What are we going to do if the high bidder is somebody who wants to fly directly to California from National? This idea to test where we are in terms of whether we believe in the concept of somehow or other acquiring some value for the use of the slots, in my opinion, is the wrong way to go. With due respect to my friend, those of us who have been in this aviation subcommittee for some years now would be compelled to say that this is not the way to go about it.

I am not opposed to people having a slot paying the Government some money for the rights that they have. But to create a system whereby someone could disrupt the current regulatory scheme by simply having more money than the person who was there providing service, and service in accordance with the existing regulations, I think, is the wrong way to go.

Maybe the Senator from Texas did not hear. What would happen—there is a 1,000-mile radius out of National. Suppose someone wants to bid who operates a plan on a 2,000-mile radius?

Mr. GRAMM. Would the Senator yield?

Mr. STEVENS. Yes.

Mr. GRAMM. They would be bound by the same radius restrictions, though I happen to disagree with that radius restriction. Why would somebody bid? Somebody would bid only if they could provide a service that other people were willing voluntarily to pay for. If they could pay a higher price, I think it would indicate that they had a better service.

Mr. STEVENS. With due respect, Mr. President, I say to my friend that the question of value and the question of service are separate and distinct items. In my judgment, the question of service to the public as far as air transportation is concerned comes first. We should see if we cannot find some way to meet the objectives that many people seem to have, to acquire some compensation for the use of these rights.

I oppose this and I hope the distinguished subcommittee chairman is prepared to make a motion to table it, because I just do not think this is the way to deal with the subject. It is too complex and it is not the way to deal with it. By having a substitute, we would create an entirely new disposition in the air transportation industry this way.

Mrs. KASSEBAUM. Mr. President, I certainly do agree with the Senator from Alaska. I think that he has addressed very well the chaos that the Senator from Texas' amendment would add. I do not think it answers the problems that my amendment, supported by 24 cosponsors, tries to address.

Mr. President, I move to lay on the table the amendment of the Senator from Texas. 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 question is on agreeing to the motion of the Senator from Kansas to lay on the table the amendment of the Senator from Texas.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Florida [Mrs. HAWKINS] and the Senator from Vermont [Mr. STAFFORD] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Missouri [Mr. EAGLETON] and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

The PRESIDING OFFICER (Mr. COCHRAN). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 82, nays 14—as follows:

[Rollcall Vote No. 55 Leg.]

YEAS—82

Abdnor	Garn	Melcher
Andrews	Glenn	Metzenbaum
Baucus	Goldwater	Mitchell
Bentsen	Gore	Moynihan
Biden	Gorton	Murkowski
Bingaman	Grassley	Nickles
Boren	Harkin	Nunn
Boschwitz	Hatfield	Packwood
Bradley	Hecht	Pell
Bumpers	Heflin	Pressler
Burdick	Heinz	Proxmire
Byrd	Hollings	Pryor
Chafee	Inouye	Riegle
Chiles	Johnston	Rockefeller
Cochran	Kassebaum	Roth
Cohen	Kasten	Rudman
Cranston	Kennedy	Sarbanes
D'Amato	Kerry	Sasser
Danforth	Lautenberg	Simon
DeConcini	Laxalt	Simpson
Denton	Leahy	Specter
Dixon	Levin	Stevens
Dodd	Long	Thurmond
Dole	Lugar	Trible
Domenici	Mathias	Warner
Evans	Matsunaga	Weicker
Exon	Mattingly	
Ford	McConnell	

NAYS—14

Armstrong	Hatch	Symms
Durenberger	Helms	Wallop
East	Humphrey	Wilson
Gramm	McClure	Zorinsky
Hart	Quayle	

NOT VOTING—4

Eagleton	Stafford
Hawkins	Stennis

So the motion to lay on the table Amendment No. 1738 was agreed to.

Mrs. KASSEBAUM. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Democratic leader.

Mr. BYRD. Mr. President, I would like to ask the distinguished majority leader if he can tell us at this time how many more rollcall votes he expects this evening, how late we will be voting, and what he anticipates for tonight.

Mr. DOLE. As I understand there will be a vote immediately on the Kassebaum amendment and then I would hope there would be a few other amendments tonight.

It seems to me we are making some progress on this bill finally.

There are still, if offered, 10 amendments outstanding that we know of. There may be additional amendments we have not been apprised of. So I would like to stay for a while.

Mr. BYRD. Would the distinguished majority leader indicate whether there is going to be any window for votes, and I am not asking for any, but if there is going to be one, I would like for us to know about it.

Mr. DOLE. The only request I have is from one Member. I said, "I just suggest you take your beeper." I do not know who is going to lay down the amendment following this one, but if whoever that might be could indicate how long he would take, certainly I would make that known to all Members.

Senators METZENBAUM, SARBANES, SARBANES, MATHIAS, MATHIAS, HOLLINGS, HOLLINGS, HOLLINGS, HOLLINGS—how about Senator TRIBLE's amendment—is that going to take long?

Mr. TRIBLE. That will be offered by Senator METZENBAUM. He can do this and that will be agreed to.

Mr. DOLE. Senator BENTSEN has an amendment.

Mr. BENTSEN. I am willing to proceed any time the majority leader wants me to.

Mr. DOLE. How long is that going to take, I ask the distinguished Senator.

Mr. BENTSEN. I hope it will not take very long. I do not think it is a controversial amendment. My understanding was that it would be accepted on both sides unless it is amended.

Mr. TRIBLE. If the majority leader will yield, there are a number of amendments that can be disposed of without substantial debate and we could move forward to those amendments after the Senate has expressed its will on the amendment of the Senator from Kansas.

Mr. DOLE. I might suggest then that following the vote on this amendment that we take up the Bentsen amendment and the Pressler amendment.

Mr. TRIBLE. Metzenbaum amendment.

Mr. DOLE. And the Metzenbaum amendment.

Mr. FORD. Would there be a vote on those?

Mr. DOLE. I understand those amendments will be accepted without a rollcall. That would give everyone at least 30 or 40 minutes, or maybe even longer, before the next rollcall.

Mr. BYRD. Mr. President, I do not think it is unreasonable for me to ask the distinguished majority leader to speak definitively and specifically as to whether he anticipates a rollcall vote within the next hour. If there is any—the distinguished majority leader said something about a beeper.

I would infer that to mean that there may be votes but there might be a window. It does not matter to me whether there is a window or not, if we could just be informed on our side whether there is going to be a window and how long we will be here voting. If we know that we are going to have additional rollcall votes, we would like to know it.

Mr. DOLE. Let me suggest if there are any votes ordered, the vote will not come until 7:45 p.m. and we will be here for a long time this evening.

Mr. BYRD. All right. That would indicate there is going to be a window of an hour?

Mr. DIXON. After this vote?

Mr. BYRD. After this rollcall vote?

Mr. DOLE. I hope Members who have amendments that will be accepted and those that are going to be contested will be here to offer the amendments.

Mr. BYRD. So there will be an immediate rollcall vote, an hour in which there will be no rollcall votes, and the majority leader will indicate that there will then be another rollcall vote or votes; am I correct?

Mr. DOLE. That is correct. I think there will not be a vote following this vote until at least 7:45 p.m.

Mr. BYRD. I thank the majority leader.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there is sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I rise in support of the amendment of the Senator from Kansas. I am a cosponsor of Senator KASSEBAUM's bill, S. 1966, and I am pleased that she has chosen to offer the language of S. 1966 to prohibit the buying and selling of airport slots on the airport transfer bill.

I am totally opposed to the concept of buying and selling airport slots. It is inconceivable that the Federal Government would devise a windfall to be gained by private entities from the sale of public property rights. There is definitely a capacity problem in the Nation's largest airports, but the Department of Transportation's rule is not the answer.

There are many parts of the country that did not fare as well under airline deregulation as some large metropolitan areas. I happen to serve one of the areas that has paid the price for airline deregulation. Fortunately, we now have super savers to Kentucky. I used to read with envy the airline ads that offered low cost fares to Dallas, Los Angeles, and San Francisco. For many years after deregulation, I believe the travelers from my part of the country paid the price for the low-cost fares from New York to California. Now that Kentucky is experiencing the benefits of airline price wars, I now have to be concerned whether or not Kentucky will continue to have flights to high density airports.

Prior to the final rule being published, the Aviation Subcommittee held a meeting with OMB and DOT officials to discuss the rule. My staff was in attendance and asked the representative of OMB how this would affect mid-size cities and how could a city like Louisville, KY, guarantee service to Washington National, Chicago O'Hare, and New York's JFK and LaGuardia. The answer from OMB was for the city of Louisville to purchase slots in each of these airports. I really wonder what funds OMB expects the cities to use to purchase airports slots since we have done away with revenue sharing. If you want to get even more ridiculous, you could consider awarding grants from the trust fund to cities to purchase slots. An airport slot is a public property right and should not be sold. If the DOT rule stands, it will certainly reduce airline service to smaller communities.

Another of my concerns is that this rule will eventually apply to many more airports. DOT testified during the Commerce Committee hearings that only the four airports currently included would fall under this rule. Many witnesses followed DOT and suggested other airports with capacity problems—Atlanta, LAX, Boston,

Denver, and DFW. Don't be surprised if DOT is successful with this rule that many other airports will eventually be included. I must warn my colleagues that, although you might not be concerned with service to Washington, Chicago, or New York, you may be interested in service to Denver or Los Angeles. During the PATCO strike in 1982, DOT experimented with a buy/sell program. This experiment was extended to 22 airports with capacity restrictions, not just the four under consideration for the present rule. What you vote on today may eventually be extended to your airport.

I wholeheartedly support the amendment to require DOT to repeal the buy/sell rule and direct the DOT to issue an alternative rule. Once we allow DOT to start selling slots, we can never reverse the rule. This rule must be stopped now. A lot more thought needs to be given to solving our airport capacity problems.

Mr. KASTEN. Mr. President, I rise today in support of the amendment being offered by my friend, the distinguished Senator from Kansas. I commend you, Senator KASSEBAUM, for your leadership in recognizing the need to overturn the ill advised and potentially disastrous airport slot rule. I was pleased to join you as an original cosponsor of your legislation and I am proud to join you today as a cosponsor of the amendment.

Even though this rule technically affects only four airports—National, JFK, La Guardia, and O'Hare—the impact is actually much greater. Hundreds of airports around the Nation rely on small commuter carriers to get their passengers to the central airline hubs at one of these four airports. Since this rule went into effect on April 1, it is now possible that they could be faced with no service whatsoever.

Mr. President, as the law read before April, a carrier would not receive any compensation if they gave up a slot since it never paid for it in the first place. But because of this rule, airlines can make millions from selling their slots. Small commuter airlines might sell their short-haul route time slots—even if they're profitable—to airlines with intentions to fly more profitable long-haul routes. Before, no small airline that was flying a profitable route would think of giving it up. But under this present rule, the greater profits from slot sales could be incentive enough to give up slots.

In my own State of Wisconsin, eight communities rely on commuter service to O'Hare. Six of them—Green Bay, Appleton, Oshkosh, La Crosse, Wausau, and Rhinelander—rely exclusively on commuter airlines for service to Chicago. Chicago serves as their gateway to the rest of the Nation as well as the world.

Without the service to Chicago by Midstate Airlines and Air Wisconsin—both are commuter airlines—these six cities could go the way of Marshfield and Wisconsin Rapids.

These two communities suffered greatly from a trial buy/sell which occurred a few years ago. At that time, Lakeland Airlines, a small commuter line, sold its time slots which had previously been used for service from O'Hare to these two cities. Since no other airline served either city, their terminals have gone empty. This forced passengers to travel long distances by car just to get to an airport. As a direct result of the loss of air service, the cities have had additional problems in their attempts to bring in new businesses to help their struggling economies. As you can see, I have witnessed in my own State of Wisconsin the disastrous impact that this rule can have on a community, as well as the domino effect that can follow.

Mr. President, I would ask why airlines should be allowed to buy and sell slots when they never paid for them in the first place. All this rule does is to effectively put money in the pocket of every airline that now owns a slot. Even though a more prudent idea might have been for the Government to sell the slots to the airlines, our smaller communities that depend on air service to these four airports could still be hurt.

In sum, I believe this new rule is ill advised, shortsighted, and could prove disastrous to my home State of Wisconsin. The Kassebaum amendment addresses the problem of slot turnover, while protecting the smaller communities that depend on service to National, JFK, La Guardia, and O'Hare to get to the rest of the world. Thusfar, very few slots have changed hands. The Senate must act immediately before any more slots are sold. We should adopt this amendment today.

Mr. President, I am pleased to be a cosponsor and it is my hope that my colleagues will join me in supporting this necessary amendment.

Mr. GORTON. Mr. President, although I applaud the goals of the chairman of the Aviation Subcommittee, Senator KASSEBAUM, I must express my opposition to this amendment as it is presented today. I share her view that the present system of allocating slots at high density airports does not assure the maximum availability of service to the flying public. And I agree that we should not adopt a radical buy/sell solution without first examining other options. However, I believe that the imbalance that exists as a result of months and years of inaction by scheduling committees requires us to give some consideration to carriers who have been continually frozen out of desirable slots.

As the Senator from Kansas is aware, the rule issued by the Secretary of Transportation last December calls for the reassignment, by lottery, of 5 percent of existing slots to new entrants or limited incumbents, in addition to implementing the buy/sell concept. This reassignment will generate new competition and compensate in part for the lack of movement by scheduling committees. This amendment contains no similar provision for short-term relief during the time it would take for DOT to formulate its new rule. It is for this reason, and not any enthusiasm for buy/sell, that I will oppose this amendment.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from Kansas.

On this question, the yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Florida [Mrs. HAWKINS], the Senator from Nevada [Mr. LAXALT], the Senator from Pennsylvania [Mr. SPECTER], and the Senator from Vermont [Mr. STAFFORD] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Missouri [Mr. EAGLETON] and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 82, nays 12, as follows:

[Rollcall Vote No. 56 Leg.]

YEAS—82

Abdnor	Ford	Metzenbaum
Andrews	Glenn	Mitchell
Baucus	Goldwater	Moynihan
Bentsen	Gore	Murkowski
Biden	Grassley	Nickles
Bingaman	Harkin	Nunn
Boren	Hart	Packwood
Boschwitz	Hatfield	Pell
Bradley	Hecht	Pressler
Bumpers	Heinz	Proxmire
Burdick	Helms	Pryor
Byrd	Hollings	Riegle
Chafee	Inouye	Rockefeller
Chiles	Johnston	Roth
Cochran	Kassebaum	Rudman
Cohen	Kasten	Sarbanes
Cranston	Kennedy	Sasser
D'Amato	Kerry	Simon
Danforth	Lautenberg	Simpson
DeConcini	Leahy	Stevens
Denton	Levin	Thurmond
Dodd	Long	Trible
Dole	Lugar	Warner
Domenici	Mathias	Weicker
Durenberger	Matsunaga	Wilson
East	Mattingly	Zorinsky
Evans	McConnell	
Exon	Melcher	

NAYS—12

Armstrong	Gramm	McClure
Dixon	Hatch	Quayle
Garn	Heflin	Symms
Gorton	Humphrey	Wallop

NOT VOTING—6

Eagleton	Laxalt	Stafford
Hawkins	Specter	Stennis

So the amendment (No. 1735) was agreed to.

Mrs. KASSEBAUM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BENTSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1739

Mr. BENTSEN. 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 Texas [Mr. BENTSEN] proposes an amendment numbered 1739.

Mr. BENTSEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the bill, add the following new section:

SEC. . (a) Notwithstanding any other provision of this Act, or any other law, or any regulation issued pursuant thereto, a person shall not be prohibited from operating an air carrier aircraft nonstop between Washington National Airport and any other airport which is located within 1250 miles of Washington National Airport.

(b) Notwithstanding any other provision of this Act or any other law, the Airports Authority shall have no authority to issue any regulation imposing any such prohibition referred to in subsection (a) of this section.

Mr. BENTSON. Mr. President, today, I offer an amendment to the Metropolitan Washington Airports Transfer Act of 1985—S. 1017, which will extend the 1,000-mile Washington National Airport perimeter rule to 1,250-miles.

The perimeter rule is neither a noise rule nor a safety rule, but was put in place in 1966 to prevent a diversion of traffic from Dulles to Washington National. In the early 1960's Dulles Airport was plagued by access and convenience problems; no restrictions existed on the number of operations at Washington National. The FAA was quite properly concerned about the economic viability of Dulles over the long term. Dulles is now enjoying rapid traffic growth and no longer needs protection.

My principal reason for offering the amendment is the unfair effect that the 1,000-mile perimeter rule has on many of the Nation's airlines, which in the wake of deregulation have restructured their route systems so as to permit the combination of traffic flows over hub-and-spoke systems. The requirement of an additional stop along the way makes that service less attractive to the passenger. Additionally, the 1,000-mile perimeter rule has given rise to the wasteful and inefficent hops between Dulles and BWI.

Extension of the perimeter rule will present immediate opportunity for Dallas/Fort Worth and Houston. There is no reason to believe that such extension would result in any reduction of service between National and smaller cities within 1,000-miles.

The 1,000-mile perimeter rule is an anachronism that has been left on the book despite the fact that it no longer serves a valid purpose.

Mr. President, the amendment that I am offering is one that I have discussed with the manager for the majority, and the manager for the minority. It is my understanding that they see no objection to it. What I am dealing with is a perimeter rule of 1,000 miles from Washington National Airport. That was one we put on many years ago when you were really concerned about the economic viability of Dulles. There were problems with the facilities there, and with the access there while Washington National was exploding. That situation now is reversed. You are seeing Dulles growing, and growing at a very splendid rate. But this anachronism has remained. When we talk about moving it out to 1,250 miles, this is one that will take care of some of the very uneconomic things that are happening. You have planes flying from BWI to Dulles and from National to Dulles, and then in turn going on to airports such as Houston, Forth Worth and Dallas.

That is frankly a most inefficient way to use aircraft. Now that you have the hub and spoke system that is being used by airlines, it would be much more effective and efficient if we were to avoid that, and extend that perimeter out to 1,250 miles.

That is what I am urging. That is what my amendment provides for. I urge its adoption, Mr. President.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. BENTSEN. My understanding, Mr. President, is that there has been no objection. I just discussed it with the Senator from Virginia, and earlier I had discussed it with the Senator from South Carolina.

The PRESIDING OFFICER. Is there further debate on the amendment of the Senator from Texas?

Mr. SARBANES. 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. TRIBLE. 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. TRIBLE. Mr. President, I have reviewed the amendment offered by the Senator from Texas [Mr. BENTSEN], and I have no objection to its adoption.

Mr. BENTSEN. Mr. President, I have had this discussion with the manager for the minority and he, in turn, discussed it with the Senator from South Carolina. They have no objection. I move adoption of the amendment.

The PRESIDING OFFICER (Mr. EAST). If there is no further debate on the amendment, the question is on agreeing to the amendment.

The amendment (No. 1739) was agreed to.

Mr. BENTSEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. TRIBLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1740

Mr. TRIBLE. Mr. President, I send an amendment to the desk on behalf of myself and the Senator from Ohio [Mr. METZENBAUM] and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Virginia [Mr. TRIBLE], for himself and Mr. METZENBAUM, proposes an amendment numbered 1740.

Mr. TRIBLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 38, line 15 insert the following after the period:

"(4) In acquiring by contract supplies or services for an amount estimated to be in excess of $200,000, or awarding concession contracts, the Airports Authority shall obtain, to the maximum extent practicable, full and open competition through the use of published competitive procedures: *Provided*, that by a vote of seven members, the Airports Authority may grant exceptions to the requirements of this paragraph."

Renumber paragraphs (4)-(7) accordingly.

Mr. TRIBLE. Mr. President, this amendment represents both good government and good management. The amendment establishes a condition to the lease that requires the Airports Authority to employ full and open competition to the maximum extent practicable in acquiring supplies or services in excess of $200,000 or awarding concession contracts. Published competitive procedures must be used, and the Airports Authority can make exceptions only by a vote of seven members, the same number required to approve bond issues and the annual budget. The amendment will ensure that substantial purchases of goods and services are made at competitive prices. It therefore is fully consistent with the efforts to guarantee the

proper and prudent procurement of goods and services.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 1740) was agreed to.

Mr. TRIBLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PRESSLER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TRIBLE. Mr. President, I have been asked to say that there are a couple of other amendments which we hope to have offered at this time which could be disposed of without substantial debate or controversy.

Mr. President, I see my colleague from Maryland, Senator SARBANES, in the Chamber, and would inquire if he is in a position to offer one or more of his substantive amendments this evening.

Mr. SARBANES. I will inquire of the manager of the bill what procedure does he envision pursuing.

Mr. TRIBLE. The majority leader has said that there would be no recorded votes until the hour of 7:45 or 8 o'clock. The majority leader has further suggested that we would continue in session this evening and hopefully resolve further amendments. There could very possibly be votes after the 8 o'clock hour.

I would hope that we could turn to one or more substantive amendments this evening and resolve the amendments, voting on them tonight, and permit the Senate to work its will.

Mr. SARBANES. How long does the Senator expect we will be in session?

Mr. TRIBLE. It is obvious to me the majority leader hopes we can resolve this matter as quickly as possible. That would call for our continued presence on the floor. I am prepared to stay here late into the night. I am not sure, I must tell the Senator, whether that is the disposition of the majority leader. But he had indicated to our colleagues that they should expect votes after the 8 o'clock hour.

Mr. SARBANES. I take it there are to be no votes before 8 o'clock?

Mr. TRIBLE. My recollection is the majority leader actually said 7:45, but I would take it we would want to protect our colleagues for the remainder of this hour until about 8 o'clock, yes.

What is the Senator's disposition?

Mr. SARBANES. This Senator's disposition is to suggest the absence of a quorum.

Mr. TRIBLE. I was hoping that the Senator could offer one of the substantive amendments about which we have heard for several days.

Mr. SARBANES. As I understand, we will not have any rollcall vote until 8 o'clock.

Mr. TRIBLE. The Senator is correct.

Mr. SARBANES. Mr. President, I suggest the absense of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PRESSLER. 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. 1741

(Purpose: To change composition of membership on the board of the Airports Authority)

Mr. PRESSLER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Dakota [Mr. PRESSLER] proposes an amendment numbered 1741.

Line 5, page 35, strike the word "eleven" and insert in lieu thereof "thirteen".

Line 11, page 35, strike "one member" and insert in lieu thereof "three members".

Line 22, page 35, strike "member" and insert in lieu thereof "members".

Line 11-12, page 36, strike "a 6-year term" and insert in lieu thereof "6-year terms".

Line 14, page 36, strike "Seven" and insert in lieu thereof "Eight".

Mr. PRESSLER. Mr. President, I withdraw the amendment.

The amendment (No. 1741) was withdrawn.

AMENDMENT NO. 1742

(Purpose: To change composition of membership on the board of the Airports Authority)

Mr. PRESSLER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Dakota [Mr. PRESSLER] proposes an amendment numbered 1742.

Line 5, page 35, strike the word "eleven" and insert in lieu thereof "thirteen".

Line 11, page 35, strike "one member" and insert in lieu thereof "three members".

Line 22, page 35, strike "member" and insert in lieu thereof "members".

Line 11-12, page 36, strike "a 6-year term" and insert in lieu thereof "6-year terms".

Mr. PRESSLER. Mr. President, this amendment increases the number of Presidential appointees from one to three. It changes the other portions of the bill from singular to plural when referring to Presidential appointees.

The thinking behind it is that Dulles and National have national and international implications and there is a great deal of interest in these airports throughout the country. Many of the arguments for this increase have already been aired here today. I thank my colleagues for their consideration of this amendment.

Mr. WARNER. Mr. President, the managers of the bill, together with a very broad spectrum of Senators on both sides of the aisle, have looked at this issue and feel that the amendment offered by the Senator from South Dakota does strengthen the bill. It clearly indicates the national aspect of this combination of the two airports and I think it will go a long way to reassure Members of this Chamber that indeed we are, all of us, working to secure this transfer in a manner that is consistent with the interests of not only the States of Virginia and Maryland and the Nation's Capital, the District of Columbia, but other jurisdictions located beyond. I thank the Senator for his cooperation.

Mr. President, if there is no further discussion on the amendment, I move the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1742) was agreed to.

Mr. PRESSLER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WARNER. Mr. President, the managers of the bill are under the impression that the Senator from New Hampshire will be coming to the floor shortly to offer an amendment. While we are awaiting the arrival of the Senator from New Hampshire, I join with my colleague (Mr. TRIBLE) in expressing our appreciation to the majority and minority leaders and others, indeed our colleagues from Maryland, who are all joined together now in trying to expedite the consideration of this bill.

We are making considerable progress. We anticipate that the debate on the amendment to be offered by the Senator from New Hampshire will be reasonably brief, such that we can meet the schedule earlier laid down by the majority leader.

I see the Senator from Maryland on his feet. I would be happy to yield the floor if he seeks recognition.

Mr. SARBANES. As I understand it, there are not going to be any recorded votes for a while, and I would expect any amendment that I would offer to require a recorded vote. Therefore, I will defer until we get closer to the time when we are going to be able to have votes.

AMENDMENT NO. 1743

(Purpose: To provide for the sale of National and Dulles Airports for the highest cash offer, and for other purposes)

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the quorum call be dispensed with.

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

Mr. HUMPHREY. Mr. President, I send an amendment to the desk and ask it be considered.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Hampshire [Mr. HUMPHREY] proposes an amendment numbered 1745.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 24, line 13, strike out all through line 16 and insert in lieu thereof:

SHORT TITLE

SECTION 1. This Act may be cited as the "Metropolitan Washington Airports Sales Act of 1986".

TITLE I—SALE OF THE METROPOLITAN WASHINGTON AIRPORTS

DEFINITIONS

SEC. 101. As used in this title, the term—

(1) "employees" means all permanent Federal Aviation Administration personnel employed on the date of sale by Washington National Airport;

(2) "Metropolitan Washington Airports" means Washington National Airport and Washington Dulles International Airport, and includes the Dulles Airport Access Highway and Right-of-way, including the extension between the Interstate Routes I-495 and I-66;

(3) "Secretary" means the Secretary of Transportation;

(4) "Washington Dulles International Airport" means the airport constructed under the Act entitled "An Act to authorize the construction, protection, operation, and maintenance of a public airport in or in the vicinity of the District of Columbia", approved September 7, 1950 (64 Stat. 770); and

(5) "Washington National Airport" means the airport described in the Act entitled "An Act to provide for the administration of the Washington National Airport, and for other purposes", approved June 29, 1940 (54 Stat. 686).

PROCEDURE FOR SALE OF THE METROPOLITAN WASHINGTON AIRPORTS

SEC. 102. (a) Within sixty days after the date of enactment of this title, the Secretary shall issue a request for proposal to purchase Washington National Airport and a request for proposal to purchase Washington Dulles International Airport.

(b) Such requests shall provide for—

(1) closed offers for the purchase of each such airport in accordance with the provisions of section 103;

(2) such information as is necessary to determine whether the offers meet such provisions; and

(3) a period of one hundred and twenty days for submission of offers.

(c) Within sixty days after the one hundred and twenty-day period submission of offers, the Secretary shall select the winning offers for the purchase of such airports, in accordance with the provisions of section 103.

(d)(1) The Secretary shall take such actions as necessary to negotiate the terms of sale and transfer of each such airport to the highest offeror in accordance with the provisions of this Act.

(2) Within sixty days after the date of selection of the purchasers of the Metropolitan Washington Airports, the Secretary shall complete the sale and transfer of such airports, unless any such sale is disapproved by the enactment of a joint resolution.

SELECTION OF PURCHASERS

SEC. 103. (a) Subject to the provisions of section 104, the Secretary shall select as the purchaser of each airport from the offers received pursuant to section 102—

(1) the offeror who offers the greatest cash amount for Washington National Airport; and

(2) the offeror who offers the greatest cash amount for Washington Dulles International Airport.

(b) Notwithstanding the provisions of subsection (a), Washington National Airport and Washington Dulles International Airport may not be sold to the same purchaser. If one person offers to pay the highest cash amount for each Metropolitan Washington Airport—

(1) such person shall be selected to purchase the airport for which he offers to pay the higher cash amount; and

(2) the other airport (which such person shall be disqualified from purchasing) shall be sold to the person who offers to pay the second highest cash amount for such airport.

TERMS OF SALE FOR THE WASHINGTON METROPOLITAN AIRPORTS

SEC. 104. The sales of Washington National Airport and Washington Dulles International Airport shall be subject to the following terms:

(1) All real and personal property sold and transferred shall be used for airport purposes, or for purposes that are complementary to use as an airport.

(2) The owner of each airport may not set landing fees higher than necessary to cover the costs of operating each airport each year.

(3) Each airport shall be subject to the environmental standards, noise standards, safety reguiations, and other applicable standards and regulations in effect of the date of the sale and transfer of such airport.

(4) The purchaser of Washington National Airport shall pay a minimum of $100,000,000 in cash for the purchase of such airport and the purchaser of Washington Dulles International Airport shall pay a minimum of $50,000,000 in cash for purchase of such airport.

(5) In addition to the amount paid pursuant to paragraph (4), the purchaser for Washington National Airport shall pay $39,000,000 to the United States for settlement of retirement obligations relating to employees and former employees.

(6) A majority of the equity interest in each airport shall be owned by citizens of the United States or corporations of the United States.

(7) All rights to landing aircraft, including landing slots, shall be included in the property rights sold and transferred to purchasers pursuant to this Act.

TITLE II—TRANSFER OF THE METROPOLITAN WASHINGTON AIRPORTS

FINDINGS

SEC. 201. The Congress finds, for purposes of implementing this title, that—

On page 27, line 4, strike out "SEC. 3." and insert in lieu thereof "SEC. 202.".

On page 27, line 5, strike out "Act" and insert in lieu thereof "title".

On page 27, line 13, strike out "Act" and insert in lieu thereof "title".

On page 27, strike out line 21 and insert in lieu thereof:

"SEC. 203. In this title, the term—"

On page 27, line 26, strike out "section 7 of this Act" and and insert in lieu thereof "section 206 of this title".

On page 28, line 3, strike out "Act" and and insert in lieu thereof "title".

On page 28, line 6, strike out "section 5 of this Act" and and insert in lieu thereof "section 204 of this title".

On page 29, line 8, strike out "SEC. 5." and insert in lieu thereof "SEC. 204.".

On page 29, line 14, strike out "section 7 of this Act" and insert in lieu thereof "section 206 of this title".

On page 29, strike out line 16 and insert in lieu thereof "effective date of this title".

On page 30, line 19, strike out "section 9(e) of this Act" and insert in lieu thereof "section 208(e) of this title".

On page 30, line 23, strike out "9(e) of this Act" and insert in lieu thereof "208(e) of this title.

On page 31, line 9, strike out "section 9 of this Act" and insert in lieu thereof "section 208 of this title".

On page 31, line 14, strike out "section 8 of this Act" and insert in lieu thereof "section 207 of this title".

On page 31, line 22, strike out "Act" and insert in lieu thereof "title".

On page 32, line 2, strike out "Act" and insert in lieu thereof "title".

On page 32, line 5, strike out "SEC. 6." and insert in lieu thereof "SEC. 205.".

On page 32, line 15, strike out "section 7 of this Act" and insert in lieu thereof "section 206 of this title".

On page 32, line 18, strike out "SEC. 7." and insert in lieu thereof "SEC. 206.".

On page 34, strike out line 11, and insert in lieu thereof "effective date of this title;".

On page 35, line 1, strike out "8 of this Act" and insert in lieu thereof "207 of this title".

On page 36, line 17, strike out "SEC. 8." and insert in lieu thereof "SEC. 207.".

On page 37, line 17, strike out "section 5 of this Act" and insert in lieu thereof "section 204 of this title".

On page 37, line 10, strike out "Act" and insert in lieu thereof "title".

On page 38, line 19, strike out "Act" and insert in lieu thereof "title".

On page 42, line 17, strike out "SEC. 9." and insert in lieu thereof "SEC. 208.".

On page 44, line 14, strike out "8 of this Act" and insert in lieu thereof "207 of this title".

On page 46, line 12, strike out "SEC. 10." and insert in lieu thereof "SEC. 209.".

On page 46, line 15, strike out "Act" and insert in lieu thereof "title".

On page 46, line 16, strike out "section 5 of this Act" and insert in lieu thereof "section 204 of this title".

On page 47, line 16, strike out "Act" and insert in lieu thereof "title".

On page 48, line 25, strike out "section 5(b) of this Act" and insert in lieu thereof "section 204(b) of this title".

On page 49, line 2, strike out "SEC. 11." and insert in lieu thereof "SEC. 210.".

On page 49, line 7, strike out "8(a)(1) of this Act" and insert in lieu thereof "207(a)(1) of this title".

On page 50, line 2, strike out "SEC. 12." and insert in lieu thereof "SEC. 211.".

On page 50, line 9, strike out "date of enactment of this Act" and insert in lieu thereof "effective date of this title".

On page 50, line 11, strike out "Sec. 13." and insert in lieu thereof "SEC. 212.".

On page 50, line 11, strike out "Act" and insert in lieu thereof "title".

On page 50, line 13, strike out "Act" and insert in lieu thereof "title".

On page 50, add after line 14 the following new section:

EFFECTIVE DATE

SEC. 213. The provisions of this title shall not take effect if both Metropolitan Washington Airports are sold pursuant to the terms of title I. The provisions of this title shall take effect and be applicable to either or both Metropolitan Washington Airports if no offer is received for either such airport—

(1) within the one hundred and twenty-day period pursuant to section 102(b)(3) of this Act; and

(2) which meets the terms of sale specified pursuant to section 104 of this Act.

Mr. HUMPHREY. Mr. President, two things bother the Senator from New Hampshire with respect to the pending legislation. The first is that the proposal does not represent an effort at privatization. If the bill is passed by the Senate and becomes law, we will simply be transferring Washington National and Dulles Airports from one government entity to another. It is simply a reshuffling of the cards. There is not the slightest element of privatization in the proposal. What a great pity that is because we are in the dawn of the age of privatization, and what better bill and what better properties to dispose of by means of true privatization that Washington National and Dulles Airports.

There are many other properties that ought to be disposed of by way of privatization—the power marketing associations for an example, but those are big challenges, those are great big entities. They are much more complicated to sell than are these two airports. So we are missing a wonderful opportunity here because of the nature of the properties and their size and their relative simplicity in terms of operation to set the pattern for the future in true privatization. So that is my first disappointment; that is, that we are not undertaking anything here that represents privatization.

The second disappointment the Senator from New Hampshire has is that nowhere in the process that has led us to this point in lawmaking has privatization ever been considered—nowhere in the process, not so far here on the floor, not in the Commerce Committee, not in the Holton Commission and apparently not at the Department of Transportation, at the source.

Reviewing the transcript of the Commerce Committee proceedings, there was one proposal and one proposal only considered by the Commerce Committee, and that is the one handed down by the Holton Commission which in turn was a recommendation largely of the Department of Transportation. There has never been consideration of any alternative than the one which now lies before us. That is unfortunate because there are alternatives, there are options, in my view better options than simply shuffling the deck. In the view of this Senator, we ought to sell these properties to the highest bidder, to a private entity, and indeed in the last few weeks several respectable private banking firms have indicated interest in financing private sales of these properties. The well-respected British bank, N.M. Rothschild & Sons of London stated that a consortium of organizers could expect to put together a bid of $500 million to $1 billion for the sale of these airports. Instead, the measure before us proposes to settle for $47 million. That is a mighty good deal for the State of Virginia but a mighty poor deal for the taxpayers of our country.

But that is not all. It is not just the question of purchase price. It is also a question of efficiency of operation. It is a question of putting these valuable resources to their highest and most efficient use and that is not going to happen. We will not under any circumstance from now until eternity make the highest and most efficient use of any resources when they are fully controlled by government, whether it is a regional commission or the high and mighty Federal Government. So we are kissing away for decades, if this bill becomes law, the opportunity to put these properties to their highest and most efficient use by selling them to a private operator.

Mr. President, I mentioned that two banking firms have expressed interest in recent weeks in financing private sales, N.M. Rothschild and Sons of London and more recently the Morgan Stanley Bank of New York.

Mr. President, a research group, the Citizens for a Sound Economy, in May 1985, put together a very cogent and in my view enlightened research report entitled "privatizing Washington's Airport."

Mr. President, the report of Citizens for a Sound Economy recommended a sale to a private party; that Dulles and National Airports be sold separately so as to compete with one another.

We are all in favor of competition, it seems, until we get down to the nitty-gritty of voting for it.

The amendment which I place before the Senate incorporates this recommendation. It would require the separate sale of each of these airports.

The CSE recommendations propose that the new owners would have full pricing freedom for landing fees, but the high density rule artificially limiting operations at National would be abolished, as well as the 1,000-mile limitation at National. It recommends that the night-time noise limitations at National would be retained, that the new owners would grant present FAA employees first right of refusal for jobs. All these recommendations have been incorporated in the amendment I have offered.

Mr. President, I started out saying that no other option has been examined. I want to retrace the history of this proposal—that is, the bill now before the Senate.

Last year when the Secretary of Transportation came before the Commerce Committee, that distinguished person testified in part on the subject of dealing with these two airports:

I visited with many former Secretaries of Transportation, and they confirmed my view that the airports should be transferred to a local or regional authority. Therefore, in June 1984, I appointed a commission made up of local and State officials and airport users to determine not whether but how a transfer should be accomplished.

Mr. President, after deliberating for several months, the Holton Commission came up with a plan that is basically embodied in the legislation before us. The bill, S. 1017, was referred to the Commerce Committee, where hearings were held last summer before the Subcommittee on Aviation. According to the hearing record available from the committee, at no time did members consider alternatives other than a transfer to a regional authority.

The point I want to make, and which I am emphasizing, is that other options—and there are other good options, in the view of this Senator—were never even given the slightest consideration, never even discussed. The proposal has hardly been changed since it came from the Secretary of Transportation's office. That is tragic, because better options exist.

Mr. President, I want to highlight now the provisions of the amendment I have offered.

Within 60 days of enactment of the bill—if the amendment is incorporated—the Secretary of Transportation shall issue a request for proposals to purchase the two airports. Bids will be closed—that is, they will be closed bids.

There will be a period of 120 days for submission of bids.

Within 60 days after the 120 days, the Secretary shall select the winning offers for the purchase of the airports.

Within 60 days, the Secretary shall complete the sale and transfer of the airports unless such sale is disapproved by enactment of a joint resolution.

The terms of sale shall be as follows:

All real property will be transferred for the use as an airport.

The owner of the airport may not set landing fees higher than necessary to cover the cost of operating each airport each year.

Each airport shall be subject to environmental standards, safety standards, etc., that presently apply to the airports.

A minimum bid of $100 million for National and $50 million for Dulles would be applied.

The new owners will have all rights to landing slots and may sell them to the airlines.

A majority of the stock must be owned by citizens of the United States.

There will be a payment of $39 million from the buyer to the United States for settlement of retirement funds related to the present employees of the airports.

Mr. President, should no acceptable bids be received, the provisions of this amendment would be nullified, and the present provisions of S. 1017 would take effect once again.

In other words, in essence, what I am proposing is to stop for a moment and to say, "Whoa!" We have not looked at all the options. The record shows that we have not looked at all the options. Indeed, the record shows that the only option we have looked at is the original recommendation of the Department of Transportation, which is embraced pretty much intact by the Holton Commission, which in turn was embraced by the Commerce Committee, and which the Senate is now being asked to embrace, without any consideration of the options which might or might not be superior to this, and in my view are clearly superior.

So the amendment is intended to put the brake on this process, to require that the Secretary of Transportation open up the sale of these airports to bidders. The amendment sets in train a schedule which would conclude with the privatization—the sale of these airports to a private party—if a bid meeting the standards outlined in the amendment is received.

So it would be fair to say that I am presenting the Senate with a choice. We can shuffle the deck, as the Department of Transportation wishes us to, and the Holton Commission wishes us to, and the Commerce Commission wishes us to. We can transfer the airports from one governmental entity to another. Or we can embark on something much more enlightened, and we can set an example for ourselves and those who succeed us in the decades to come, in privatizing governmental properties and services.

It is a pity that this country, the land of free enterprise, lags behind other Western nations in privatizing Government services. It is time we caught up, and this is one way in which to do it.

Mr. President, in view of the vote on the Gramm amendment earlier this evening, the Senator from New Hampshire is not overly optimistic that his amendment will be approved. It would seem, at least in the judgment of this Senator, that our colleagues could stand a little more enlightenment on the subject of privatization. So I have concluded not to seek a rollcall vote on this amendment, but chose to offer it and speak on it and to answer any questions that might be raised about it, in hopes that before the House locks itself in lockstep with the Secretary of Transportation and the Holton Commission and the Senate Commerce Committee, and evidently the U.S. Senate, it take an independent look at better options.

I hope that in some small way what I have said this evening and the materials I have put in the RECORD will make a contribution to the process of enlightenment such that the House of Representatives will distinguish itself in this matter as the Senate apparently will not.

So, Mr. President, I ask that my amendment, which has been printed in the RECORD be as model legislation, shall we say, for consideration of the House of Representatives.

If there are any questions or comments from my colleagues I will be happy to entertain them at this point and then I will withdraw the amendment after they have that opportunity.

Does the floor manager wish to address the amendment?

Mr. TRIBLE. I am sorry? I did not hear my colleague's question.

Mr. HUMPHREY. The question is does he like my amendment, is he prepared to accept it?

Mr. TRIBLE. I am sure there is some merit to the Senator's proposal, but I cannot accept it and would be prepared to oppose it at this hour.

Mr. HUMPHREY. Let me ask the Senator from Virginia why he would favor transferring these valuable properties, these valuable resources from one Government entity to another in preference to requiring the Secretary of Transportation to open the sale to bids and if bids not meeting the requirements laid out in the amendment are received, then we would revert to the transfer. Does the Senator understand the proposal? What I am proposing is that we modify the bill before the Senate to require the Secretary of Transportation to open this to bids.

If, however, no bids meeting the qualifications laid out are received, then we would revert to the process which is now before us.

Mr. TRIBLE. It seems to me the Senator's amendment represents a fundamental rethinking of the way our Nation operates its commercial airports. As you know, commercial airports throughout the country are not run by private interests for profit but rather by regional airport authorities and bodies like that for service.

Here my colleague has talked about the highest and most efficient use of these properties.

Does that mean that no private planes would be able to use these facilities?

Mr. HUMPHREY. If I may respond, the answer to that is, "No."

Mr. TRIBLE. Does this mean——

Mr. HUMPHREY. May I fully respond?

Mr. TRIBLE. I am sorry.

Mr. HUMPHREY. The answer to the question is, "No," there will be no restrictions upon general aviation, that the same provisions in the bill requiring that a proportionate number of landing slots be allocated to general aviation after sale as exist on a historical level.

Mr. TRIBLE. What about commuters to surrounding States? Will they not have to yield to the higher and most efficient use, which would be the more profitable airplane traffic to distant points?

Mr. HUMPHREY. Again, the same provisions which are incorporated in the bill on that point are encompassed by this amendment. Let me say this, that with respect to the allocation of slots the owner would have the right to sell the slots to the highest bidders. Therefore, the best use of the airport would be made. You would not have a 20-passenger commuter airliner landing at the 5 o'clock slot, or whatever is considered to be the choicest slot. You would have a 200-passenger aircraft probably using that slot because that operator would be willing to pay more for that slot.

Indeed, the Senator is quite correct. On that basis, we would have the most efficient use of the landing slots and of these resources because those who have the greatest need and the greatest ability to pay for and justify the best slots probably would be the highest bidders. But anyone could bid, of course.

Mr. TRIBLE. What does "highest and most efficient" mean in terms of the concerns of this region about noise and safety?

The Senator, for example, has said that it would mean an end to the high density rule. It seems to me these are important interests and argue against privatizing these facilities and turning them over to those that are simply bound by profit. Instead we should turn them over to a regional airport authority that can operate them more effectively and efficiently but yet show some sensitivity to concerns about noise and safety and the other concerns shared by the citizens of this metropolitan region.

Mr. HUMPHREY. The FAA would continue to enforce standards of safety under operation either by the regional authority or by private owners.

With respect to noise, surrounding communities could presumably enact whatever ameliorating regulations they chose to enact.

Mr. TRIBLE. You see what troubles me is that the highest and most effi-

cient use may well argue for 24-hour flights. That would hardly respond to the concerns of the citizens of this region about noise and safety. That's, why I am concerned about turning these airports over to private interests that are concerned about profit and not about these other kinds of issues.

I will say to my colleague that again this amendment would require fundamental rethinking in the way we operate our airports.

I believe that by freeing these airports from the shackles of Congress and the Federal Government and by turning them over to the local authority, we can substantially enhance their operations and at the same time we can assure a sensitivity to the best interests of the traveling public and the citizens of this metropolitan region.

Let me add to that. It is suggested that we should proceed by way of bid.

First, let me point out that the terms of this legislation provide that these airports must be used for a public purpose. They cannot be operated for profit.

Mr. HUMPHREY. May I interject that the amendment the Senator from New Hampshire offered requires the same use of these properties.

Mr. TRIBLE. Under those terms, I think it is a flight of fancy to think that these properties would fetch huge sums of money that they otherwise would command if they could be put to their highest commercial use.

But for the sake of our conversation, let us assume that the Senator's amendment would permit a $1 billion payment. How then does this new owner go about investing an additional one-half to one billion dollars in improvements and if the owner can do that who pays? The traveling public, it seems to me, by raising landing fees by imposing other costs on the traveling public.

Mr. HUMPHREY. Not necessarily, if I may answer the question.

Mr. TRIBLE. Please.

Mr. HUMPHREY. It happens that privately owned airports are now qualified eligible for grants from the Airport Improvement Trust Fund. Furthermore, communities, which have an interest in assisting local businesses, as this would be, can sell tax-exempt bonds. It happens all the time in Virginia and in every State.

So the sources of funds to provide capital improvements would be the very same sources available to this regional authority.

Mr. TRIBLE. It is my understanding that a private airport would not have access to airport improvement funds.

Mr. HUMPHREY. That used to be the case but a revision in the law now makes eligible for these grants privately owned airports.

Mr. TRIBLE. I am not sure that is the case. But I will let the facts speak for themselves.

It is the Senator's intention to press his amendment? If so, not wanting to cut the Senator off or those who might want to speak in favor of this amendment, I would intend to move to table his amendment. But if it is the Senator's intention not to press the amendment, then I would sit down and listen further to the arguments of my colleague from New Hampshire.

Mr. HUMPHREY. The Senator from Virginia offers me an interesting choice. If he would just permit me to respond further to one other of his observations and contentions, then I shall be finished.

The implication seems to be that airports are somehow monopolies or utilities and, therefore, should be operated by governments.

Let me point out to colleagues that the electrical utilities in this country, as an example, are monopolies in most cases, in every case as far as I know. They are utilities. Clearly they are monopolies, but virtually all of them, except maybe the TVA, are privately owned.

So the argument that an airport cannot be privately owned because it is a utility does not hold water.

Let me point out also, with respect to the monopoly consideration, that these particular airports, if sold under the amendment of the Senator from New Hampshire, would have to be sold to separate buyers. They would be separately owned. They would compete between themselves and with Baltimore-Washington International Airport, just as O'Hare Airport competes with Midway and Kennedy competes with LaGuardia and Newark, as is the case in so many regions of our country.

So I do not think the Senator's point about a monopoly or a utility aspect of this dictates that it should be in Government hands. Indeed, it does not, as the examples I have cited, I think, demonstrate.

Mr. President, I do not really expect to win over the Senator from Virginia. After all, his State is getting a monumental handout here—property worth at least $1½ billion for 47 million bucks. That is a good deal. I would not want it otherwise, if I were from Virginia, I suppose.

Mr. TRIBLE. I say to my colleague that I would be happy to have the full Senate pass judgment on the Senator's amendment.

Mr. HUMPHREY. Well, the problem is that somehow or other this measure sort of sneaked up on us. The Department of Transportation said, "Here is what we ought to have: the regional authority." And the Holton commission, chaired by a former Governor of Virginia, said, "Yeah, that is a great idea. It ought to go to a regional commission for $47 million." And the Commerce Committee never considered any other alternative, just sort of apparently rubber stamped this thing. And now the Senate is going to do likewise, apparently. On what basis, I suppose I should not say, but I do not think it is on the most enlightened basis. I hope the House, as a result of this debate, will take a more enlightened approach to this; indeed, to embrace some new thinking, the kind of thinking which is so utterly essential to the whole idea of privatizing without which, in the view of this Senator, there is little hope ever of getting Government spending under control or bringing efficiency to the delivery of the essential services.

Mr. President, as I stated earlier, my purpose in rising is not to seek a vote on this amendment because, in view of the vote on the Gramm amendment, it does not look too optimistic but, rather, to expand the record with a different point of view in hopes that our colleagues in the House will deal with this more responsibly, I must say, than apparently the Senate is willing to do.

So, Mr. President, I have said my piece and I put into the RECORD what I wanted to put it and, therefore, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a number of communications from the N.M. Rothschild & Sons, Ltd. banking interests be printed in the RECORD.

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

STATEMENT BY N.M. ROTHSCHILD & SONS, LTD.

PRIVATISING WASHINGTON'S AIRPORTS

N.M. Rothschild & Sons, Ltd. (NMR) is encouraged by the recent interest shown in privatising National and Dulles Airports, but wishes to clarify several points:

1. The airports would be kept as airports.

NMR would not be interested in developing the airports for residential purposes nor in seeking major changes in currently permitted land uses. The purposes of a privatisation designed by NMR would be to upgrade both airports, especially National, and improve their financial viability and their contribution to regional economic development. Several opportunities for improvement can already be identified:

Improvement of car parking facilities at both airports;

Improvement of the connection to the Metro station at National;

Expansion of the North Terminal at National; and

Development of mid-field terminals at Dulles.

If any changes in land use were sought, they would be for purposes complementary to airport operation.

2. NMR will not try to organize or participate in a consortium to purchase the airports until the legislative or executive branch of the U.S. Government indicates that it would welcome offers from private investors. N.M. Rothschild & Sons would be happy to advise the Federal Government on

regulation and organization of the sale, if that was preferred, rather than acting for prospective buyers.

As clearly stated previously, NMR would work on assembling a group of investors only after receiving an indication that the Administration would be willing to consider airport privatisation. The amount of the bid would depend on investor response and on the conditions set down by the U.S. authorities for the use of the airports.

3. NMR's interest in Washington's airports is an outgrowth of its successful participation in other privatisation ventures, both inside and outside the United Kingdom.

The experience of N.M. Rothschild & Sons in privatisation is described in the accompanying materials. NMR has worked on privatisation in Europe and the Far East, and is currently retained by the British Government to sell the British Gas Corporation, the largest privatisation ever attempted anywhere in the world.

4. Privatisation of the airports could bring early benefits to the U.S. taxpayer.

N.M. Rothschild & Sons understands that, as part of the plan to transfer the airports to the State of Virginia, the airlines using them would be allowed to sell their landing rights ("slots") to other airlines. Thus, these landing rights would in effect be given to the airlines without charge. Under an NMR privatisation plan, on the other hand, these valuable assets could be bought by the private sector from the Federal Government, and the amounts paid to the Government would accrue to the taxpayers through reduction of the budget deficit. Furthermore, under private ownership, property and other taxes would be payable by the private sector to the State of Virginia and relevant government authorities.

To Gabriel Roth, the Service Group, Virginia, Telex No. 292072.

If the Federal authorities wish to sell the airports they would need to set out the rights and obligations of the new managers including:

1. The extent of the property interest to be transferred and the rights and obligations covering future development of the properties.

2. The way in which landing slots would be allocated, airlines charged for landing facilities and whether there would be controls to prevent excess pricing.

3. The operating conditions governing ownership and use of airport-related facilities, including shops, duty free concessions, car parking, taxi and other transport facilities.

4. The regulations covering safety and the relationship between the airport owner/manager and air traffic control services.

N.M. Rothschild believes that a successful privatisation could be carried out whilst permitting the U.S. Federal authorities or a delegated body to retain regulatory control over safety and over the most sensitive charges.

The value of the airports will be increased if the owners are given considerable leeway to develop the properties and to add an additional range of airport-related facilities. This would be good for the traveling passenger, for the U.S. tax-payer and for the airlines themselves.

Regards,

JOHN REDWOOD.

To Mr. Gabriel Roth, the Services Group, Virginia, USA, Telex 292072.

Following our conversation today, I just wish to stress that Rothschilds are not making an offer for the Washington airports as we are not yet in any position to do so.

What we are doing is saying that we would like to have the opportunity to find investors to try to raise a better price as an option for the Government.

Regards,

JOHN REDWOOD.

Mr. SARBANES. Mr. President, I indicated earlier to the manager of the bill that I would be prepared to offer a substantive amendment. Actually, the amendment I will offer—and the Senator is well acquainted with the subject—deals with the noise question. But it seems to me, under the circumstances, that maybe the best thing to do—and I suggest this to the manager for his consideration—would be for me to send the amendment to the desk. I would be happy to debate it for a while this evening, if the manager chooses to do so, and agree to a time shortly after we come in tomorrow, a time of half an hour after we come in, the time equally divided, or something of that sort, to vote on that amendment. That would assure us an early vote tomorrow and we would be back on the bill and on the amendment and then we could proceed from there with other amendments. That would, I believe, save a lot of our colleagues a problem. I think it is fitting that the noise amendment ought to come up tonight, but I am not sure. It may be helpful to me, actually, if they were all here to vote on it, the way it dovetailed. But I am prepared to send it up and we can discuss it a bit and set a time agreeable on a vote tomorrow.

Mr. TRIBLE. I say to my colleague from Maryland, I think that is a reasonable and proper suggestion at this hour. I would be inclined to agree that that is precisely what we should do. I would like to consult with the majority leader, however.

Mr. SARBANES. Certainly.

Mr. TRIBLE. What hour would my colleague suggest we might be able to vote on this measure tomorrow and how much time would he require to debate the matter tomorrow morning?

Mr. SARBANES. On the noise amendment?

Mr. TRIBLE. Yes.

Mr. SARBANES. Well, no more than a half an hour, equally divided.

Mr. TRIBLE. I think that is eminently fair and we can start in at an early hour tomorrow, as well. Better an early hour tomorrow morning than a late hour tomorrow night.

Mr. SARBANES. I am not quite sure what the Senator means. We have been coming in at 9:30 or 10 o'clock.

Mr. TRIBLE. It is a very relative term when one speaks about the practice of the U.S. Senate. But I would like to argue for as early an hour as possible, given the traditions of this body.

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

Mr. DOLE. Mr. President, apparently there is no way to do any more on this measure tonight. There are still a number of amendments. Senator HOLLINGS does not want to offer his amendment until tomorrow. Senator MATHIAS also has an amendment. Senator SARBANES is willing to lay down an amendment and complete action on it tomorrow morning. We appreciate that.

I would say to my colleagues that it appears we cannot force people to offer their amendments, but I would again indicate this is the seventh day on this proposal. Again, I know it is a very important piece of legislation to the people involved, but in the scheme of things we could have finished the budget resolution in 7 days. There are about four or five bills of this same magnitude that are on the calendar. If everybody takes 7, 8 or 9 days, and they are rather important bills to a lot of people, I would hope we would keep this in mind before we decide whether or not we are going to have television on a permanent basis in the Senate. This should be a reason to change the rules, so that we can proceed to legislation, offer amendments, have the votes, and let the Senate work its will. Some you win and some you lose.

I do not have any quarrel with the Senator from Maryland, who certainly has every right to use the rules, but I would suggest that maybe they ought to be changed. If we cannot move any more quickly than this in the U.S. Senate on a bill, I do not know what we will do when we get into issues that are hundreds of millions of dollars. At least the budget resolution has a 50-hour time agreement.

We are at the mercy of those who have the amendments and will not offer the amendments after 7 days. I have no recourse except to indicate that there will be no more votes this evening.

I apologize to Members who left here with the impression that there would be votes. There would have been votes but the distinguished Senator from New Hampshire [Mr. HUMPHREY] withdrew his amendment. I think he did intend to ask for a rollcall later on. I think we were on firm ground in making that announcement.

I think we can finish the bill tomorrow night. I know that, tomorrow night, there is an event that a number of Members on each side may be involved in as guests. That will start about 7:30 or 8 o'clock. But I am not certain we will finish tomorrow night; I am not certain we will finish on Friday. I would like at least to conclude debate on this matter sometime in the next couple of weeks.

So I am going to send two cloture motions to the desk, one on the substitute, one on the bill itself. If we can finish tomorrow night, OK. If not, there will be votes on Friday.

CLOTURE MOTION

The ACTING PRESIDENT pro tempore. The first cloture motion having been presented under rule XXII, the Chair directs the clerk to read it.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the reported committee substitute to S. 1017, a bill to provide for the transfer of the Metropolitan Washington Airports to an independent airport authority.

Bob Dole, Paul Trible, Bob Kasten, Thad Cochran, Jake Garn, Mitch McConnell, Pete Wilson, Warren B. Rudman, Ted Stevens, Chic Hecht, John Danforth, John Warner, Paul Laxalt, Slade Gorton, Nancy L. Kassebaum, Dan Quayle, Pete V. Domenici, Al Simpson, and Jesse Helms.

CLOTURE MOTION

The ACTING PRESIDENT pro trempore. The second cloture motion having been presented under rule XXII, the Chair directs the clerk to read it.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on S. 1017, a bill to provide for the transfer of the Metropolitan Washington Airports to an independent airport authority.

Bob Dole, Paul Trible, Bob Kasten, Thad Cochran, Jake Garn, Mitch McConnell, Pete Wilson, Warren B. Rudman, Ted Stevens, Robert T. Stafford, John Danforth, John Warner, Paul Laxalt, Slade Gorton, Nancy L. Kassebaum, Dan Quayle, Pete V. Domenici, Al Simpson, Jesse Helms and Chic Hecht.

Mr. DOLE. Mr. President, again, let me indicate that we shall be on this bill at 10 o'clock in the morning and there will be votes throughout the day, because I assume amendments will be offered. We are really down to amendments that will be involving the principals in this matter—Senators SARBANES, MATHIAS, and HOLLINGS—who have been opposed to the bill. They have substantial amendments and they will be debated. Hopefully, we shall be permitted to vote on them.

I want to indicate again to my colleagues that we intend to be here tomorrow night and intend to finish the bill. Having said that, obviously, I cannot make it happen. If somebody decides they do not want to finish the bill, there is no time agreement and the debate can go on and on. In any event, we hope the debate would go on and on and there will be votes of one kind or another tomorrow night if we stay here. We will be sending out the Sergeant at Arms or we will be doing something to make certain that we at least try to come to a conclusion on this legislation.

Again, I indicate to my colleagues that if we do not dispose of the legislation on tomorrow, we will be on it on Friday and if we should dispose of the legislation tomorrow, there will be a Friday session; there will be votes on Friday. Everyone should be on notice that there will be votes on Friday. We have, I think, at least two measures that we can get agreement on to bring up on Friday, one with a couple of amendments and one, a crime bill, that I understand is not controversial but will require a vote.

So, I hope we can conclude at a fairly reasonable hour Friday afternoon.

Mr. TRIBLE addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Virginia.

Mr. TRIBLE. Mr. President, the Senator from Maryland [Mr. SARBANES] and I talked about this measure and we have agreed, at least between ourselves, that he would now offer one of his substantive amendments and we would discuss that this evening and then carry on over until tomorrow.

At that time, then, we shall move very quickly to a vote.

We have talked in terms of 30 to 40 minutes equally divided. I think that would certainly accommodate the manager of the bill and would give the proponent of the amendment and his allies ample opportunity to make their case tomorrow morning as well.

I simply say in response to the comments of the majority leader that we can and will start early tomorrow morning. We shall resolve the first amendment within 30 or 40 minutes after turning to this measure. Then I am hopeful we will be in a position to entertain and resolve other amendments as well.

Three Senators have indicated an intention to offer additional amendments, Senators MATHIAS and SARBANES from Maryland and Senator HOLLINGS from South Carolina. These issues involve several central questions, and very likely the resolution of one amendment may lead to the prompt resolution of others. It would be my hope, and I believe it is a reasonable expectation, that we can resolve this matter tomorrow. As manager of the bill, I want to tell the majority leader that I am prepared to be here from early in the morning until late at night.

I am prepared to be here for as many hours as necessary to resolve this matter, I know to the relief and applause of our colleagues who are fully prepared to move on to other things. Senator WARNER will be standing at my side tomorrow and we will be prepared to move forward as our colleagues permit.

AMENDMENT NO. 1744

(Purpose: To provide that nighttime noise limitations shall remain unchanged or shall be made more restrictive)

Mr. SARBANES. Mr. President, I send an amendment to the desk.

The ACTING PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Maryland [Mr. SARBANES] for himself and Mr. MATHIAS, proposes an amendment numbered 1744:

On page 39, line 9, insert before the period ", and that the nighttime noise limitation standards currently set out at 14 CFR 159.40 may not be amended, unless such standards are made more restrictive of nighttime noise".

Mr. SARBANES. Mr. President, I earlier suggested to the manager of the bill that perhaps the best way to proceed this evening would be to lay down this amendment, to discuss it, not at great length, and then to agree in the morning that we would go to a vote on it a reasonable period of time after we turn to the bill, perhaps 40 minutes equally divided since my colleague, Senator MATHIAS, is a cosponsor of it and may wish to be here to speak to it.

As I understood the conversation that was held earlier, we would probably be back on the bill, I guess, somewhere around 10 o'clock, is that correct? And then we would be able to resume the consideration of this amendment and then go to a vote on it. Does the Senator want to seek the yeas and nays now on the amendment?

Mr. TRIBLE. That will be fine. Anything that we can do to expedite the proceedings.

Mr. BYRD. Is the amendment down yet? Has it been laid down?

The PRESIDING OFFICER (Mr. RUDMAN). The amendment has been laid down.

Mr. SARBANES. 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.

Mr. SARBANES. Mr. President, this amendment is the noise amendment. I will not take long now because my colleague from Virginia has joined with me I guess in extended discussion of

this particular amendment over the last few days. In some ways, I think it is appropriate that it come up this evening, although I think for the sake of our colleagues, it is just as well they were not drawn back. But the noise amendment addresses the question that under this legislation the authority that is being created will have the power to change the nighttime noise limitations at National and to change them in a direction that is more lenient. In other words, it would allow an increase in the amount of nighttime noise.

Now, the local communities in this area worked very hard with others, including their Representatives, over the years to get some limitations and restraints on nighttime noise in the use at National. Obviously, it is a pressing problem for anyone who lives in the flight pattern into National. Unfortunately, that pattern tends to place a disproportionate burden on the Maryland side, although it clearly also affects Virginia and the District of Columbia.

Now, when the legislation was introduced at the recommendation of the Holton Commission, it contained a provision in it which froze into law the current nighttime noise limitation standards, said they could not be amended.

Subsequently, after the markup some couple of months, the Senator from Virginia offered an amendment that was accepted which changed that. It took out the freezing of that standard. Now, it was argued that this would allow the authority to set a tougher standard. In other words, to be more restrictive on the noise question. However, the statutory authorization in fact puts discretion in the authority to move the standard in a more lenient or a less lenient direction. In other words, the authority can really go both ways. Now, it has been asserted, "Well, the authority would not do that." But who is to know? Particularly, all of those people who have been concerned for years about the noise problem, including, very strangely, Members of this body, now face the prospect that the curfew hours could be changed. It is even possible that this could become an around-the-clock facility.

I was interested in the minority views of the distinguished Senator from South Carolina [Mr. HOLLINGS] and the distinguished Senator from Nebraska [Mr. EXON] on an amendment on nighttime noise restrictions at National Airport. Let me quote from the minority views:

> The provision giving the new airport commission power to revise the nighttime noise restrictions at National was added by the Committee as an amendment to S. 1017 a full 2 months after the bill was originally ordered reported. It will most certainly result in the eventual easing of those restrictions and an increase in late night flights into Washington's principal airport.
>
> Why is this amendment needed in the first place? Current FAA regulations specify that all flights in and out of National after 10 pm and before 7 am are restricted by noise levels. The original approach endorsed by supporters of S. 1017 was to freeze these rules in place for the 35-year duration of the lease. Then the same people who claimed that the Holton Commission had worked out every detail of the bill, turned around and wanted to amend it. Since no one has proposed an earlier curfew at National, we can only conclude that the reason for giving the local authority this power is to pave the way for more late night flights.

Let me repeat that sentence:

> Since no one has proposed an earlier curfew at National, we can only conclude that the reason for giving the local authority this power is to pave the way for more late night flights.
>
> Originally, the Committee agreed to try to resolve this issue on the Senate floor. However, supporters of the bill panicked at the thought of 100 Senators, many of whom live in National's flight path, having the opportunity to debate this issue and discovering the truth about it. That's why the decision was made to schedule a second markup and add the amendment at the Committee level, thereby hoping to bury it from view.
>
> This amendment is simply another reason why this bill should be defeated. And it should alert others in the Senate who are suspicious about the effect this legislation will have on air service in Washington.

I might simply observe that the committee meeting in which the amendment was added lasted all of 4 minutes, and it took place on November 14, after the bill had been reported by the committee on September 11, 1985.

So the problem I am seeking to address, Mr. President, I think is a very real one; and that is that after all the effort over the years to achieve nighttime noise restrictions at National, efforts in which countless numbers of people were involved, responding really to the very legitimate, heartfelt complaints of residents in the flight path whose lives were made absolutely miserable, who could not lead a normal existence, this legislation now puts into this authority the power, in effect, to ease these restrictions.

In effect, the amendment would set the current standards, provide that they could not be amended, unless the standards were made more restrictive of nighttime noise. In other words, you could not get a movement into the curfew hours in order to accommodate more flights. As the minority views said, "We can only conclude that the reason for giving the local authority this power is to pave the way for more late night flights."

This amendment is designed to guard against that possibility. It leaves open the possibility of being more restrictive, conceivably lengthening, expanding the curfew hours, but it would not allow a contraction of curfew hours.

I think it is a very badly needed amendment on this legislation, if people are to be assured that the noise problem is not to resurface. They have contended too long and too hard to try to bring it under some control, to simply allow it now to be lost.

This amendment, which I and my colleague from Maryland have offered, is designed to preclude that possibility and to provide a continuing assurance for the people living in the flight paths that they will not have to worry about the possibility of increased nighttime noise.

Mr. TRIBLE. Mr. President, it would not be my intention to respond to the arguments of my colleague from Maryland tonight, but, rather, to address his amendment in the morning hours, during the time allotted by the unanimous-consent agreement that I will soon put to the Senate, representing the understanding of the manager of the bill and the chief opponents of the bill, as expressed in our earlier discussion. I await that unanimous-consent proposal. Once it is received, I will place it before the body, and I hope that will permit us all to return to our homes for the evening and return tomorrow at an early hour and resolve this amendment with dispatch.

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

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

BRAZIL'S ECONOMIC PROGRAM

Mr. KENNEDY. Mr. President, earlier this year I had the opportunity to travel to South America and to visit with the executive and legislative leadership of several of our hemispheric neighbors. Throughout the region the spirit of democracy is in accendency. That spirit is matched by a deep commitment to economic growth and increased economic opportunity.

The economic problems of our neighbors have been widely commented upon. What has received less attention are the extraordinary measures that our friends have taken to solve these problems.

Nowhere, Mr. President have those measures been more dramatic than in Brazil. President Sarney and Finance Minister Funaro have undertaken a far-reaching program of monetary reforms designed to assure continued real growth and a halt to inflation.

These reforms have reduced inflation to negligible levels, maintained

the purchasing power of wages, and allowed Brazil to balance its budget.

Minister Funaro put it well in a recent letter to me:

Since you were here we have managed to introduce a far-reaching monetary reform. We have eliminated the so-called "inertial" component of our inflation by de-indexing practically the entire economy. This had to be accompanied by a price freeze, while wages will be adjusted only by a percentage (60%) of future rates of inflation. There is now complete, integrated control of public spending, including that by the state-owned enterprises and by state and local administrations.

The implications for everyday life in this country are many, but perhaps the most important one has been to restore people's confidence in the country's ability to act responsibly. In other words, renewed confidence in democrary.

As I see other democracies in Latin America struggling like us to solve their financial problems, I can only hope that these efforts will be supported by concerted action by the large creditor countries to reestablish equilibrium in world finance. One efficient way of doing it would be through further reductions in their interest rates. The ensuring acceleration of growth in the highly industrialized economies could do more to raise standards of living in debtor countries than the relief in their debt burden itself.

Today Minister Funaro developed these thoughts in a speech to the combined meeting of the World Bank and the International Monetary Fund.

As this Congress considers measures to address the continuing Third World debt crisis, we would do well to pay careful attention to Minister Funaro's views.

Democracy and economic opportunity are intimately linked. Brazil's bold measures combine hard-headed economic realism with a fundamental understanding of that linkage. Their efforts deserve our support.

I ask unanimous consent that the full text of Minister Fumaro's speech be printed in the RECORD.

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

SPEECH OF FINANCE MINISTER FUMARO

Mr. Chairman, it is now four years that the current payments and financing crisis started, in the wake of an abrupt and unprecedented rise in interest rates.

For debtor developing countries it has been a period of hardship. The sharp reduction in financial flows from abroad and the harsh programs to correct the imbalances in their internal and external accounts have brought about recession, lower standards of living and generalized social and political insecurity.

Coupled with the imbalance in the internal accounts of some of the more heavily industrialized countries, particularly of the United States of America, the crisis has introduced a deep disequilibrium in the international financial system.

It has given rise to uncertainty, increased risks and a consequent loss of confidence in the recovery capacity of both debtor countries and the system as a whole. The prevalence of high levels of interest rates has compounded the extended effects of the crisis by inhibiting investment and precluding the return to growth of the world economy.

The mechanisms designed to manage the crisis, though helpful in ensuring the immediate survival of the system and of its main financial agents, have contributed little to solve the basic problems at hand. It seems evident that such mechanisms have been exhausted. Instead of just managing the crisis what is needed today is concerted action to get us out of it. The insistence on inappropriate remedies is making it more difficult for debtor countries to pursue their adjustment efforts. A case in point is the ritualistic requirement that, in order to negotiate their debts in the Paris Club, debtor countries should enter into an agreement with the IMF, whether they need it or not.

The developing countries have been seeking dialogue and joint action. The Group of 24 has evolved throughout these years a set of proposals which are no doubt couched in an innovative spirit and foresight, but also fraught with realism and reason. There has been simply no reaction to these proposals. The developed countries do seem prepared to wait until the situation becomes much worse, only then to give some attention to the repeated warnings about the fragility of the system.

I think these countries are taking an increasingly greater risk. By passively watching the deterioration of the system and by condoning the application of worn-out models, we are doing nothing but perpetuate the crisis and foster insecurity.

We must do away once and for all with the notion that developing countries are remiss. At the exorbitant rates of interest charged since 1980, my country is paying every seven years an amount equivalent to the totality of the principal of our debt. It is also necessary to stop misinforming about the debtors' joint effort by labeling it debtors' cartel, when in fact what goes on is the conspicuous operation of a creditor's cartel.

Public conscience in the debtor countries now hold the clear view that we are paying excessively for the disarray of world finances and for the policies of creditor countries.

It is about time we muster resources, creativeness and the statesmanship of our leaders to bring world finances back to normality.

We all have a part to play, debtors and creditors alike. But, as far as adjustment efforts by debtor nations are concerned, it must be understood that reforms cannot be imposed from abroad. Much less if these intended reforms ignore the fundamental requirement that debtor countries must be able to generate additional income in order to regain their payment capacity. Nor should one except any program to stand a chance of success if it cannot count on the consent and support of the people.

Leaders of debtor countries bear a heavy responsibility, but so do those of the largest creditor countries. Just as the unparalleled increase in their interest rates triggered the crisis, it is now in their hands to bring it to an end. Let them do it promptly.

It must not be forgotten that it was not the debtor countries that caused the crisis. They were simply caught in the pincer movement of high interest rates and the sudden shut-down of the market where they refinanced their debts. The market which formerly offered them abundant funds at historically normal cost suddenly vanished through a unilateral decision of the creditors.

It is therefore the creditors that now owe it to the world to responsibly return to the financial system its normal function, that of financing the development of deficit countries with the funds of surplus countries, at remunerative but not prohibitive rates.

Mr. Chairman, at this juncture, developed countries enjoy a unique opportunity to act in a concerted way to spur non-inflationary growth in the world economy. By bringing their interest rates down and thus stimulating their own economic growth they could contribute as much to the recovery of debtor countries as the relief the latter would experiment in their debt-servicing burden itself.

The situation in which the developing countries now find themselves, of suddenly becoming exporters rather than importers of real resources, is clearly untenable. My country alone transferred abroad in 1985, on a net basis, real assets of the order of 11.2 billion US dollars, roughly equivalent to 5.1% of its GNP and 23% of its gross savings. Latin American debtor nations altogether transferred abroad over the past four years more than 100 billion US dollars, also net. This does not augur well for the health of world finances and investment.

To make matters even worse, developed countries with a trade deficit seem to think they are entitled to adopt openly protectionist measures. Here again they are taking the very opposite way to a solution for the crisis.

Mr. Chairman, the figures could hardly be more telling. The present juncture could hardly be more propitious. Let us not pass this opportunity to put the current crisis behind us.

As a first step in this direction I urge the financial authorities of the world's leading economies to bring their interest rates down to levels compatible with the historical trend and thus create conditions to redeem world growth. In spite of the recent reduction, nominal rates remain excessively high and, given the likelihood of lower inflation, real rates remain 3 to 5 times higher than the historical level.

As a second step, I urge them to accept the challenge of facing the debt problem frankly and courageously and sit with their counterparts from the main debtor nations with the specific purpose of seeking lasting solutions, through open, creative dialogue. The International Monetary Fund and the World Bank would assist the financial authorities of the main creditor and debtor countries in their task of providing innovative responses that would reverse the current debt strategy, rethink conditionalities and adapt multilateral financial institutions to the realities of our time. This would be the way to demonstrate our determination to meet the responsibility of coping with the current situation.

A RHODE ISLANDER REMEMBERS OLOF PALME

Mr. PELL. Mr. President, following the tragic death last month of Sweden's remarkable Prime Minister, Olof Palme, a brief but poignant reminiscense was written by Dr. John O. Pastore for the Providence Journal. As secretary of International Physicians for the Prevention of Nuclear War, Dr. Pastore had met Olof Palme and had recognized in him one of the 20th century's great statesmen. I ask unani-

mous consent that Dr. Pastore's moving tribute to Olof Palme be printed in full in the RECORD so that it may be appreciated more widely.

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

OLOF PALME: AN APPRECIATION

(By John Pastore)

Within minutes of first reading that Olof Palme had been slain at night on a Stockholm street as he walked home from a movie with his wife, I recalled vividly two images from my experience with the Swedish prime minister.

The first of these encounters took place in Athens on a cold January morning 14 months ago. The Five Continent Peace Initiative, comprising six heads of state (including Palme), had summoned to Greece the representatives of many citizen peace movements from around the world. The occasion was the announcement that the six world leaders, in their Delhi declaration, were embracing a ban on all nuclear weapons testing and would personally bring their case for complete nuclear disarmament to the leaders of the two nuclear superpowers. I was there representing the International Physicians for the Prevention of Nuclear War, a federation now comprising 140,000 doctors from 41 countries, both East and West.

Palme, pressed for time, had to leave the meeting before its conclusion. I remember clearly the concern on the part of the heads of state of Argentina, Greece, and Tanzania that he handle the diplomatic language of our communique to the press and public.

Raul Alfonsin, Andreas Papandreou and Julius Nyerere, each had spoken eloquently and forcefully on the Delhi declaration and their own commitment to ridding the world of nuclear weapons. But they clearly and unabashedly deferred to Olof Palme when it came time to frame the document that would represent the work of our meeting. It was clear that even within this illustrious group, Olof Palme of Sweden was felt to be a diplomat's diplomat. Although Palme had addressed eloquently our IPPNW Congress in Helsinki the previous June, this incident in Athens impressed me that he was a man apart, a statesman of the very first rank.

Later that year and shortly after the 1985 Nobel Peace Prize was awarded to IPPNW, Mr. Palme invited our executive committee to travel to Stockholm after the Dec. 10 Nobel ceremony in Oslo. Of all world leaders, he had been our strongest supporter, even in difficult times. We accepted his invitation with alacrity and pleasure. Along with our two co-presidents, Drs. Bernard Lown from the United States and Eugueni Chazov from the Soviet Union, I attended a dinner at the prime minister's official country residence one evening. Mrs. Lown and my wife also enjoyed the two-hour ride through the Swedish countryside to the famous estate where Eisenhower and Khrushchev had been entertained by former Swedish prime ministers. Mrs. Palme and my wife commiserated on the anxieties of raising three boys committed to highly physical sports.

As usual, Mr. Palme was a charming but stimulating host, probing each of us for our views on a variety of topics in the arts and world politics. The splendor of the man, however, became evident during the toasts preceding dinner—often a stiff and forced formality, in my experience. The prime minister saluted our physicians' movement and had several nice things to say about Dr. Lown. He reserved his surprise for Chazov, whom he toasted by reciting a long and lyrical poem by Pushkin in flawless Russian. I had known that Palme was fluent in many Europeans languages, but this was an astonishing development, taking all of us by surprise. Clearly, we were in the presence of a man unique among world leaders, unsurpassed in grace and erudition.

What Olof Palme lived and died for is a world view—the belief that diplomacy and the cause of peace are best served by internationalism. While fiercely loyal to the interests of Sweden, this great intellect—educated in part at Kenyon College in Ohio, fluent in seven languages—considered the world his proper constituency. He believed with John Donne that, "No man is an island, entire of itself; every man is a piece of the continent, a part of the main."

In a real sense, when the bell tolled in Stockholm last Saturday, it tolled for all of us. The peace movement worldwide will bury its grief over the violent death of this great man and will flourish again, as it must. But for now, we have lost our prince.

Of course, this is the greatest irony. Palme, though born an aristocrat, despised elitism. His nobility was earned, a pearl of great price. He refused to separate himself from the people, even with bodyguards in this age of terrorism.

It is reported that as bystanders gathered on the sidewalk in Stockholm to help Mr. Palme after the shooting, his wife, rather than referring to him as the prime minister said simply, "I am Lisbeth Palme, and this is my husband, Olof Palme."

He was the prime minister of peace, but he was also an egalitarian model for us all.

LOS ANGELES TIMES INVESTIGATION INTO AIRLINE SAFETY: NO PLACE FOR BUDGET-CUTTING

Mr. CRANSTON. Mr. President, last Sunday the Los Agneles Times in an editorial declared that "Congress and the administration must recognize that air safety enforcement is one area in which budget-cutting simply is unacceptable. The FAA must hire more air-traffic controllers, safety inspectors and navigation-facility maintenance personnel."

To back up this important editorial, the Los Angeles Times published the results of a 6-month investigation into air safety which the Times conducted.

One chart, from the five full pages of newprint reporting the study, sums up the critical situation we face. That chart simply states that in 1979 there were 2,012 Federal aviation safety inspectors, and in 1984, there were 1,332, and in 1979 there were 237 airline carriers operating in the United States and in 1984, there were 407. In that time the fleet size has nearly doubled. Maintenance workers employed dropped.

These facts are alarming, Mr. President.

Last year was one of the worst on record for air disasters. We are sitting on top of a deteriorating situation in which more can go wrong. To make matters worse, our nation is threatened by terrorism and the possibility of repetitions of the TWA bombing here at home.

The LA Times is right, Mr. President, air safety is one area where budget-cutting simply is unacceptable.

I urge my colleagues to read the Times articles and I ask unanimous consent that the articles, which I send to the desk, be printed in the RECORD.

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

WARNING SIGNALS

Before deregulation of the airlines in 1978, the federal government allocated routes and had a veto power over ticket prices. Deregulation has been a windfall for consumers in economic terms, because competition has produced sharply lower special fares between major cities. But cheaper fares cannot be allowed to compromise safety.

Airlines officials say that flying is by far the safest means of long-distance travel, and so far the record supports that view. But there is growing concern that the airlines are cutting corners on maintenance while federal safety enforcement is deteriorating because of budget cuts.

Times staff writers Richard E. Meyer and Ralph Vartabedian, aided by professional air-safety analysts retained by The Times, spent months investigating whether the concerns are justified. The verdict, published today; They are.

Commercial air's safety record actually improved from 1980 through 1984. But 561 people died in U.S. airline accidents last year, the second-highest one-year toll on record. And many industry observers fear that the potential for disaster is rising sharply because of the combined effects of deregulation and the budget squeeze.

Thanks in large part to deregulation, the number of air carriers has grown from 237 to 526 since 1979. This means that more planes are flying for more airlines. Because planes are kept in service longer, the average age of planes is going up. There is nothing inherently unsafe about older airplanes if they are scrupulously maintained. It is especially important to watch for cracks that appear after a plane has made a few thousand flights.

At a time when more emphasis on maintenance is needed, however, the airlines are in fact spending less money on maintenance per flying hour than they were before. They are making do with substantially fewer mechanics. Because of competitive pressures to meet schedules and minimize maintenance time, they tend to let seemingly non-crucial defects go longer without repairs. Airlines are lobbying the Federal Aviation Administration to allow even more time between major component inspections or replacements.

During the same period, budgetary pressures have cut the ranks of federal safety inspectors. The force of specialists who maintain and repair the FAA's radar and other air-traffic-control facilities has declined. In short, the FAA's enforcement capacity has fallen at the very time it should have been rising.

The airlines deny that competition is eroding safety, and they point out that they are doing more preventive maintenance and taking other steps to get more mileage from maintenance dollars.

The argument is not convincing. An intensive federal inspection of more than 300 airlines found a "high rate" of non-compliance with the FAA's standards. Of 43 airlines that were looked at more closely, 16 were penalized for infractions. The FAA has levied heavy fines against one major airline, and is proposing similar penalties against two more.

Several congressional subcommittees are looking into the air-safety situation, but already the case is clear for action on several fronts.

The federal government can't really get into the business of telling airlines how many mechanics to hire and how to use them. But it can get strict safety standards and hold airline managers strictly accountable for meeting them.

Congress and the Administration must recognize that air-safety enforcement is one area in which budget-cutting is simply unacceptable. The FAA must hire more air-traffic controllers, safety inspectors and navigation-facility maintenance personnel than now planned. The agency must also tighten its reporting requirements on structural defects and other maintenance problems. The minimum standards for qualifying as an airline pilot should be raised; cost-cutting has caused a drop in the average experience level in the cockpit. There should be stricter financial and technical standards for new airlines.

Finally, there is no denying the fact that the strains on the nation's air-safety system are mostly the product of airline deregulation. It may be premature to call for an end to that national policy, but the issue should by no means be considered closed.

AIRCRAFT SAFETY: CRACKS BEGIN TO SHOW IN THE SYSTEM

(By Richard E. Meyer and Ralph Vartabedian)

Air travelers, unaware and unsuspecting, face a hidden, potentially catastrophic peril.

Airline passengers are less safe today than they were five years ago. And, if current trends continue, they will be at even greater risk a year from now.

With every passing year, the average age of the planes that carry them is increasing. Advancing age makes these planes more likely to crack. And the nation's airlines are spending less to find and fix those cracks.

At the same time, the airlines are filing fewer legally required reports on structural defects, providing additional strong evidence that they are not finding the cracks. Since the government relies on such reports to evaluate the health of commercial aircraft, the decline has crippled the nation's already deficient early warning system against air crashes caused by structural failure.

In the face of these developments, the Reagan Administration has let the task of holding the airlines to minimum safety standards outgrow the number of inspectors assigned to do the work—a job of policing that has burgeoned with each new airline expansion since deregulation.

"Altogether, it's a formula for disaster," said Jerry J. Presba, one of three aircraft engineering and maintenance experts hired by The Times to analyze reporting and spending on structural maintenance performed by the airlines over five years. Their analysis was part of a six-month investigation by the Times into the structural airworthiness of the U.S. commercial air fleet.

The investigation focused on the six types of aircraft that make up the preponderance of the fleet. They are the Boeing 727, 737 and 747; the McDonnell Douglas CD-9 and DC-10; and the Lockheed L-1011.

The Times found that:

The average age of each of the six types of aircraft has climbed every year from 1980 through 1984. By the beginning of 1985, all six were approaching or had passed the midpoint of what the Boeing Co. considers their economic lives.

Cracking caused by metal fatigue in the frame and skin of heavy jetliners increases sharply as the planes get older. Data obtained from Boeing shows that this cracking begins to grow at the midpoint of each airplane's economic life.

Despite the increasing likelihood of cracking caused by advancing age and metal fatigue, the amount of money the airlines are spending to find and fix cracks has *dropped* over the five years from 1980 through 1984 for all six types of aircraft. This drop is documented in records filed by the airlines with the federal government.

Fatigue-crack reports filed with the government also have *dropped.* Information in these reports, called Service Difficulty Reports (SDRs), serves as the FAA's early warning system against aircraft crashes caused by structural failures.

The drop in SDRs correlates with an overall decline in the number of orders from the FAA to inspect for specific cracks and repair them.

Arrayed against these downtrends is an FAA inspector force that has been shrinking in relation to the size of the air fleet. In 1979, the inspectors numbered 2,012. By 1984, because of budget cuts by the Reagan Administration, the number had dwindled to 1,332. During the period, the number of commercial airlines grew from 237 to 407.

Such trends erode the airworthiness of the fleet and cause a corresponding decline in air safety.

The aircraft and airline industries reacted sharply to The Times' findings.

Thomas Tripp, spokesman for the Air Transport Assn., which represents 33 major air carriers, said the question "is whether the industry has less of a commitment now to maintenance and to safety than it did years ago. . . . Certainly, it's not true for ATA carriers."

However, many aviation experts around the nation and the findings confirmed their own views.

"We (also) say a trend towards trying to get by with less quality maintenance," FAA Administrator Donald D. Engen acknowledged in an interview. "We've nipped that in the bud . . . and we should see that trend reverses itself."

C.O. Miller, one of the nation's leading air safety consultants and former chief accident investigator for the National Transporation Safety Board, said he is concerned that the worst consequences are yet to come. "You have had wholesale dilution of the safety effort," Miller said.

"I see an erosion of safety margins everywhere," Miller declared. "Your (new airlines) don't have anything to erode from. They are only meeting the minimum standards anyway. The new guys are so strapped financially that they are not going to go above the minimums."

FAA Administrator Engen agreed.

"I would be less than candid," he told The Times, "if I didn't acknowledge that your SDR figures lend some credence to that."

DEREGULATION

The drop in maintenance spending appears to be a consequence of the U.S. government's decision to deregulate the airline industry.

In 1978, the federal government suspended regulations that set ticket prices and allocated routes. Soon, new non-union airlines with lower wages and overhead forced ticket prices down and saddled several major airlines with multimillion-dollar losses. Some of the older airlines went bankrupt.

The industry as a whole tumbled into economic chaos. Before, it had the stability it needed to plan maintenance investments years into the future. Now, its carriers are engaged in day-to-day survival. Government regulation had permitted the biggest carriers to build large maintenance organizations with huge engineering staffs and enormous capital investments in both plant and equipment. Now that has become impossible.

Before deregulation, for instance, United Airlines built a central maintenance base that employs 7,000, including an engineering staff of 982. The airline repairs its own electronic equipment, and it sews its own seat covers. When United pilots have problems during flight, they can call the maintenance base and discuss these problems with engineers who are experts in every area. New, start-up airlines don't have these capabilities. In many cases, they do not employ a single engineer. They contract out their maintenance to older, larger airlines, or to aircraft service stations.

"The capital investments to build up those (older larger) facilities will never exist again," said Roger Knight, flight standards division manager at the FAA's regional office in Fort Worth, Tex. "Carriers coming along aren't going to build those kinds of facilities. They'll never have the resources to do it. They are going to have to rely on the existing plant created before."

Deregulation, said James M. Dimin, another of the maintenance experts retained by The Times, "has been a disaster both in terms of its effect on maintenance practices and, ultimately, in its effect on safety."

In addition to concern over facilities, some experts worry about a lack of experience that new operators bring to the industry.

"You have a lot of non-aviation people owning these airlines and making decisions for their companies," said Robert W. Baker, senior vice president for operations at American Airlines. "The United Airlines, TWAs and Pan Ams have been around for 50 or 60 years, and the people at those companies have been around for years and years. Under deregulation, anybody who hasn't committed a felony could get into the airline business."

In defense of deregulation, some in the airline industry and the government note that fatality rates in air travel were higher before 1970 than they have been since. Safety experts, however, say that can be misleading.

"The FAA and industry reaction sometimes seems to be that you need an accident to know there is a problem," said Miller, the safety consultant and former NTSB accident investigator. "If you need an accident to know you have a problem, then you are part of the problem."

Sen. Nancy Landon Kassebaum (R-Kan.), chairwoman of the Senate aviation subcommittee, noted that last year's rash of accidents in the United States and around world made 1985 the worst year in world aviation history and one of the worst in the United States since deregulation.

"The deaths have been so enormously high," she said, "I think we have become

very conscious today of things that have caught up with us since deregulation."

THE DROP IN REPORTING

Aircraft manufacturers know that eventually their planes will crack.

Thus, for the last 30 years, the FAA has certified the structural airworthiness of commercial jetliners under a "fail-safe" design philosophy. It requires an airframe to be strong enough to carry at least normal flight and ground loads even when one of its members is ruptured.

But long before major structural parts of an aircraft fail, periodic inspections are supposed to find the inevitable cracks in them.

Hence, the key to the fail-safe system is inspection. This is especially true since, as an aircraft ages, metal fatigue accumulates, and parts begin to crack at an accelerating rate. "Cracks get more serious as time goes on," Isaac H. Hoover, the third of The Times' maintenance experts, said.

The trend of this cracking over an airplane's life follows what is known as the "bathtub" curve, so-called because its shape resembles that of a bathtub.

The line of the curve charts the rise and fall in the number of cracks a typical fleet of aircraft experiences over its lifetime. There is an initial surge in cracks during the first six months to a year that an aircraft enters service. This is a period of "infant mortality," in which manufacturing glitches are worked out of the product, Hoover said.

After 10 years of typical service, most aircraft fleets experience fatigue damage at an accelerating rate. At 20 years, according to the bathtub curve represented in Boeing technical reports, the rate of damage has turned significantly upward.

"For all fleets, the general shape of the curve is the same," Ulf Goranson, manager of structural damage technology at Boeing, said in an interview. "It has a fair amount of validity."

J.A. McGrew, chief technology engineer for airframes at McDonnell Douglas, agreed in principle: "You fly the same aircraft more and more, you would expect to find more problems. Nobody will argue with that."

"I would expect any aircraft to have increased cracking as it gets older," concurred Elliott Green, a Lockheed vice president who was chief engineer on the L-1011 program. "There is no question about the fact that as an airplane ages, you will get more corrosion and more fatigue cracks."

And, indeed, airplanes in the United States' commercial fleet are aging.

Middle age is approaching or has passed for all six aircraft types. For example, the average age of 727s went from 9.05 years in 1980 to 12.16 years in 1984; and the 747 went from 7.68 to 11.4 For all six planes:

AVERAGE FLEET AGE

Aircraft	1980	1981	1982	1983	1984
727	9.05	9.59	10.50	11.81	12.16
737	8.21	8.88	8.76	8.84	8.44
747	7.68	8.73	9.70	10.64	11.40
DC-9	10.68	10.82	11.66	11.19	11.75
DC-10	6.29	7.08	8.10	8.95	9.84
L-1011	5.62	6.10	6.67	7.56	8.33

Since these are average ages, many aircraft of each type are well past the 10-year midpoint of their economic service life as defined by Boeing. In the 727 category, for example, more than 80 aircraft now flying in the United States are over 20 years old.

Thus, each of the fleets has at least some aircraft that should be on the upward slope of the bathtub curve. They should be experiencing increased fatigue cracking, triggering an increase in Service Difficulty Reports to the FAA.

However, when The Times studies SDRs for the years 1980 through 1984—the last year for which complete data is available—it found that the number of reports did not increase as it should have.

In fact, for five of the six aircraft, the trends dropped. For the DC-9, for instance, SDRs per aircraft declined from 1.82 in 1980 to 0.65 in 1984. Only the 747 showed an increase. For all six planes:

STRUCTURAL PROBLEMS

[Structural Service Difficulty Reports per aircraft]

Aircraft	1980	1981	1982	1983	1984
727	.760	0.61	0.38	0.36	0.46
737	1.82	2.18	1.56	2.46	1.21
747	1.27	1.24	0.97	1.28	1.43
DC-9	1.82	1.76	1.64	0.99	0.65
DC-10	0.74	0.51	0.32	0.29	0.29
L-1011	1.02	1.24	0.73	0.62	0.58

Because Service Difficulty Reports sometimes prompt the FAA to issue Airworthiness Directives ordering repairs, the drop in SDRs might mean a similar drop in ADs. This would mean that, as planes grow older and more likely to crack, the FAA might be issuing fewer orders to find the cracks and fix them.

The Times reviewed ADs issued in each of the five years for each of the six aircraft types and selected those that called for inspection and repairs on structural components. These were tabulated.

The results correlated with the SDR findings. As the six aircraft advanced in age, only one showed an increase in ADs—the 747.

THE LOOPHOLES

In an order issued Feb. 22, 1978, the FAA made it clear to all of its regional and district offices, which deal firsthand with the airlines and aircraft maintenance stations in their areas, that every malfunction, failure or defect in 16 categories specified in federal law must be reported in SDRs every time they occur.

But McGrew and Kenneth Peterson, the chief systems technology engineer at McDonnell Douglas, said some of the FAA regional and district offices enforce the order—and other do not.

"With SDRs," Peterson said, "you don't have any homogeneous coverage."

Worse, says an analyst at the FAA's Safety Data Branch who asked to remain anonymous, SDR regulations themselves leave the airlines a loophole.

Apart from the 16 categories and "major repairs," federal regulations on SDRs leave it up to each airline to report other mechanical failures only if *"in its opinion"* they are dangerous. "Because of this loophole," the analyst said, "any airline can say of whatever isn't specified, *'In our opinion,* this particular thing isn't dangerous.' And then it doesn't have to report it."

Thus, aircraft manufacturers have developed their own systems for acquiring information about structural defects and failures. They encourage customer airlines to report problems directly to them. "The number of reports that Boeing gets from the airlines is greater by orders of magnitude than the number the FAA gets," noted Ulf Goranson, the structural damage technology manager at Boeing.

Nonetheless, the aircraft maintenance experts retained by The Times say the SDR system is an acceptable data base for a study of trends.

The system has not changed significantly over five years, Isaac Hoover noted. "And I do not think anyone can claim," he said, "that there has been any major change in the practice of reporting SDRs." Since problems with the system and with the way it is used have remained constant, Hoover said, a decrease in SDRs over five years most likely reflects a decline in actual reporting—not any deficiency in the system.

Moreover, the Air Line Pilots Assn., a union representing 34,000 pilots who fly for 47 airlines, thinks that maintenance reporting is in fact even more deficient than The Times' findings indicate.

Because SDRs tend to encourage underreporting, said John O'Brien, ALPA's engineering and safety director, "if we had all the data, the case would actually be worse than what you are showing."

THE DROP IN MAINTENANCE

To determine whether decreases in SDRs and ADs reflect merely a decline in reporting or, more significantly, a down-trend in inspections—and, consequently, inattention to structural repairs—The Times also investigated airline spending on structural maintenance over the same five years covered by the SDRs and ADs.

Despite the increasing likelihood of structural cracking because of advancing age, The Times found that spending by airlines for structural inspection and repairs has dropped over the five years for each of the six aircraft types. For example, cash spending on the 747 fell from $175.64 per flight hour to $152.55. On the L-1011, expenditures declined from $165.33 per flight hour to $139.03. For all six planes:

MAINTENANCE SPENDING

[Annual structural maintenance spending per flight hour]

Aircraft	1980	1981	1982	1983	1984
727	$42.34	$43.20	$37.16	$39.88	$42.87
737	80.79	67.97	59.32	67.42	65.99
747	175.64	171.59	137.30	140.37	152.55
DC-9	76.66	80.82	72.58	71.33	69.18
DC-10	153.06	153.48	118.16	123.66	111.06
L-1011	165.33	153.62	139.81	129.78	139.03

These decreases in spending for structural maintenance have come at a time when airline revenue has been increasing. Air Transport Assn. figures show that total operating revenues for U.S. scheduled airlines climbed from $33.7 billion in 1980 to $43.8 billion in 1984. Airline profits fell from $17.4 million in 1980 to net losses of $915.8 million in 1982—but then climbed back up to net profits of $842.7 million in 1984.

As a percentage of total operating expenses, maintenance overall has decreased from 8.85% of airline budgets in 1980 to 7.6% in 1984. These Department of Transportation figures include all spending on inspection and repairs of engines, hydraulic systems and avionics as well as structures.

To some, these figures suggest a disturbing conclusion about the maintenance practice of many airlines.

"They *are* shaving corners," declared Frank Celona, assistant airline coordinator at the International Assn. of Machinists, which represents airline mechanics. "They are trying to get by with what they can. There's no question about it. The air carriers are looking for means to cut costs, and

one of the most expensive areas is maintenance. That's where they want to cut. And the FAA has gone along with them."

In 1984 Labor Department survey shows that the airlines cut more than 4,300 mechanics at line stations along their routes between September 1980, and June 1984. Although the airlines added mechanics at their maintenance depots, the additions were too few to make up the difference. Overall, the survey shows, the number of mechanics employed by airlines decreased by at least 3,000.

The Air Transport Assn. acknowledges a drop of 2,000 mechanics between 1974 and 1984 at scheduled airlines. During the same period, ATA figures show, the number of planes flown by all scheduled, supplemental, commuter, air taxi and cargo carriers climbed by more than 1,700 aircraft.

Rep. Norman Y. Mineta (D-San Jose), chairman of the House aviation subcommittee, expressed surprise at the downtrends in maintenance spending. If the SDR system were being used properly and if structural maintenance were up to par, he said, "it just doesn't seem logical that those numbers would seem to be going down."

Maintenance spending and SDRs for the L-1011 and the DC-10, at least, because of their age, should be going up, said John Enders, president of the Flight Safety Foundation, which is funded in part by the airlines. "It raises a lot of question in my mind."

John O'Brien, the engineering and air safety director at the Air Line Pilots Assn., said the decreases in SDRs and in spending on structural maintenance show that air lines "are not reporting cracks they find, and they are not finding cracks that must exist." He cited analogous cutbacks in maintenance on flight equipment.

"It's because of the competitive environment," O'Brien said. "It's more so now than five years ago. We get calls about it from pilots several times a week."

It is possible, he said, to operate an aircraft safety only if it is properly maintained.

"You cannot say this is just an aging aircraft problem," O'Brien said. "The problem is the capability or the willingness to inspect and maintain. You may not be capable of doing what is necessary because of the competitive environment. Or you may not be willing. You may think profitability is much more important.

"I'm not saying every airline is in this situation. Delta, Northwest—they're not having maintenance problems. But for every Delta and Northwest that is doing well, you can find five or six that are not doing well. And we are raising the overall exposure to accidents and to incidents if this kind of trend continues.

"Obviously, there already is some erosion of the airworthiness of the fleet."

THE INDUSTRY

When presented with The Times' findings, McDonnell Douglas and Delta charted trends in ADs and maintenance spending for more than five years. J.A. McGrew at the manufacturer described the longer-term trends shown on these charts as "pretty stable." But in more recent years, the industry charts, like those of The Times, showed decreases in maintenance spending.

Spokesmen for airlines and manufacturers offered these explanations for the downtrends in maintenance.

1. Better preventive maintenance and aircraft design.

"If the airlines fix a problem before it becomes more costly, the costs of maintenance go down," said Ulf Goranson at Boeing. In addition to early fixes, said D.P. Hettermann, senior vice president for technical operations at Delta, airlines and manufacturers improve aircraft both during and after production to reduce maintenance. Elliott Green at Lockheed and Robert Wallace, maintenance and ground operations systems manager at Boeing, cited improvements in corrosion prevention.

"We're building airplanes better," said Kenneth Peterson at McDonnell Douglas.

But nobody suggested that either preventive maintenance or design improvements immunize aircraft from the course of aging represented by the bathtub curve, which makes every plane more likely to develop cracks as it grows older.

2. Increased maintenance efficiency and productivity.

"Cost-cutting is part of our corporate life," said Richard Tabery, senior vice president for maintenance operations at United. "But at United, we achieve cost reductions through improved technology or a smarter approach to doing our tasks." Airlines, said Robert Wallace at Boeing, "are able to do maintenance with fewer maintenance hours, because cost-saving measures have made aircraft upkeep more efficient."

However, airlines and aircraft manufacturers agree that the ways to find structural cracks are limited. They cite visual inspection, X-rays and the use of electrical current, sound waves or penetrating dye. Asked to name recent developments in technology or methodology that improve on these ways, Anthony Broderick, FAA associate administrator for aviation standards, was unable to do so.

So were Hettermann at Delta and Goranson at Boeing.

"Safety depends on detection," Goranson acknowledged. "yes, it's labor intensive."

Every method of inspection, said Frank Celona of the International Assn. of Machinists," still requires some kind of visual look-see." He said improvements in efficiency and productivity cannot account for the downward trends in maintenance spending.

"If that were the case," he said, "I don't know why, at every round of bargaining, the airlines come in and want all of these work-rule changes."

3. Extensions in heavy maintenance intervals.

"Experience allows you to extend some of the times between maintenance checks," said Robert Baker at American. More time means fewer inspections, Baker said, and fewer inspections mean less spending for maintenance.

"We do a sample, an L-1011 landing gear, for instance," Hettermann said. "We started with a 6,000-hour maintenance interval, say. So we pull the gear. And, predicated on what we find on the gear, we move the interval out to 8,000 hours. And we will sample again. And, perhaps, with proper maintenance, we move it on out to 13,000 hours. And costs go down."

Goranson, the structural damage technology manager at Boeing, defends such extensions.

"Strictly maintenance to have maintenance is not good," he said. If a man goes over a wing from one end to the other every day and finds no cracks, Goranson said, "he is going to start thinking about his girlfriend or about whether it's going to snow. He won't keep his mind on what he's doing, and he'll start missing cracks that do exist."

But Goranson and Robert Wallace at Boeing caution that there also is potential for abuse. Extensions must be approved by the FAA's Principal Maintenance Inspector (PMI) assigned to each airline. "A lot of it," Wallace said, "depends upon the relationship between the PMI and the airline. If the PMI wants to be real loose, then . . ."

"I am sure," Goranson said, "there is some looseness among some PMIs."

Safety consultants point out that extensions can be an indirect way of cutting corners.

"There is a hell of a lot of negotiation that goes on between the FAA and the airlines over what is an allowable maintenance program," said C.O. Miller, the former chief accident investigator at the National Transportation Safety Board. "Within your five years, I'm willing to bet that airlines have gone to the FAA and told them, 'We've got good experience with this or that part, and let us defer maintenance.'

"What they are doing when they do that is coming in and selling maintenance reductions."

To Sen. Kassebaum, none of these three explanations is persuasive. "I am not convinced," she said, "that there isn't corner-cutting."

Donald Engen, the FAA administrator, said of The Times' study: "It bothers me. It bothers me. . . . I will look at our own figures. It is of concern to me." He acknowledged that some airlines have been cutting corners.

"I hate to make it that black and white," Engen said, "but look at the actions that we have taken with respect to operationally constraining airlines. Fifty-two of them in the last 20 months. In past years, you know, the FAA did two or three a year.

"You can see the actions we are taking, and there must be a reason."

THE CONSEQUENCES

Three recent developments show consequences of an aging fleet and declining expenditures for maintenance:

An intensive "white glove" inspection of more than 300 of the nation's airlines revealed what a government task force called a "high rate" of non-compliance with FAA standards.

A subsequent series of special evaluations, or "audits," at several of the major airlines resulted in procedural changes and fines, including a record $9.5-million proposed assessment against Eastern Airlines and a $1.5-million fine against American Airlines.

Most recently, cracks that could have caused catastrophic failure were discovered on Boeing 747s. The cracks triggered an emergency order by the FAA for mandatory inspections, which turned up even more cracks.

The first of these developments, the "white glove" inspection, began March 4, 1984, and lasted 90 days. It was called the National Air Transportation Inspection, or NATI.

In Phase I, more than 776,000 items and systems were inspected at 327 airlines and 25 air transportation support firms. Despite advance word that the inspection was coming, 43 airlines were singled out because inspectors found that their compliance with FAA safety regulations warranted more intensive Phase II investigations.

To analyze the results, the FAA assembled a task force of retired federal inspectors who computerized 13,634 inspection reports on 303 of the airlines. Here is how various airlines fared:

THE FAA'S REVIEW [1]

	1	2	3
The major airlines:			
American	450	21	4.7
Continental	271	59	21.8
Delta	433	57	13.2
Eastern	384	82	21.4
Flying Tiger	114	30	26.3
Northwest	238	20	8.4
Pan American	184	80	43.5
Piedmont	170	11	6.5
Republic	315	20	6.3
TWA	283	13	4.6
United	384	52	13.5
US Air	336	42	12.5
Western	113	11	9.7
A sampling of others:			
Air California	43	9	20.9
Alaska	66	12	18.2
America Weat	51	4	7.8
Braniff	184	14	7.6
Frontier	113	15	13.3
Jet America	35	9	25.7
Muse	41	4	9.8
New York Air	88	3	3.4
Ozark	158	2	1.3
People Express	129	46	35.7
PSA	50	7	14.0
Southwest	113	13	11.5
World	34	8	23.5

[1] Each airline is listed alphabetically along with 1—the number of inspections it received (generally determined by how many types of aircraft it flew and how many FAA regions it operated in); 2—the number of severely adverse comments it got; and 3—its rate of severely adverse comments per inspection expressed as a percentage.

The task force concluded that the "white glove" inspection showed "a less-than-desirable overall industry compliance posture."

It blamed "poor quality carrier management." In its final report, the task force added that "air carrier management is ultimately responsible for assuring compliance with the safety standards provided by the Federal Aviation Regulations and other established good/safe operating practices—and therefore should be held accountable."

Of the 43 airlines that were given in-depth Phase II inspections, 16 were penalized. Some had their operating certificates revoked or suspended. Others surrendered certificates, grounded aircraft voluntarily or withdrew pilots from service. Still other airlines had restrictions placed on their expansion.

More recently, in the second significant development, the FAA has begun special evaluations that have gone beyond the "white glove" inspections.

These special "audits" have been conducted at a number of the larger carriers, including Continental, United, Western, Eastern, Northwest and American. Results have included changes in maintenance procedures, repair manuals and record keeping. In some cases, the government assessed penalities.

The largest proposed fine was a record $9.5-million against Eastern, and the largest fine actually levied was $1.5 million against American. Eastern is contesting the size of its penalty.

FAA inspectors investigated Eastern between Dec. 3, 1985 and Feb. 20, 1986, and said they found 78,000 violations, including improper deferral of maintenance, failure to conduct inspections or make repairs, failure to maintain proper records, flights without the minimum required equipment and failure to follow maintenance manuals.

Among its infractions, Eastern was reported as have used landing gear on several Boeing 727 flights that should have been removed from the fleet. The gear on one plane reportedly collapsed during a landing, but no one was hurt. Eastern officials were said to have responded that 60% of the charges were inaccurate.

Since the investigation, FAA officials have said the problems at Eastern, which sold out last month to Texas Air, have been corrected. Inspectors said they are now satisfied with the safety of its operations.

American's fine followed a series of incidents that included:

An engine that fell off an American 727 after it was hit by a chunk of "blue ice" from disinfectant which had leaked from a faulty toilet and frozen in high-altitude flight. The investigators found that American had not repaired the toilet despite reports for five months that it had been leaking.

A wing slat that fell from an American DC-10 as it landed at Dallas-Fort Worth. The investigators blamed the problem on the use of plastic pulleys. They discovered that American had installed plastic pulleys instead of aluminum pulleys on three of its DC-10s.

The investigators discerned a larger problem behind these incidents. "I don't think American Airlines consciously decided to cut back on maintenance," said Roger Knight, the flight standards division manager at the FAA's regional office in Fort Worth, which has jurisdiction over American's maintenance operation. Instead, he cited American's growth—estimated at nearly 20% annually. Like other airlines, Knight noted, it adopted hub-and-spoke scheduling between outlying airports and its central operations.

"If you go to a hub operation," Knight said, "You have to have on-time departures. And the system was not able to provide for the maintenance on a day-to-day level at those hubs. The outlying airports, where some of the aircraft were spending the night, did not have the capability to provide the necessary maintenance. The capability was at the hubs, where the aircraft may spend only an hour in a turnaround. And there is only so much maintenance you can do in an hour."

American has acknowledged that during its 20% growth it increased its maintenance workers by only 7%.

"The instant that I gave American Airlines their fine," said Donald Engen, the FAA administrator, "I saw reverberate throughout the entire industry a desire for greater compliance. And I saw mirrored in other airlines out there there determination that they were going to be caught like that."

To this day, however, American is reluctant to say that it did anything wrong.

"Many of the things they found and objected to were items of interpretation and items of record keeping," said Robert Baker, the senior vice president for operations. "They did not find anything that jeopardized the airworthiness of this airline's fleet."

Finally, in the third and most recent development, Boeing enginers who were modifying a 747 for a customer airline early this year discovered three cracks in adjacent fuselage frames. One was below the cockpit window, the second right above it and the third at the top of the airplane's characterstic hump. Boeing contacted operators of similarly aging 747s and found three more planes with cracks.

On Jan. 31, the FAA issued an emergency Airworthiness Directive to all 747 operators. It said the three adjacent fuselage frames in the first plane had been "found essentially severed" and added that "failure of adjacent frames could lead to rapid decompression of the fuselage and possible loss of the airplane." The AD said the cracks in the other three aircraft were found between the windows and the floor of the first-class section just below the cockpit and about 25 feet behind the nose.

The four cracked planes were being flown by Pan American, TWA and British Airways.

Discovery of the cracks indicated, the FAA said, "that current inspection intervals are inadequate to assure continued airworthiness." Cracks, the agency said, "could exist on other 747s." As a consequence, the AD ordered a special inspection of all 747s that had flown 10,000 flights or more. The order applied to all U.S. airlines with 747s and all overseas carriers that use 747s to serve U.S. cities.

Up to 160 aircraft were affected, the FAA said.

The AD said all 747s which had logged 10,000 to 14,000 flights had to be inspected within the next 50 flights, and all 747s that had logged 14,000 flights or more were to be inspected within the next 25 flights. The AD required close visual inspection of the aircraft skin—and further inspection under the skin if it showed signs of trouble with the frame.

British Airways began a detailed examination of its entire 28-plane 747 fleet. The airline stripped the interior of all first-class sections to look at the frames close-up. Other airlines followed suit. And by Feb. 17, the internal inspections showed cracks in 19 parts of the structures on 12 aircraft.

Now the FAA has made such internal inspections mandatory.

By the end of February, Japan Air Lines, which had been conducting a separate inspection of five of its 747s after a crash last August that killed 520 people, reported it had found scores of cracks in all of them. Each of the planes had logged more than 15,000 flights. There were between 73 and 188 cracks in each.

Most of these, too, were in the front of the fuselage between the wing and cockpit.

THE INSPECTORS

Against these downtrends in maintenance spending, the FAA is pitting an inspector force that has been shrinking in relation to the size of the air fleet.

Figures compiled by the Air Line Pilots Association show that in 1979 the FAA had 2,012 inspectors assigned to 237 large airlines, commuter airlines and air taxi operators. By the end of 1982, the ALPA figures show, the Reagan Administration had cut the number of inspectors by 14% to 1,735—while the number of airlines, commuters and air taxis had increased by 64% to 389.

By March of 1984, the number of inspectors had been reduced even further—to only 6% of the 1979 force, or 1,332. At the same time, the number of airlines, commuters and air taxis had increased again—to 72% more than the number in 1979, or 407. Although there was a slight climb in the number of inspectors last year, they continued to lag 27% behind the total six years earlier, while the number of air carriers was 122% greater.

"In addition," pointed out Louis McNair, ALPA's executive central air safety chairman, "consider that, for each new operator, two FAA inspectors must devote full time, for a period of approximately 45 days, to certifying each new entrant's maintenance, training and flight operations." Between 1980 and 1985, McNair said, the FAA certified 76 new large carriers and 233 new commuter airlines. This meant, he said, that FAA inspectors devoted about 27,000 man-days just to certifying new operators.

While inspectors are certifying new airlines, McNair said, "their normal duties cannot be performed."

To take up some of this slack, he said, the FAA has shifted some of the private aircraft inspectors, called "general aviation inspectors," back and forth between commuter operators and air carrier operators. But their new jobs, McNair declared, "put them far beyond their level of experience."

Pilots, he said, "have been reporting to us for a number of years that they see more and more maintenance discrepancies being deferred for longer periods of time."

Last summer, the General Accounting Office, an investigatory arm of Congress, found that FAA inspections were erratic at best. Between September, 1983, and October, 1984, the GAO noted, the FAA inspected electronics maintenance records 71 times at Ransome Airlines, which flies along the East Coast, and did not conduct a single similar inspection at Flying Tiger, a cargo line based in Los Angeles, even once—although Flying Tiger has five times as many aircraft.

The GAO cited a number of similar instances.

"Some carriers are falling through the cracks," said Rep. Mineta and Rep. William Lehman (D-Fla.), chairman of the House transportation subcommittee, in a letter to the FAA. Mineta proposed adding 200 inspectors and 100 support staff. "When we deregulated domestic route entry and fares," Mineta said, "the Congress did not deregulate the safety standards."

Shortly afterward, the Administration proposed a similar increase in inspectors. The proposal won airline industry support.

Members of Congress and the Administration have talked about making even more increases later, but McNair at ALPA doubts that the increases will be enough.

"In order to provide the same capability that existed in 1979," he declared, "we need an additional 2,453 inspectors."

That total exceeds anything the Administration has mentioned by nearly 2,000.

Worse, the FAA, like other government agencies, is facing cuts mandated by the Gramm-Rudman deficit-reduction law.

Administration officials have said some domestic programs will have to be cut by 20 percent.

"I can visualize no reasonable way in which the FAA could absorb that kind of reduction overall," Engen, the FAA administrator, told Sen. Kassebaum's subcommittee last month. There would be "serious deterioration of the current levels of safety services we provide," the administrator said.

"I don't think a 20 percent cut in aviation safety," Engen said, "is a viable option."

(Times researcher Nina Green and senior computer programmer Paul Orwig contributed to this story.)

RECIPIENTS OF 1985 PRESIDENTIAL MANAGEMENT IMPROVEMENT AWARDS

Mr. STEVENS. Mr. President, on March 24, 1986, the Office of Personnel Management hosted a ceremony for 11 individuals and 8 groups who have saved the American taxpayers more than $270 million. Vice President Bush, on behalf of the President, made the presentations of the 1985 Presidential Management Improvement Awards. Present, in addition to the recipients, were senior officials of the agencies involved.

Examples of the savings ranged from $28 million for the redesign of propellers on certain naval vessels to $6 million for an adapter which allows the M-16 rifle to fire .22 caliber ammunition rather than the expensive standard ammunition during marksmanship training. The President praised 42 other employees not present at the ceremony by letters of commendation for ideas and achievements that go "beyond job requirement and result in significant cost savings to the taxpayers."

Mr. President, I want to take this opportunity, as chairman of both the Civil Service, Post Office, and General Services Subcommittee and the Defense Appropriations Subcommittee, to salute these outstanding Federal employees and commend them on their efforts. Their actions are excellent examples of the fine work our Federal employees perform. I ask unanimous consent to insert in the RECORD at the end of my comments the names and accomplishments of the recipients.

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

RECIPIENTS OF 1985 PRESIDENTIAL MANAGEMENT IMPROVEMENT AWARDS

Morgan Birge II, a Senior Technical Advisor with the Imagery Analysis Division of the Defense Intelligence Agency in Washington, D.C., led a design and development effort which contributes immeasurably to the maximum effective exploitation of our national imagery collection assets and realizes significant savings to the United States Government. First-year savings from his efforts were $5.5 million.

Robert J. Boswell, Ernest J. Czyryca, Robert D. Rockwell, Angelos Zaloumis, of the David Taylor Naval Ship Research and Development Center in Washington, D.C., identified and solved a major fleet problem relating to controllable pitch propeller blade attachments, involving 110 ships and nearly 200 propellers. This group of employees developed redesigns and backfits within the constraints of the existing propellers. First-year savings to the Government were in excess of $28 million.

Christopher G. Conrad, a Quality Assurance Specialist at the Naval Air Rework Facility, Norfolk, Virginia, proposed a means whereby brake components, which had been previously rejected because of chips or cracks, could be reused. His contribution significantly reduced costs and saved the Government over $4 million.

Virgil L. Conrad, Deputy Administrator of the Family Nutrition Programs, Food and Nutrition Service, Department of Agriculture, Alexandria, Virginia, led efforts to reduce fraud, waste and abuse in the Food Stamp Program. His work resulted in savings to the Government of nearly $19 million.

James R. Dinkins, Kenneth N. Cole, Charles L. Crowder, Jr., Joseph Getsug, Robert R. Moore, Jr. and Jimmy H. Wilson, of the Langley Research Center, National Aeronautics and Space Administration, Hampton, Virginia, are recognized for their initiative and innovativeness in negotiating a contract with the local power company which led not only to a reduction in electrical power costs, but also to increased flexibility in the operation of major research facilities, thus saving the Government $5,700,000.

James L. Durham, Robert A. Gaddy, Norman W. Lager, Daniel K. McCrady, and John A. Smith, Internal Revenue Service, Washington, distinguished themselves through efforts which resulted in presorted mass mailings to be at the Internal Revenue Service a full year ahead of schedule. First-year savings resulting from their contribution was nearly $2.5 million.

Allen Easterday, a Supervisory Auditor at Martin Marietta Aero Resident Office, Atlanta Region, and Robert T. Higgins, Orlando Branch Office, Atlanta Region, Defense Contract Audit agency, distinguished themselves by their outstanding contributions to the development and presentation of sound evidence leading to a conviction of Government contractors for a fraud of more than $50 million.

Herman L. Engle, Logistics Assistance Coordinator and Charles E. Anderson, Logistics Assistance Representative, U.S. Army Armanent, Munitions, and Chemical Command, Rock Island, Illinois (duty station overseas), suggested the use of a filtering system to flush and reuse hydraulic oil rather than draining and replacing oil in the system on the M110A2 8" Howitzer cannon every six months, which resulted in savings of nearly $1.3 million.

Alfonso D. Esposito and Michael A. Hupfer, Health Care Financing Administration, Department of Health and Human Services, Baltimore, Maryland, distinguished themselves by suggesting a change in Medicare hospital payments which corrected an erroneous subsidy for the use of private rooms, resulting in an estimated savings to the Government of $30,000,000 to $50,000,000 annually.

Phyllis A. Gardner, Executive Officer, Civil Division, Department of Justice, distinguished herself through her initiative in contracting with the private sector to provide many support services, including an integrated office productivity through automation program and an automated litigation support program. First-year savings to the Government were over $500,000. These new projects promise additional savings of at least $30.5 million by the end of fiscal year 1986.

Donald H. Holloman, Chief Master Sergeant, USAF, Retired, suggested that the Air Force convert to a different light water concentrate for fighting fires. His suggestion saved the Government over $1 million during the first year.

Julius V. Jurek, Chief Master Sergeant, USAF, Retired, designed and manufactured a rimfire adapter to permit the firing of .22 Caliber rifle rimfire ammunition in the M-16 rifle during small arms marksmanship training. First year savings to the Government were nearly $6 million.

Jack L. Justice, a Division Bridge Engineer with the Federal Highway Administration, West Virginia Division, distinguished himself in administering the bridge program in West Virginia, which resulted in savings to the Government in excess of $16 million on bridge construction and rehabilitation projects.

Reis R. Kash, former Chief of the Prisoner Transportation Division, U.S. Marshals Service, improved the trip scheduling of prisoners using centralized ticketing for commercial air flights and scheduling prisoner trips on large charter aircraft, result-

ing in savings to the Government of $10 million.

Arthur E. Luedtke, a former employee of the Federal Communications Commission, distinguished himself over a career of more than 40 years, by inventing more than 39 separately identifiable communications equipment items which saved millions of dollars for the Government.

James D. Murphy, Chief, Field Support and Review Branch, Agency for International Development developed a program for Defense Base Act workers compensation insurance which has resulted in substantial savings of $40 million.

Donald E. Parker, a General Engineer with the Ballistic Missile Defense Advanced Technology Center, Huntsville, Alabama, suggested a modification of the design of a sensor synthesizer to test signal processing performance in the Forward Acquisition System Program. First-year savings to the Government were nearly $1.3 million.

Wayne A. Railsback, Victor L. Reddle, and Jean Janzegers, of the Central Intelligency Agency distinguished themselves by their exceptional performance in the concept, design, and production of a High Intensity Tracking Light Source, resulting in savings to the Government of nearly $1 million.

Michael J. Smith and Howard V. Grubb, Bureau of Engraving and Printing, Washington, D.C. suggested a mechanized currency processing system, designed to cull out the perfect sheets and accumulate the defective sheets for destruction. First-year savings to the Government was $2.2 million.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

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

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

PROPOSED LEGISLATION TO APPROVE THE "COMPACT OF FREE ASSOCIATION"—MESSAGE FROM THE PRESIDENT—PM 129

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers, which was referred to the Committee on Energy and Natural Resources:

To the Congress of the United States:

There is enclosed a draft of a Joint Resolution to approve the "Compact of Free Association," the negotiated instrument setting forth the future political relationship between the United States and Palau, a political jurisdiction of the Trust Territory of the Pacific Islands.

This Compact of Free Association is the result of more than sixteen years of continuous and comprehensive negotiations, spanning the administrations of four Presidents. The transmission of the proposed Joint Resolution today, and congressional enactment of it, marks the last step in the process for approval of the Compact.

The full text of the Compact is part of the draft Joint Resolution, which I request be introduced, referred to the appropriate committees, and enacted. I also request that the Congress note the agreements subsidiary to the Compact. Also enclosed is a section-by-section analysis to facilitate your consideration of the Compact.

On March 30, 1984, and again on February 20, 1985, I submitted to Congress a Compact of Free Association relating to the Marshall Islands and the Federated States of Micronesia, two other jurisdictions of the Trust Territory. That Compact was approved as House Joint Resolution 187 by Congress on December 13, 1985, and with my signature on January 14, 1986, became Public Law 99-239. The people of the fourth jurisdiction of the Trust Territory—the Northern Mariana Islands—have voted to become a United States territory when the Trusteeship is terminated. The Congress approved their political status instrument as Public Law 94-241.

The defense and land use provisions of the Compact with Palau, and the right of the United States to foreclose access to the area for military purposes of third countries, are of great importance to our strategic position in the Pacific and enable us to continue preserving regional security and peace. Under the Palau Compact, the minimum term of United States defense authority and responsibility will be fifty years; otherwise, the Palau Compact is very similar to the Compact that the Congress approved for the Marshall Islands and the Federated States of Micronesia.

For almost four decades, the Trust Territory has been administered under a Trusteeship Agreement with the United Nations Security Council, which the United States entered into pursuant to the Joint Resolution of July 18, 1947. This Compact of Free Association with the government of Palau fulfills our commitment under that Agreement to bring about self-government in accordance with the freely expressed wishes of the Palauan people. Termination of the Trusteeship Agreement and the formal assumption of freely chosen political status arrangements by all parts of the present Trust Territory are important foreign policy objectives of the United States.

The Compact with Palau was signed for the United States by Ambassador Fred M. Zeder II and the President of the Republic of Palau on January 10, 1986. It was approved on January 24, 1986, by both houses of the Palau National Congress. On February 21, 1986, the Compact was approved by the Palauan people in a United Nations observed plebiscite. The President of Palau has certified that the approval process has been completed in full compliance with Palau's constitutional requirements.

Enactment of this draft Joint Resolution approving the Compact of Free Association for Palau will complete the enterprise of self-government we began with the peoples of the Trust Territory many years ago. It is the final step preceding full termination of the Trusteeship Agreement. Therefore, I urge the Congress to approve the Compact of Free Association for Palau.

RONALD REAGAN.

THE WHITE HOUSE, *April 9, 1986.*

PRESIDENTIAL APPROVALS

A message from the President of the United States announced that he had approved and signed the following enrolled bill and joint resolutions:

March 21, 1986:

S.J. Res. 205. Joint Resolution to designate March 21, 1986, as "National Energy Education Day".

S.J. Res. 272. Joint Resolution to authorize and request the President to issue a proclamation designating March 21, 1986, as "Afghanistan Day", a day to commemorate the struggle of the people of Afghanistan against the occupation of their country by Soviet forces.

March 24, 1986:

S. 1396. An act to settle unresolved claims relating to certain allotted Indian lands on the White Earth Indian Reservation, to remove clouds from the titles to certain lands, and for other purposes.

March 25, 1986:

S.J. Res. 254. Joint Resolution to designate the year of 1987 as the "National Year of Thanksgiving".

March 27, 1986:

S.J. Res. 226. Joint Resolution to designate the week of April 6, 1986, through April 12, 1986, as "World Health Week", and to designate April 7, 1986, as "World Health Day".

April 1, 1986:

S.J. Res. 262. Joint Resolution to authorize and request the President to issue a proclamation designating June 2 through June 8, 1986, as "National Fishing Week".

MESSAGES FROM THE HOUSE

At 2:02 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills and joint resolution, in which it requests the concurrence of the Senate:

H.R. 917. An act to amend title 5, United States Code, to extend to certain employees

in the excepted service the same procedural and appeal rights as are afforded to employees in the competitive service with respect to certain adverse personnel actions;

H.R. 3002. An act to provide for the establishment of an experimental program relating to the acceptance of voluntary services from participants in an executive exchange program of the Government;

H.R. 4143. An act to name the National Talented Teacher Fellowship Program after Christa McAuliffe

H.R. 4350. An act to amend the Wild and Scenic Rivers Act, and for other purposes; and

H.J. Res. 17. Joint resolution to consent to an amendment enacted by the legislature of the State of Hawaii to the Hawaiian Homes Commission Act, 1920.

MEASURES REFERRED

The following bills and joint resolution were read the first and second times by unanimous consent, and referred as indicated:

H.R. 917. An act to amend title 5, United States Code, to extend to certain employees in the excepted service the same procedural and appeal rights as are afforded to employees in the competitive service with respect to certain adverse personnel actions; to the Committee on Governmental Affairs.

H.R. 3002. An act to provide for the establishment of an experimental program relating to the acceptance of voluntary services from participants in an executive exchange program of the Government; to the Committee on Governmental Affairs.

H.R. 4143. An act to name the National Talented Teacher Fellowship Program after Christa McAuliffe; to the Committee on Labor and Human Resources.

H.R. 4350. An act to amend the Wild and Scenic Rivers Act, and for other purposes; to the Committee on Energy and Natural Resources.

H.J. Res. 17. Joint resolution to consent to an amendment enacted by the legislature of the State of Hawaii to the Hawaiian Homes Commission Act, 1920; to the Committee on Energy and Natural Resources.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-2841. A communication from the Assistant Secretary of Defense (Force Management and Personnel), transmitting, pursuant to law, a report on the adequacy of pay and allowances of the Armed Forces; to the Committee on Armed Services.

EC-2842. A communication from the Assistant Secretary of the Navy (Shipbuilding and Logistics), transmitting, pursuant to law, a report on the conversion of various functions at certain naval installations to performance by contract; to the Committee on Armed Services.

EC-2843. A communication from the Secretary of Defense, transmitting, pursuant to law, a report on standardization of equipment within NATO; to the Committee on Armed Services.

EC-2844. A communication from the Chairman of the National Credit Union Administration, transmitting, pursuant to law, the annual report of the National Credit Union Administration for 1985; to the Committee on Banking, Housing, and Urban Affairs.

EC-2845. A communication from the First Vice President and Vice Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report on loan, guarantee, and insurance transactions supported by Eximbank during February 1986 to Communist countries; to the Committee on Banking, Housing, and Urban Affairs.

EC-2846. A communication from the Chairman of the Federal Maritime Commission, transmitting, pursuant to law, the annual report of the Commission for fiscal year 1985; to the Committee on Commerce, Science, and Transportation.

EC-2847. A communication from the Secretary of Commerce, transmitting, pursuant to law, the report on Federal Coastal Programs review, dated December 1985; to the Committee on Commerce, Science, and Transportation.

EC-2848. A communication from the Secretary of Transportation, transmitting, pursuant to law, the fourth annual report of accomplishments under the Airport Improvement Program for fiscal year 1985; to the Committee on Commerce, Science, and Transportation.

EC-2849. A communication from the Secretary of the Interior, transmitting, pursuant to law, the annual report on the Outer Continental Shelf Oil and Gas Leasing and Production Program for fiscal year 1985; to the Committee on Energy and Natural Resources.

EC-2850. A communication from the Administrator of the Energy Information Administration, Department of Energy, transmitting, pursuant to law, a report entitled "Outlook for U.S. Coal Imports"; to the Committee on Energy and Natural Resources.

EC-2851. A communication from the Administrator of the Energy Information Administration, Department of Energy, transmitting, pursuant to law, the quarterly report on coal imports for October-December 1985; to the Committee on Energy and Natural Resources.

EC-2852. A communication from the Acting Assistant Secretary of the Interior (Water and Science), transmitting, pursuant to law, a report on the deferment of the construction repayment installment due from Almena Irrigation District No. 5, Pick-Sloan Missouri Basin Program, Kansas; to the Committee on Energy and Natural Resources.

EC-2853. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report by the Massachusetts Department of Environmental Management, and four reports by the Middlesex Area Commission on certification of expenditures; to the Committee on Energy and Natural Resources.

EC-2854. A communication from the Acting Assistant Secretary of the Interior, transmitting a draft of proposed legislation authorizing expenditures by the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes; to the Committee on Environment and Public Works.

EC-2855. A communication from the Chairwoman of the United States International Trade Commission, transmitting, pursuant to law, the quarterly report on trade between the United States and the nonmarket economy countries, dated March 1986; to the Committee on Finance.

EC-2856. A communication from the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, transmitting, pursuant to law, the annual report on these funds for 1986; to the Committee on Finance.

EC-2857. A communication from the Secretary of State, transmitting, pursuant to law, the semiannual report for the period April-September 1985 listing voluntary contributions made by the U.S. Government to international organizations; to the Committee on Foreign Relations.

EC-2858. A communication from the Acting Administrator of the Small Business Administration, transmitting a draft of proposed legislation to establish within the Department of Commerce a Small Business Administration, to terminate certain functions of the present Small Business Administration, to transfer certain functions of the present Small Business Administration to the Secretaries of Commerce and the Treasury, and for other purposes; to the Committee on Governmental Affairs.

EC-2859. A communication from the Director of the Accounting and Financial Management Division, General Accounting Office, transmitting, pursuant to law, a report entitled "Civil Service Retirement System's Financial Statements for 1984"; to the Committee on Governmental Affairs.

EC-2860. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a report on two altered Privacy Act systems of records; to the Committee on Governmental Affairs.

EC-2861. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-2862. A communication from the Executive Secretary, Office of the Secretary of Defense, transmitting, pursuant to law, the report on Department of Defense procurement from small and other business firms for October 1985 through January 1986; to the Committee on Small Business.

EC-2863. A communication from the Under Secretary of Agriculture, transmitting, pursuant to law, a report on commodity allocations and current programming plans for food assistance by country under Public Law 480; to the Committee on Agriculture, Nutrition, and Forestry.

EC-2864. A communication from the Deputy Assistant Secretary of the Air Force, transmitting, pursuant to law, a report on a decision to convert the audiovisual services function at Keesler AFB, MS, to performance under contract; to the Committee on Armed Services.

EC-2865. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, certain certifications with respect to a certain weapons system; to the Committee on Armed Services.

EC-2866. A communication from the general counsel of the Department of Defense, transmitting a draft of proposed legislation to increase the number of members of the Selected Reserve who may be ordered to active duty without their consent; to the Committee on Armed Services.

EC-2867. A communication from the Deputy Assistant Secretary of Defense, transmitting, pursuant to law, a report on the condition and operating results of the Working Capital Funds of DOD for fiscal

year 1985; to the Committee on Armed Services.

EC-2868. A communication from the general counsel of the Department of Defense, transmitting a draft of proposed legislation to increase basic pay, allowance for quarters, and allowance for subsistence for members of the uniformed services; to the Committee on Armed Services.

EC-2869. A communication from the acting general counsel of the Federal Emergency Management Agency, transmitting a draft of proposed legislation to extend for 5 years the Defense Production Act of 1950; to the Committee on Banking, Housing, and Urban Affairs.

EC-2870. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, reports on the status of evaluations of the Multifamily and Local Property Urban Homesteading Demonstrations; to the Committee on Banking, Housing, and Urban Affairs.

EC-2871. A communication from the Chairman of the Federal Deposit Insurance Corporation, transmitting, pursuant to law, the annual report of FDIC's Office of Consumer Programs; to the Committee on Banking, Housing, and Urban Affairs.

EC-2872. A communication from the Chairman of the Federal Financial Institutions Examination Council, transmitting, pursuant to law, the Council's 1985 annual report; to the Committee on Banking, Housing, and Urban Affairs.

EC-2873. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to authorize appropriations for certain maritime programs of the Department of Transportation; to the Committee on Commerce, Science, and Transportation.

EC-2874. A communication from the Deputy Associate Director of the Minerals Management Service, transmitting, pursuant to law, a report on 27 refunds of excess oil and gas lease royalty payments; to the Committee on Energy and Natural Resources.

EC-2875. A communication from the Deputy Associate Director of the Minerals Management Service, transmitting, pursuant to law, a report on 28 refunds of excess oil and gas lease royalty payments; to the Committee on Energy and Natural Resources.

EC-2876. A communication from the Acting Assistant Secretary of the Interior, transmitting, pursuant to law, a report on approval of the deferment of construction repayment installments from Webster Irrigation District No. 4, Pick-Sloan Missouri Basin Program, Kansas; to the Committee on Energy and Natural Resources.

EC-2877. A communication from the Secretary of Energy, transmitting, pursuant to law, energy information requirements; to the Committee on Energy and Natural Resources.

EC-2878. A communication from the Commissioner of the Bureau of Reclamation, transmitting, pursuant to law, a report on the Teton Dam Claims Program for 1984; to the Committee on Energy and Natural Resources.

EC-2879. A communication from the Acting Assistant Secretary of the Interior, transmitting, pursuant to law, a report on approval of a deferment of payments due the United States from the West Bench Irrigation District, Dillon, MT; to the Committee on Energy and Natural Resources.

EC-2880. A communication from the Administrator of GSA, transmitting, pursuant to law, a prospectus for design of a new Federal building in Oakland, CA; to the Committee on Environment and Public Works.

EC-2881. A communication from the Deputy Associate Director of the Minerals Management Service, transmitting, pursuant to law, a report on two refunds of excess oil and gas lease royalty payments; to the Committee on Energy and Natural Resources.

EC-2882. A communication from the Acting Assistant Secretary of the Interior, transmitting, pursuant to law, a report on approval of a deferment of the 1985 construction repayment to the United States from Kirwin Irrigation District No. 1, Pick-Sloan Missouri Basin Program, Kansas; to the Committee on Energy and Natural Resources.

EC-2883. A communication from the Deputy Associate Director of the Minerals Management Service, transmitting, pursuant to law, a report on 28 refunds of excess oil and gas lease royalty payments; to the Committee on Energy and Natural Resources.

EC-2884. A communication from the Deputy Associate Director of the Minerals Management Service, transmitting, pursuant to law, a report on six refunds of excess oil and gas lease royalty payments; to the Committee on Energy and Natural Resources.

EC-2885. A communication from the Chairman and the Director of the Tennessee Valley Authority, transmitting, pursuant to law, TVA's 52d annual report; to the Committee on Environment and Public Works.

EC-2886. A communication from the Administrator of the Environmental Protection Agency, transmitting a draft of proposed legislation to authorize appropriations for the Environmental Research, Development, and Demonstration Program; to the Committee on Environment and Public Works.

EC-2887. A communication from the Administrator of the Environmental Protection Agency, transmitting a draft of proposed legislation to extend the Federal Water Pollution Control Act, as amended, for 2 years; to the Committee on Environment and Public Works.

EC-2888. A communication from the Administrator of the Environmental Protection Agency, transmitting a draft of proposed legislation to extend the Safe Drinking Water Act, as amended, for 2 years; to the Committee on Environment and Public Works.

EC-2889. A communication from the Administrator of the Environmental Protection Agency, transmitting a draft of proposed legislation to extend the Clean Air Act, as amended, for 2 years; to the Committee on Environment and Public Works.

EC-2890. A communication from the general counsel of the Department of the Treasury, transmitting a draft of proposed legislation to authorize appropriations for the Customs Service for 1987 and 1988; to the Committee on Finance.

EC-2891. A communication from the general counsel of the Department of Defense, transmitting a draft of proposed legislation to grant comparable tax treatment of allowances permitted to certain DOD personnel; to the Committee on Finance.

EC-2892. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on a study of registered dietitians' services in home care; to the Committee on Finance.

EC-2893. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to make administrative changes in the programs of aid to families with dependent children and child support enforcement; to the Committee on Finance.

EC-2894. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, copies of international agreements, other than treaties, entered into by the United States within the 60 days previous to April 3, 1986; to the Committee on Foreign Relations.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM—612. A resolution adopted by the Senate of the Legislature of the State of Arizona; to the Committee on Armed Services.

"SENATE MEMORIAL 1002

"To the Congress of the United States of America:

"Your memorialist respectfully represents:

"Whereas, it is the constitutional duty of the United States Government to 'provide for the common defense'; and

"Whereas, the United States Government does not now possess any defensive means of protecting the American people against incoming enemy missiles launched from any country in the world; and

"Whereas, the shift in the strategic balance in favor of the Soviet Union has undermined the credibility of our deterrent, which is based on the doctrine of mutual assured destruction and the use of offensive nuclear weapons; and

"Whereas, President Ronald Reagan asked a crucial question on March 23, 1983: 'Isn't it better to save lives than to avenge them?', and the United States needs a new strategy of mutual assured survival which can make nuclear weapons obsolete; and

"Whereas, arms control treaties alone cannot protect us, since even a perfect agreement with the Soviet Union would leave the United States undefended against the threat of nuclear missiles launched accidentally, launched by a terrorist or launched by an irrational decision of a Third World regime; and

"Whereas, the Soviet Union is moving to defend its people from nuclear attack, and we cannot afford to let the Soviet Union seize the high frontier of space and develop a defensive system before we do; and

"Whereas, on June 10, 1984, the United States Department of Defense successfully conducted a test over the South Pacific which proved that we have current technology to intercept and destroy incoming missiles before they destroy us; and

"Whereas, a system, commonly known as High Frontier, involving the use of nonnuclear satellites to intercept and destroy nuclear missiles targeted at the United States or the territories of our allies is currently available; and

"Whereas, The Strategic (High Frontier) Defense Initiative offers the United States a way out of the continuing spiral of building more and more costly offensive weapons because it cannot kill people (it can "kill" only missiles) and it would function to keep war out of space because it is solely defensive.

"Wherefore, your memorialist, the Senate of the State of Arizona, prays:

"1. That the Congress of the United States give prompt attention to the development, construction and placement of a space-based, nonnuclear defensive system.

"2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each Member of the Arizona Congressional Delegation."

POM-613. A resolution adopted by the House of Representatives of the Legislature of the State of Indiana; to the Committee on Banking, Housing, and Urban Affairs:

"HOUSE RESOLUTION No. 23

"Whereas, Article 1, Section 8, of the Constitution of the United States provides that only the Congress of the United States shall have the power "to borrow money on the credit of the United States"; and

"Whereas, The Federal Reserve Act of December 23, 1913 (Act of December 23, 1913; 38 Stat. 251; 12 U.S.C. 221 et seq.) transferred the power to borrow money on the credit of the United States to a consortium of private bankers in violation of the prohibitions of Article 1, Section 8, of the Constitution of the United States; and

"Whereas, The Congress of the United States is without authority to delegate any powers which it has received under the Constitution of the United States established by the people of the United States; and

"Whereas, Article 1, Section 1, of the Constitution of the United States, provides that "all legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives"; and

"Whereas, The Federal Reserve Act of December 23, 1913 was imposed upon the people of the State of Indiana in violation of the provisions of Article 1, Section 1, of the Constitution of the United States; and

"Whereas, Members of the Federal Reserve System, a consortium of private bankers, have threatened the very integrity of our national government through their arbitrary and capricious control management of the nation's money supply; and

"Whereas, The United States is facing, in the current decade, an economic debacle of massive proportions due in large measure to a continued erosion of our national currency and the resultant high interest rates caused by the policies of the Federal Reserve Board; and

"Whereas, A consortium of private bankers which is not subject to any official periodic review or oversight by Congress has unconstitutionally controlled the economy of the United States through the Federal Reserve Act since 1913; and

"Whereas, The Federal Reserve System has never had an external audit; and

"Whereas, The Federal Reserve System does not pay federal income tax like other private banks; and

"Whereas, The national debt is approaching two trillion dollars ($2,000,000,000,000) and the interest on the national debt the past fiscal year was 178 billion, 945 million dollars which is approximately $.19 of each tax dollar; and

"Whereas, The Gramm-Rudman Bill does not permit the third largest line item in the national budget, payment of interest on the national debt, to be reduced along with other items in the national budget: Therefore,

Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:

"Section 1. That the Indiana House of Representatives urges the Congress of the United States to enact immediately such legislation as is necessary to repeal the Federal Reserve Act and restore the gold standard.

"Section 2. That the President of the United States immediately sign the necessary enabling legislation once it reaches his desk.

"Section 3. That the Principal Clerk of the House of Representatives transmit copies of this Resolution to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each member of the United States Senate, and to each member of the House of Representatives."

POM-614. A joint resolution adopted by the Legislature of the State of Wyoming; to the Committee on Banking, Housing, and Urban Affairs:

"ENROLLED JOINT RESOLUTION No. 2, SENATE

"Whereas, the Federal Reserve Banks are private corporations and not government institutions; and

"Whereas, the special stocks of Federal Reserve Banks are nominally owned by private commercial banks; and

"Whereas, the Federal Reserve Banks are largely responsible for determining the money supply in the United States; and

"Whereas, the money supply is in large part responsible for interest rates which determine the business and economic climate of our nation.

"Now, therefore, be it resolved by the members of the Legislature of the State of Wyoming:

"Section 1. That the Congress of the United States cause to be made a complete audit by the General Accounting Office of the income and expenses of the Board of Governors and the twelve Federal Reserve Banks which comprise and regulate the Federal Reserve System, and a detailed report published and made available to the public no later than October 1, 1987.

"Section 2. That the Secretary of State of Wyoming transmit copies of this Resolution to the President of the United States Senate, the Speaker of the House of Representatives of the United States, each member of the Wyoming Congressional Delegation and to the Chairman of the banking committees of each House of Congress."

POM-615. A concurrent resolution adopted by the Legislature of the State of New Hampshire; to the Committee on Commerce, Science, and Transportation:

"RESOLUTION

"Whereas, many household products contain materials which are, when improperly discarded, potential threats to the environment by release to the air or by filtering through landfills and entering into waters and groundwaters; and

"Whereas, proper disposal of these household hazardous wastes can significantly decrease the potential threat these products pose to the environment and to the health and welfare of our citizens; and

"Whereas, educating the public as to the proper procedures for disposing of household hazardous wastes is an essential first step in understanding, identifying, and controlling the threat posed by these products; and

"Whereas, identification of household hazardous wastes for the consumer may be best accomplished by labelling such products with an internationally recognized symbol designating the product as a household hazardous waste; now, therefore, be it "Resolved by the House of Representatives, the Senate concurring: "That the Congress of the United States enact legislation implementing an identification and coding system for household hazardous substances that may be discarded as waste that uses the internationally recognized prohibition symbol, a sample of which is attached hereto; and

"That the members of the New Hampshire congressional delegation sponsor and support such legislation; and

"That copies of this resolution be sent to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the New Hampshire congressional delegation."

POM-616. A joint resolution adopted by the Legislature of the Senate of Wyoming; to the Committee on Energy and Natural Resources:

"ENROLLED JOINT RESOLUTION No. 3, HOUSE OF REPRESENTATIVES

"Whereas, Yellowstone National Park and Grand Teton National Park are essential to the tourism sector of the economy of the State of Wyoming; and

"Whereas, use of Yellowstone National Park and Grand Teton National Park has steadily declined over a period of several years.

"Now, therefore, be it resolved by the members of the Legislature of the State of Wyoming:

"Section 1. That the members of the Wyoming legislature urge the United States Congress and the United States Department of the Interior to cooperate with the State of Wyoming in planning future management and use of Yellowstone National Park and Grand Teton National Park;

It is further resolved, that the Governor of Wyoming initiate discussions with the United States Secretary of the Department of the Interior on cooperative efforts between the State of Wyoming and the federal government relative to the future management and use of Yellowstone National Park and Grand Teton National Park, and explore methods implementing and administering proposed cooperative efforts.

"Section 2. That the Secretary of State of Wyoming send copies of this resolution to the President of the United States, the President of the Senate and the Speaker of the House of Representatives of the United States Congress, each member of the Wyoming congressional delegation and the United States Secretary of the Department of the Interior."

POM-617. A resolution adopted by the Senate of the Commonwealth of Massachusetts; to the Committee on Energy and Natural Resources:

"RESOLUTIONS MEMORIALIZING CONGRESS, THE PRESIDENT AND THE VETERANS ADMINISTRATION OF THE UNITED STATES TO RECORD THE SUPPORT OF THE MASSACHUSETTS SENATE TO THE CONSTRUCTION OF A KOREAN WAR VETERANS MEMORIAL

"Whereas, on June twenty-fifth, nineteen hundred and fifty, Communist forces of the Korean people's army launched an offensive against the Republic of Korea; and

"Whereas, in response to this atrocious act of aggression against freedom, the President of the United States, Harry S. Truman, on Tuesday, June twenty-seventh, nineteen hundred and fifty, ordered United States air and sea forces to give the Korean Government troops, cover and support, thus beginning involvement of the United States in the Korean conflict which ended on July twenty-seventh, nineteen hundred and fifty-three; and

"Whereas, of the six million Korean era veterans, fifty-four thousand, two hundred and thirty-five Americans were killed in action and eight thousand, one hundred and seventy-seven are unaccounted for, including three hundred eighty-nine who were prisoners of war; and

"Whereas, these Americans served their country with dignity, displaying the ideals of America, fighting for freedom on foreign territory, far from home and loved ones; and

"Whereas, those Americans who had made the supreme sacrifice, and those Americans who were willing to make the supreme sacrifice of life, remain the only veterans not recognized with a memorial in our country's capital; Now therefore be it

"*Resolved*, That the Massachusetts Senate hereby urges Congress, the President and the Veterans Administration of the United States to memorialize the Korean era veteran with an appropriate memorial in Washington, DC; and be it further

"*Resolved*, That a copy of these resolutions be transmitted by the clerk of the Senate to the President of the United States, the Speaker of the House of Representatives, the President of the Senate, members of the Massachusetts Congressional Delegation, and the Director of the Veterans Administration."

POM-618. A resolution adopted by the Common Council of Kenosha, Wisconsin opposing the provisions of H.R. 3838 relating to tax-exempt financing for local government; to the Committee on Finance.

POM-619. A resolution adopted by the Common Council of Boscobel, Wisconsin opposing the provisions of H.R. 3838 pertaining to tax-exempt financing for local government; to the Committee on Finance.

POM-620. A resolution adopted by the Board of Redevelopment Commissioners of the City of Gary, Indiana opposing the provisions of H.R. 3838 relating to tax-exempt financing for local government; to the Committee on Finance.

POM-621. A resolution adopted by the President and Board of Trustees of the Village of Oak Lawn, Illinois opposing the provisions of H.R. 3838 relating to tax-exempt financing for local government; to the Committee on Finance.

POM-622. A resolution adopted by the Senate of the Commonwealth of Pennsylvania; to the Committee on Foreign Relations:

"RESOLUTION

"Whereas, newspapers have published reports conducted by nationally recognized investigative reports confirming the presence of American prisoners of war in Southeast Asia; and

"Whereas, these reports draw on information obtained from ranking military officials, top secret military intelligence reports, satellite photos, communications intercepts and agents operating in Southeast Asia; and

"Whereas, it is estimated that there are approximately 200 living Americans being held by hostile governments, as prisoners of war in a war that ended over ten years ago, for the purpose of torture, technical assistance and psychological experiments; therefore be it

"Resolved, Tthat the Senate of the Commonwealth of Pennsylvania memorialize the Congress of the United States to conduct a meaningful investigation into these reports and others concerning Americans being held as prisoners of war in Southeast Asia; and be it further

"Resolved, That the Senate of the Commonwealth of Pennsylvania memorialize the Congress of the United States to redouble its efforts to locate and rescue these valiant men of the Vietnam Conflict who remain in enemy territory and return these servicemen to their families here in the United States; and be it further

"Resolved, That copies of this resolution be transmitted to the presiding officers of each house of Congress and to each member of Congress from Pennsylvania."

POM-623. A resolution adopted by the Senate of the State of Michigan; ordered to lie on the table:

"RESOLUTION

"Whereas, the people of this country have been especially blessed in the dedication of the individuals who have made immeasurable sacrifices to preserve our way of life and our liberties. In addition to the obvious debt we harbor for those who have served in the Armed Forces, our country also is greatly enriched through the programs and efforts of several veteran groups. These organizations have assisted veterans and their families, as well as fostering a spirit of patriotism and service at the local, state, and national levels; and

"Whereas, an organization which epitomizes this tradition of service to veterans and the community is the Vietnam Veterans of America. This group touches many lives, especially for those among us with personal knowledge of the hardships, triumphs, and losses of this war. The unique services of this organization are most essential and highly commendable; and

"Whereas, presently there is pending before the Congress of the United States legislation, S. 8, which would extend to the Vietnam Veterans of America a federal charter. This formal recognition is most appropriate and will undoubtedly further its excellent work; Now, therefore, be it

"Resolved by the Senate, That we hereby memorialize the Congress of the United States to enact legislation, such as S. 8, to grant the Vietnam Veterans of America a federal charter; and be it further

"Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation."

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. GOLDWATER, from the Committee on Armed Services:

Mr. GOLDWATER. Mr. President, from the Committee on Armed Services, I report favorably the attached listing of nominations.

Those identified with a single asterisk (*) are to be placed on the Executive Calendar. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again.

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

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of March 14, March 20, March 24, March 26, and March 27, 1986, at the end of the Senate proceedings.)

APRIL 9, 1986

*1. Lt. Gen. David K. Doyle, U.S. Army, to be placed on the retired list; and Maj. Gen. Thurman D. Rodgers to be lieutenant general. (Ref. No. 954)

*2. Lt. Gen. Nathaniel R. Thompson, Jr., U.S. Army, to be placed on the retired list; and Maj. Gen. Henry Doctor, Jr., to be lieutenant general. (Ref. No. 955)

*3. Gen. John K. Davis, U.S. Marine Corps, to be placed on the retired list. (Ref. No. 956)

**4. In the Army there are 44 appointments to the grade of major and below (list begins with Melvin Abercrombie). (Ref. No. 958)

**5. In the Marine Corps there are 5 permanent appointments to the grade of second lieutenant (list begins with Michael T. Barry). (Ref. No. 959)

*6. Lt. Gen. Robert L. Moore, U.S. Army, to be placed on the retired list; Lt. Gen. Lawrence F. Skibbie to be reassigned; and Maj. Gen. Peter G. Burbules to be lieutenant general. (Ref. No. 965)

**7. In the Air Force there are 2 permanent promotions to the grade of lieutenant colonel and below (list begins with Nina K. Rhoton). (Ref. No. 967)

**8. In the Air Force there are 2 appointments to the grade of major and below (list begins with Janet C. Flournoy). (Ref. No. 968)

**9. In the Air Force there are 1,529 appointments to a grade not higher than captain (list begins with Warren O. Abraham). (Ref. No. 969)

**10. In the Navy Reserve there are 27 appointments to the grade of permanent lieutenant in the Navy (list begins with Michael S. Anisowicz). (Ref. No. 970)

*11. Lt. Gen. Thomas R. Morgan, U.S. Marine Corps, to be general. (Ref. No. 973)

**12. In the Air Force there are 52 appointments of students of the Uniformed Services University of the Health Sciences Class of 1986 to a grade to be determined by the Secretary of the Air Force (list begins with Thomas E. Applegate). (Ref. No. 974)

**13. In the Navy there are 5 promotions to the grade of commander and below (list begins with Timothy Higgins). (Ref. No. 975)

**14. In the Navy there are 18 appointments to the grade of lieutenant commander and below (list begins with Jeffery J. Iovine). (Ref. No. 976)

**15. In the Navy and Navy Reserve there are 28 appointments to the grade of captain and below (list begins with Kathryn K. Murray). (Ref. No. 983)

**16 In the Army there are 13 permanent promotions to the grade of colonel and below (list begins with Charles B. Savely). (Ref. No. 987)

Total 1,734.

By Mr. PACKWOOD, from the Committee on Finance:

J. Roger Mentz, of New Jersey, to be an Assistant Secretary of the Treasury.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. KASTEN (for himself and Mr. PROXMIRE):

S. 2273. A bill to amend the Internal Revenue Code of 1954 to deny the tax exemption for interest on industrial development bonds used to finance acquisition of farm property by foreign persons; to the Committee on Finance.

S. 2274. A bill to provide that certain individuals who are not citizens of the United States and certain persons who are not individuals shall be ineligible to receive financial assistance under the price support and related programs administered by the Secretary of Agriculture; to the Committee on Agriculture, Nutrition, and Foresty.

By Mr. LAUTENBERG:

S. 2275. A bill for the relief of Dynamic Technology International, Inc., Lew Malnak Associates, Star Design Inc., Riverside Precision Machines, and certain other individuals; to the Committee on the Judiciary.-:- Ewan, Elmer H. -:- %118 -:- April 9, 1986 -:- Jacket No. 071-060 -:- Folio(s) 40/w1s -:- Extension A09AP6.382

By Mr. MOYNIHAN:

S. 2276. A bill to amend part C of the Balanced Budget and Emergency Control Act of 1985 to exempt certain programs, projects, and activities of the Library of Congress, the National Endowment for the Humanities, and the Department of Education from sequestration or reduction under an order issued by the President under section 252 of such Act; to the Committee on Governmental Affairs.

By Mr. QUAYLE:

S. 2277. A bill to amend the Fair Labor Standards Act of 1938 to exclude from sections 6, 7, and 12 of that act individuals of league baseball teams who serve as bat boys and bat girls; to the Committee on Labor and Human Resources.

By Mr. DODD (for himself, Mr. SPECTER, Mr. HART, and Mr. MOYNIHAN):

S. 2278. A bill to grant employees parental and temporary medical leave under certain circumstances, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. HEINZ:

S. 2279. A bill to improve the administration of the temporary emergency food assistance program and to reestablish food bank special nutrition projects, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. GRASSLEY (for Mrs. HAWKINS (for herself, Mr. ANDREWS, Mr. BENTSEN, Mr. BRADLEY, Mr. BURDICK, Mr. CHILES, Mr. COHEN, Mr. CRANSTON, Mr. DOLE, Mr. DURENBERGER, Mr. GLENN, Mr. GOLDWATER, Mr. GRASSLEY, Mr. HATCH, Mr. HEINZ, Mr. HOLLINGS, Mr. INOUYE, Mr. JOHNSTON, Mr. MATSUNAGA, Mr. NICKLES, Mr. NUNN, Mr. PRYOR, Mr. RIEGLE, Mr. ROTH, Mr. SARBANES, Mr. STENNIS, Mr. WARNER, Mr. ZORINSKY, Mr. HUMPHREY, and Mr. D'AMATO)):

S.J. Res. 315. Joint resolution designating May 1986 as "Older Americans Month"; to the Committee on the Judiciary.

By Mr. CRANSTON (for himself, Mr. PACKWOOD, Mr. DIXON, Mr. D'AMATO, Mr. LAUTENBERG, Mr. METZENBAUM, Mr. HEINZ, Mr. KENNEDY, Mr. NICKLES, Mr. KERRY, Mr. HECHT, Mr. SARBANES, Mr. DANFORTH, Mr. BURDICK, Mr. MATTINGLY, Mr. SIMON, Mr. TRIBLE, Mr. PELL, Mr. ANDREWS, Mr. EXON, Mr. SASSER, Mr. SPECTER, Mr. LEAHY, Mr. FORD, Mr. DECONCINI, Mr. HART, Mr. BOSCHWITZ, Mr. JOHNSTON, Mr. WILSON, Mrs. HAWKINS, Mr. LEVIN, Mr. BIDEN, Mr. DODD, Mr. BINGAMAN, Mr. BRADLEY, Mr. BUMPERS, Mr. GORE, Mr. HARKIN, Mr. HEFLIN, Mr. MELCHER, Mr. PRYOR, Mr. INOUYE, Mr. MATSUNAGA, Mr. MITCHELL, Mr. PROXMIRE, Mr. RIEGLE, Mr. ROCKEFELLER, Mr. MOYNIHAN, Mr. GLENN, Mr. BAUCUS, Mr. WEICKER, Mr. KASTEN, Mr. BOREN, Mr. HOLLINGS, Mr. MURKOWSKI, Mr. GORTON, Mr. GRASSLEY, Mr. ROTH, Mr. BYRD, Mr. DURENBERGER, and Mr. PRESSLER):

S.J. Res. 316. Joint resolution prohibiting the sale to Saudi Arabia of certain defense articles and related defense services; to the Committee on Foreign Relations.

By Mr. HEINZ (for himself, Mr. GLENN, Mr. WILSON, Mr. HOLLINGS, Mr. SYMMS, Mr. KERRY, Mr. COHEN, Mr. ZORINSKY, Mr. ROCKEFELLER, Mr. BAUCUS, Mr. DOLE, Mr. LUGAR, Mr. GORE, Mr. NUNN, Mr. ROTH, Mr. BRADLEY, Mr. LAUTENBERG, Mr. WARNER, Mr. DURENBERGER, Mr. MATSUNAGA, Mr. KASTEN, Mr. SARBANES, Mr. ANDREWS, Mr. RIEGLE, Mr. COCHRAN, Mr. KENNEDY, Mr. PRYOR, Mr. CHAFEE, Mr. STAFFORD, Mr. JOHNSTON, Mr. LEVIN, Mr. BENTSEN, Mr. CRANSTON, Mr. THURMOND, Mr. HATCH, Mr. DIXON, and Mr. MCCLURE):

S.J. Res. 317. Joint resolution to designate the month of November 1986 as "National Hospice Month"; to the Committee on the Judiciary.

By Mr. ABDNOR (for himself, Mr. DURENBERGER, Mr. WEICKER, Mr. STENNIS, Mr. MOYNIHAN, Mr. PRESSLER, Mr. BOSCHWITZ, Mr. ROCKEFELLER, Mrs. HAWKINS, Mr. DOLE, Mr. BRADLEY, Mr. DODD, Mr. HOLLINGS, Mr. MCCLURE, Mr. STEVENS, Mr. NUNN, Mr. SYMMS, Mr. BURDICK, Mr. GARN, Mr. HEINZ, Mr. GORE, Mr. KERRY, Mr. WARNER, Mr. NICKLES, Mr. CHILES, Mr. ANDREWS, Mr. MATHIAS, Mr. TRIBLE, and Mr. INOUYE):

S.J. Res. 318. Joint resolution designating November 1986 as "National Diabetes Month"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LAUTENBERG:

S. Res. 378. Resolution to refer S. 2275 entitled, "A bill for the relief of Dynamic Technology International, Inc., Lew Malnak Associates, Star Design, Inc., Riverside Precision Machines, and certain other individuals" to the chief judge of the U.S. Claims Court for a report thereon; to the Committee on the Judiciary.

By Mr. BAUCUS (for himself, Mr. SYMMS, Mr. MCCLURE, Mr. EXON, Mr. GORE, Mr. PRYOR, Mr. BENTSEN, Mr. MELCHER, Mr. SIMPSON, Mr. ANDREWS, Mr. ZORINSKY, and Mr. ARMSTRONG):

S. Con. Res. 124. Concurrent resolution expressing the sense of the Congress with respect to the milk production termination program; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HEINZ (for himself, Mr. LAXALT, Mr. KENNEDY, Mr. MOYNIHAN, Mr. DODD, Mr. SPECTER, Mr. HART, Mr. MATSUNAGA, and Mr. WEICKER):

S. Con. Res. 125. Concurrent resolution recognizing the achievements of the Ireland Fund and its founder, Dr. Anthony J.F. O'Reilly; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KASTEN (for himself and Mr. PROXMIRE):

S. 2273. A bill to amend the Internal Revenue Code of 1954 to deny the tax exemption for interest on industrial development bonds used to finance the acquisition of farm property by foreign persons; to the Committee on Finance.

S. 2274. A bill to provide that certain individuals who are not citizens or nationals of the United States and certain persons who are not individuals shall be ineligible to receive financial assistance under price support and related programs administered by the Secretary of Agriculture; to the Committee on Agriculture, Nutrition, and Forestry.

DISCOURAGING FOREIGN CORPORATE INVESTMENT IN U.S. AGRICULTURE

Mr. KASTEN. Mr. President, today I am introducing two pieces of legislation aimed at discouraging foreign corporate investment in agriculture.

As some of my colleagues may be aware, an Irish firm called Masstock International recently announced plans to invest up to $35 million in the construction of 10, 2,000-cow dairy farms in Georgia, along with a processing plant. Ostensibly, this enormous investment is motivated by the fact that Georgia and the Southeast are milk-deficient areas where large population growth is expected in the near future.

This may be true—but it is surely not the whole story. Masstock new milk factories will benefit from the reduced price uncertainty created by the price support and other farm programs we have set up to help our own farmers. And, Masstock is being assisted with tax-exempt financing through

a $4.5 million industrial development bond issued by one Georgia county.

Mr. President, the dairy farmers of Wisconsin are outraged at this development, and they have a right to be. For several years now, the dairy industry in Wisconsin has been plagued by declining prices and high interest rates. Repeatedly they have been told of the need to reduce the dairy surplus.

Yet now, at the very same time when we have instituted a progam to pay family farmers to quit dairying to reduce milk production, we are subsidizing a giant corporate investment in increasing milk production. This kind of inconsistent Federal policy defies common sense.

One simple statistic makes this clear; 1,681 Wisconsin farmers with an average herd size of 37 cows will leave dairy farmers through the buy-out program. The completion of Masstock's project will mean 20,000 more cows producing milk. In other words, the Masstock project will add enough milk production to make up for the loss of 540 of those 1,681 Wisconsin dairymen who are participating in the whole-herd buyout.

I am introducing two bills today. The first would deny foreign individuals or corporations controlled by foreign interests access to tax-exempt financing through industrial development bonds. The second would make foreign individuals or interests ineligible for Federal price support and other farm program benefits.

Mr. President, I believe industrial development bonds are useful tools to generate economic growth and create jobs. But tools can be abused, and granting an IDB to Masstock was clearly as abuse. There are two reasons for this.

First, we don't need more investment in agriculture. Especially in the dairy industry, we already have more productive capacity than we can use. Second, IDB's are intended to help create jobs for people. Not that many people will be needed to manage Masstock's milk factories. What the IDB issued on Masstock's behalf will really do is create jobs for cows.

Federal farm programs—including the Dairy Price Support Program—are also tools. They are tools to help our family farmers adjust to changes in the economic environment and weather hard times. They are not intended to encourage massive foreign investment in agriculture at a time when our own farmers are struggling.

The legislation I am introducing today is not intended as an antiimmigrant bill in any sense. The bill making foreign-controlled interests ineligible for farm program benefits specifically exempts foreign interests who are operating single, small to mid-sized family farms. Immigrants have made an important contribution to family farming in virtually every State including Wisconsin.

Foreign-owned corporate investors, however, have not. If organizations like Masstock want to try their hand in American agriculture, without the benefit of Federal subsidies, they are welcome to.

But for heaven's sake, let us not encourage foreign investors to take away markets from our family farmers through farm program and tax subsidies. I urge my colleagues to support my legislation to withdraw access to those subsidies to foreign interests investing in agriculture.

Mr. President, I ask unanimous consent to have the text of both bills printed in the RECORD at this point.

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

S. 2273

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

SECTION 1. TREATMENT OF INDUSTRIAL DEVELOPMENT BONDS USED TO FINANCE THE ACQUISITION OF FARM PROPERTY BY FOREIGN PERSONS.

(a) IN GENERAL.—Subsection (b) of section 103 of the Internal Revenue Code of 1954 (defining industrial development bonds) is amended by adding at the end thereof the following new paragraph:

"(19) LIMITATION ON FARM PROPERTY ACQUIRED BY FOREIGN PERSONS.—

"(A) IN GENERAL.—Paragraphs (4), (5), and (6) shall not apply to any obligation issued as part of an issue if any portion of the proceeds of such issue is to be used (directly or indirectly) for the acquisition, construction, reconstruction, or improvement of farm property (or an interest therein) by any foreign person.

"(B) FARM PROPERTY.—For purposes of this paragraph, the term 'farm property' means any real or personal property to be used for farming purposes.

"(C) FOREIGN PERSON.—For purposes of this paragraph, the term 'foreign person' means—

"(i) any individual who is not a citizen or national of the United States.

"(ii) any foreign corporation, foreign partnership, foreign trust, or foreign estate,

"(iii) any domestic corporation more than 10 percent of the value of the stock of which is held (directly or indirectly) by 1 or more foreign persons (as defined in clause (i) or (ii)),

"(iv) any domestic partnership more than 10 percent of the capital or profits interests in which is held (directly or indirectly) by 1 or more foreign persons (as defined in clause (i) or (ii)), and

"(v) any domestic trust more than 10 percent of the beneficial interests in which is held (directly or indirectly) by 1 or more foreign persons (as defined in clause (i) or (ii)).

"(D) ATTRIBUTION OF OWNERSHIP.—For purposes of subparagraph (C), stock (or other interest) owned, directly or indirectly, by or for a corporation, partnership, estate, or trust shall be considered as being owned proportionately by its shareholders partners, or beneficiaries. Any stock (or interest) treated as owned by a person by reason of the preceding sentence shall, for purposes of applying such sentence, be treated as actually owned by such person."

"(b) EFFECTIVE DATE.—The amendment made by this section shall apply to obligations issued after the date of the enactment of this Act.

S. 2274

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

SECTION 1. INELIGIBILITY TO RECEIVE AGRICULTURAL ASSISTANCE.

(a) DISQUALIFICATION OF CERTAIN PRODUCERS.—Notwithstanding any other provision of law, no producer disqualified by subsection (b) is eligible to receive—

(1) any type of price support or payment made available under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), or any other Act that is administered by the Secretary of Agriculture and is applicable to a commodity,

(2) a farm storage facility loan made under section 4(h) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(h)),

(3) any payment under crop insurance issued in accordance with the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.),

(4) a disaster payment made under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.),

(5) a loan made, insured, or guaranteed under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) or any other provision of law administered by the Farmers Home Administration, or

(6) a payment made under section 4 or 5 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b or 714c) for the storage of an agricultural commodity acquired by the Commodity Credit Corporation.

(b) INELIGIBLE PRODUCERS.—

(1) GENERAL DISQUALIFICATION.—Except as provided in paragraph (2), subsection (a) shall apply with respect to any producer—

(A) who is an individual who is not a citizen or national of the United States, or

(B)(i) which is a person who is not an individual, and

(ii) more than 10 percent of which is owned by individuals who are not citizens or nationals of the United States,

or any combination of such individuals and such persons.

(2) EXCEPTION.—Paragraph (1) shall not apply with respect to producers, other than individuals, who operate a single small- or medium-sized family farm.

SEC. 2. EFFECTIVE DATE; APPLICATION OF ACT.

(a) EFFECTIVE DATE.—Except as provided in subsection (b), this Act shall take effect on the date of the enactment of this Act.

(b) EXCLUSION.—This Act shall not apply with respect to any loan, payment, or financial assistance specified in section 1(a) made available—

(1) before the date of the enactment of this Act, or

(2) under any agreement entered into before the date of the enactment of this Act.

By Mr. LAUTENBERG:

S. 2275. A bill for the relief of Dynamic Technology International, Inc., Lew Malnak Associates, Star Design, Inc., Riverside Precision Machines, and certain other individuals; to the Committee on the Judiciary.

RELIEF OF CERTAIN FORMER NAVY CONTRACTORS

● Mr. LAUTENBERG. Mr. President, I introduce today a congressional reference resolution and accompanying private relief bill concerning the claims of Dynamic Technology International [DTI], Lew Malnak Associates [LMA], and their affected employees and subcontractors. This resolution provides for a referral of DTI and LMA's claims to the Court of Claims to determine whether they are justified.

DTI was an electronics contractor for the Navy in the 1970's. DTI had a contract to develop a computer-controlled automatic guard receiver terminal, designed to receive emergency signals from nuclear submarines in distress. The submarines were to be equipped with automatically activated submarine emergency communications transmitters [SECT], being developed by another contractor. The SECT system was designed to enable a submarine in distress to release a buoy which rose to the surface to signal the submarine's position.

DTI alleges that it discovered flaws on the SECT system. According to DTI, the SECT system released transmitting buoys accidentally, thereby betraying a submarine's location when it was not in distress. DTI argues that its "whistle-blowing" on the SECT program's flaws led to retaliation by Navy contract officers. It alleges that contract obligations to it were breached, and that DTI and the various individuals involved in the firm were blackballed, and their reputations harmed.

DTI has pursued its legal remedies in the Court of Claims. However, its claims in the nature of libel and slander have been dismissed as not remediable under the law. The congressional reference procedure set in motion once this resolution is passed calls on the Court of Claims to determine whether or not DTI and the involved individuals and firms were in fact wronged by the Government, and the measure of their damages. Once the Court of Claims reports back to the Senate, the Senate would then consider whether or not to pass the underlying private bill, granting appropriate and equitable relief. Introduction of this resolution reflects a desire to determine if DTI's claims have merit, not a conclusion that that they do.

It appears that those involved with DTI and Lew Malnak Associates have suffered greatly from the claimed blackballing. I urge my colleagues to act swiftly in approving this legislation to enable us to determine whether the claims are substantiated, and if so, to grant proper relief.

I ask unanimous consent that a copy of this private relief bill be printed in the RECORD.

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

S. 2275

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Dynamic Technology International, Inc., a New Jersey corporation, the sum of $———. The payment of such sum shall be in full satisfaction of all claims of Dynamic Technology International, Inc. against the United States for damages allegedly sustained as a result of certain actions of agents, officers, and employees of the United States committed prior to, during and after various investigations of contracts number N00030-76-C-1534 (dated March 13, 1970) and number N00039-69-C-1567 (dated January 15, 1969) between, Lew Malnak Associates and the United States.

SEC. 2. (a) The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lewis D. Malnak, doing business as Lew Malnak Associates, the latter being a sole proprietorship organized in the State of New Jersey, the sum of $———. The payment of such sum shall be paid in full satisfaction of all claims of Lewis D. Malnak, doing business as Lew Malnak Associates against the United States for damages allegedly sustained as result of certain actions of agents, officers, and employees of the United States committed prior to, during and after various investigations of contracts numbers N00039-70-C-1534 (dated March 13, 1970), N00039-69-C-1567 (dated January 15, 1969), N00039-68-C-1530 (dated January 4, 1968) and DAAD07-70-C-0150 (dated May 12, 1970) between Lew Malnak Associates and the United States.

(b) The payment of money under subsection (a) of this section shall not bar recovery of damages by Lew Malnak Associates for alleged breach by United States of contracts number N00039-70-C-1534 (dated March 13, 1970) and number N00039-69-C-1567 (dated January 15, 1969) with Lew Malnak Associates currently being litigated in the United States Claims Court (Case Number 429-79C), so long as payment under subsection (a) is for damages other than those arising from said action for breach of contract.

SEC. 3. The Secretary of Treasury shall pay, out of any money in the Treasury not otherwise appropriated, to each of the following persons or their heirs, the amounts listed below. Said persons being former employees of Lew Malnak Associates, Dynamic Technology International, Inc., or both. The payment of such sum shall be in full satisfaction of all claims of said persons against the United States for damages allegedly sustained as the result of certain actions of agents, officers, and employees of the United States committed during various investigations in 1971 by the United States Navy of Lew Malnak Associates, Dynamic Technology International, Inc., and certain individuals:

Name of Claimant, Address: Amount of Claim

Stanley E. Gualtieri: Philadelphia, Pennsylvania ..... $.....

Harold Ritchey: Chester, Pennsylvania ..... $.....

Vincent F. Ryan, Jr. Haddonfield, New Jersey ..... $.....

Alden Dupont: Perkasie, Pennsylvania ..... $.....

Harvey Gilman: Mount Laurel, New Jersey ..... $.....

Robert J. Gawlinski: Mount Laurel, New Jersey ..... $.....

Gerald Grygo: Somerdale, New Jersey ..... $.....

Leona Rose: Wichita, Kansas ..... $.....

Delores Litsch: Delran, New Jersey ..... $.....

Charles Dempsey: Mount Laurel, New Jersey ..... $.....

Bernard Cory: Philadelphia, Pennsylvania ..... $.....

James Yates; Sewell, New Jersey ..$.....

Alonzo Mercier: New Bedford, Massachusetts ..... $.....

Edward Gresick: Middletown, Delaware ..... $.....

SEC. 4. The Secretary of the Treasury shall pay, out of any money in the Treasury not otherwise appropriated, to each of the following companies the amounts listed below. The payment of such sum shall be in full satisfaction of all claims of said persons against the United States for damages allegedly sustained as the result of certain actions of officers and employees of the United States committed before, during and after various investigations in 1971 by the United States Navy of Lew Malnak Associates, Dynamic Technology International, Inc. and certain individuals.

Name of Claimant, Address: Amount of Claim

Star Design, Inc.: Morristown, New Jersey ..... $.....

Riverside Precision Machines: Riverside, New Jersey ..... $.....

Sec. 5. No part of the amount appropriated by sections 1, 2, 3, and 4 of this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, any contract to the contrary notwithstanding. Violation of the provisions of this section is a misdemeanor punishable by a fine not to exceed $1,000.

SEC. 6. Nothing in this Act shall be construed as an inference of liability on the part of the United States.●

By Mr. MOYNIHAN:

S. 2276. A bill to amend part C of the Balanced Budget and Emergency Control Act of 1985 to exempt certain programs, projects, and activities of the Library of Congress, the National Endowment for the Humanities, and the Department of Education from sequestration or reduction under an order issued by the President under section 252 of such act; to the Committee on Governmental Affairs.

EXEMPTING CERTAIN PROGRAMS FROM SEQUESTRATION

● Mr. MOYNIHAN. Mr. President, today I rise to introduce a bill to exempt from sequestration under the Balanced Budget and Emergency Control Act of 1985 certain Federal programs and assistance that support the Library of Congress and our Nation's other major research libraries.

In "Meditationes Sacrae" (1597), Francis Bacon wrote, "Nam et ipsa scientia potestas est"—knowledge is power.

I have always tried to make my students understand the significance of Bacon's insight, for while I have spent much of my life in government, I am a teacher by profession and have always returned to it. I firmly believe that Bacon's words have never been of more importance to the Nation than they are today, as we move into the postindustrial information age.

Learning, pursuing knowledge for its own sake as well as for its practical applications, continues to be one of the best means of improving the quality of our lives and those of generations to come. But progress is dependent on understanding what has come before, and it is our research libraries that hold many of the fruits of our precious intellectual and cultural endeavors. Such fruits as Johannes de Ketham's "Fasciculus Medicinae" (1495), Sir Isaac Newton's "Philosophiae Naturalis Principia Mathematica" (1687); the "Declaration of Independence"; Robert Fulton's drawings of submarines and submarine bombs (1804); Oscar Hammerstein's three albums of clippings and memorabilia related to "Oklahoma!"; and Gian Carlo Menotti's original scores to his operas. Thus, it is our research libraries that play an undisputed role in assisting those who seek to expand and enhance our knowledge.

Mr. President, by far the largest collection of stored knowledge in the world—by last count, 81,905,916 items—is here in our Nation's Capital, at our own Library of Congress.

The Library has accumulated more books from England and America than any other Library—but barely one quarter of its collection is in English.

It has more maps, globes, charts, and atlases than any other repository on Earth.

It has almost every phonograph record ever made in the United States, the largest collection of motion pictures in America, more Civil War photographs, more personal letters in Sigmund Freud's handwriting, more flutes, and more handwritten copies of the Gettysburg Address in Lincoln's own hand than any other institution in the world.

But it is not solely the Library's collections that are worthy of praise.

Credentials are not required to use the resources of the Library of Congress. Its use is not restricted to advanced scholars, like the Lenin State Library, or to U.S. citizens, or to those who are "politically reliable." Its doors are open to all, and last year the Library welcomed 2.8 million library users and visitors.

And service the public it does. In 1984, the Library prepared 807 bibliographies containing a total of 124,823 entries; it aided scholars and researchers by circulating 3,196,537 volumes within the Library; it answered 931,980 inquiries in person, 138,175 by mail, and 562,421 by telephone through reference specialists. In 1984, the Educational Liaison Office arranged tours and programs for ore than 5,000 distinguished visitors—Prince Charles among them.

For those who are not able to visit the Library, a number of special services are available. Through its interlibrary loan program, the Library extends the use of its books and other research materials to scholars working at academic, public, or other libraries across the country. This service is intended to make available unusual materials not readily accessible elsewhere.

Among those who have used the Library of Congress' research materials for their works are several recent Pulitzer Prize winners: Leonard Baker (1979), Leo Beck (1979), Edmund Morris (1980), William McFeely (1982), susan Sheehan (1983), and Louis Harlan (1984). Other notable authors, historians: Arthur Schlesinger ("Age of Roosevelt"), Dumas Malone ("Jefferson"), Irving Brandt ("Madison") and C. Van Woodward ("Origins of the New South") have used the Library's extensive historical collections. Even Ellery Queen, author of mystery stories, did research at the Library of Congress.

The Library also offers assistance in locating source materials in libraries across the United States and throughout the world, and publishes bibliographies, guides, and selected lists of materials on many subjects. It compiles the National Union Catalog of books published since 1454, which identifies the holdings of more than 1,200 North American libraries, as well as other union catalogues which record the locations of books in Slavic, Hebraic, Japanese, and Chinese languages.

The Library's Copyright Office administers the operation of the U.S. copyright law. This office maintains records of more than 16 million copyright registrations and copyright transfers. Nearly half a million registrations are added every year.

It has served the Congress and the public quite well over the years. But we have not always been so blessed.

In 1772, when the Continental Congress convened in Carpenter Hall, Philadelphia, our Founding Fathers—learned and professional men who were accustomed to having a library at their disposal—utilized the Library Company of Philadelphia, just down the hall from where the Continental Congress was meeting. This same collection was used again by our Founding Fathers in 1787, during the Constitutional Convention, and in 1791 by the Second Congress. When the first Congress of the United States convened in New York City's City Hall, our elected representatives utilized the New York Society's library of 4,000 volumes, which was located upstairs from where they were meeting.

It was not until the year 1800 that Congress first spent the public's money to acquire a much-needed library. In that year, as Congress was preparing to move from New York to Washington, DC, a bill appropriating $5,000 for the purchase of books and for the fitting up of a suitable apartment for containing them was passed.

In June 1800, the Secretary of the Senate and the Clerk of the House sent to London for 740 volumes on law, political science, and history.

Unfortunately, this collection was housed in the Capitol building, which the British burned on August 24, 1814, during the War of 1812.

The Library's current collection was born in that year, when President Thomas Jefferson offered to sell his personal library to Congress. Two years later, President Madison approved the legislation which acquired Jefferson's library for the Nation.

Being a man of letters, Jefferson's collection contained volumes of a myriad of topics—6,487 volumes in all, which were appraised at $23,950. Cicero's "Orations," Gibbon's "History of the Decline and Fall of the Roman Empire," Aristotle's "Politics," Knox's "History of the Reformation in Scotland," and Burke's "History of Virginia" were among his collection.

From this meager beginning, the Library grew such that by the 19th century, the Library had 50,000 volumes and was second only to Harvard University in size.

It was under the stewardship of Ainsworth Rand Spofford, whose tenure as Librarian extended from 1864 to 1897, that the Library truly began to expand. In 1870, Congress passed a copyright law that Spofford had supported, stipulating that "all records and other things relating to copyrights and required by law to be preserved, shall be under the control of the Librarian of Congress." As a result, anyone claiming a copyright on any book, map, chart, dramatic or musical composition, engraving, cut, print, or photograph was required to send two copies to the Librarian within 10 days of its publication.

As a result, in the next 25 years, the Library received: 371,636 books; 257,153 magazines; 289,617 pieces of music; 73,817 photographs; 95,249 prints; and 48,048 maps.

Needless to say, the collection soon outgrew its rooms in the Capitol. Wooden shelves were built in the corridors of the Capitol to store library materials; the Capitol attics were utilized; the crypt under the Capitol dome was appropriated.

In 1886, President Cleveland approved legislation to authorize the construction of a new building to house the Library of Congress. Con-

struction began in 1889 by the Army Corps of Engineers—and, I might add, they met all deadlines and brought the project in well under contract.

The Jefferson Building opened in 1897, but by 1935, was filled, and another annex—the Adams Building—was built. This too, became filled by 1965. The Madison Building, larger than the first two buildings combined, was constructed and opened in June 1980.

If Spofford's legacy was the acquisition of materials Herbert Putnam, a successor, transformed the Library into what we know today. During his 56-year tenure from 1899 to 1955, he founded a national program for the blind, invented a special classification system to fit what had become the largest library collection in the world, and began to print and sell the resulting catalog cards so that every library in the West could acquire them. He published bibliographies so that scholarly institutions could know what the Library had, and then built the largest interlibrary loan system in the country so that everyone could borrow the books; he designed a legislative reference service, the precursor to the Congressional Research Service that we know today; and he built the largest collection of oriental literature outside the Far East. He even convinced a donor to give five Stradivari violins and another donor to build an auditorium in which to play them, so that the sheet music in the Library's collection could be used.

By the time of Herbert Putman's resignation in 1955, the Library possessed almost 6 million volumes.

Mr. President, the Library of Congress is truly the cross patee in the crown of our Nation's research libraries. But there are numerous other gems as well, such as the New York Public Library, the Newberry Library in Chicago, the Huntington Library in San Marino, CA; the Massachusetts Historical Society in Boston, and the Virginia Historical Society in Richmond, as well as those research libraries affiliated with major universities such as Harvard.

Permit me to take just a few moments to discuss one of these institutions—the New York Public Library's research libraries—now composed of the Central Research Library on Fifth Avenue, the Performing Arts Research Center in Lincoln Center, the Schomburg Center for Research in Black Culture in Harlem; and the Annex. Founded in 1895, the research collection was formed out of the extensive libraries of John Jacob Astor and James Lenox, and the financial resources of the Samuel J. Tilden Trust. The City of New York then agreed to erect and maintain a building to house this unified reference library, which was completed in 1911.

Today, the Research Libraries of the New York Public Library contain more than 27 million noncirculating items in over 3,000 languages and dialects, covering almost every field of recorded knowledge.

The New York Public Library is the only public library in the United States to offer a research facility of such size, depth, and quality, and the only comprehensive research facility in the United States other than the Library of Congress that is freely accessible to the public. Since the turn of the century, the caliber of the New York Public Library has been compared to several of the great national libraries of the world—France's Bibliotheque Nationale, England's British Library, the Soviet Union's Lenin State Library, and of course, the Library of Congress—and rightly so.

Every year, some 1.5 million people use the New York Public Library, and more than 20 percent of these people are from outside New York City.

Such noted authors as Barbara Tuchman, E.L. Doctorow, and Norman Mailer have used the Research Libraries' collections. Steven Sondheim, a noted composer, often utilizes the Music Collection, which ranks second in this country only to that of the Library of Congress.

Unlike most university libraries, the Research Libraries usually acquire only a single copy of each item. I use the word "item" because of the 27 million pieces in the Research Libraries, only 6 million are actually books! The remainder includes newspapers, periodicals, pamphlets, manuscripts, archives, prints, maps, recordings, sheet music, photographs, videotapes, films, and miroforms—the raw materials of scholarly research.

In 1974, the New York Public Library became a founding member of the Research Libraries Group [RLG], a national consortium to undertake a coordinated program of collection development. The RLG has allowed the New York Public Library to make the best use of its resources by collecting comprehensively in the subject areas where it is already strong. The preeminence of the New York Public Library's collections is suggested by the fact that of the 315 subjects, languages, and geographic areas that have been designated by the RLG, the New York Public Library has accepted primary collecting responsibility for 65, most of which are in the Humanities.

The Research Libraries maintain a number of unique collections. For example, the Dance Collection is the world's largest and most varied archive devoted solely to collecting and preserving the literature and images of dance. Over 97 percent of the collection consists of nonbook material, such as drawings, programs, videotapes, and oral tap interviews. It is interesting to note that of all books published on dance in the last 15 years, 98 percent contain extensive credits to the Dance Collection.

The Research Libraries also contain extensive holdings of American newspapers—5,000 titles in over 24,000 bound volumes and nearly 90,000 reels of microfilm. This comprehensive collection contains many early American newspapers from the colonial and Revolutionary periods; the most complete file of Zenger's Weekly Journal, virtually complete files of most general newspapers published in New York City from 1801 to the present—many of which are in foreign languages—titles from all 50 States, and black-owned and edited papers of the 19th and 20th centures, includng the first, Freedom's Journal (1827-29).

The ship passenger lists maintained by the Research Libraries is the most important resources available to genealogists and historians seeking a record of immigrants who sailed from Europe to North America.

The Research Libraries' Schomburg Center is one of the world's premier collections of materials on black cultures and experience. This Center subscribes to 900 current periodicals from all over the world, and has over 5,000 hours of oral history recordings, over 150,000 photographs—some dating from the 1840's—and a collection of African and Afro-American art and artifacts which date back to the eighth century.

The Rare Books and Manuscripts Division contains over 20,000 linear feet of material, and is a major source of study of American history and culture. The "Petition of the American Congress to George III, 1775," Thomas Jefferson's handwritten draft of the "Declaration of Independence," one of seven known copies of the original Bill of Rights, and a draft of Washington's "Farewell Address"—written in his own hand—are among the treasures contained in this Division.

Mr. President, we should not let Gramm-Rudman-Hollings destroy these institutions.

On February 1, Congress and the public received official notification of the Gramm-Rudman-Hollings across-the-board cuts for fiscal year 1986. Daniel Boorstin, Librarian of Congress, learned that the 3.5-percent budget cuts for fiscal year 1986 were to be augmented by an additional 4.3-percent reduction under Gramm-Rudman-Hollings. As a result, in the current fiscal year, the Library of Congress will lose $18.3 million in funding. And more cuts can be expected in the future.

How will these losses affect our Library of Congress?

Drastically.

Access, as of March 9, has been greatly reduced. All Library buildings

are now closed on Sundays and holidays, and closed to the public at 5:30 each evening except Wednesday—shutting out those employed in the daytime and those from out of town who are unable to visit it during the work week. Many of you, I am sure, have read of those who have risked arrest to protect the earlier closing times.

The Library's work force is being reduced by almost 300 staff members—70 workers in the research services department alone.

Funds for the automation of Library services are being reduced by 6.8 percent—affecting the purchase of computer terminals, microprocessors, and software.

Preservation of the Library's current collection of microfilm, books, motion pictures, and documents is being curtailed.

Cataloging is being reduced by 25,000 books per year, or about 14 percent.

The budget for the purchase of books and Library materials is being cut by $626,000, affecting the purchase of new books of research value, serials, periodicals, microfilm, maps, and recordings. Gaps in the Library's present collection will not be filled, and the purchase of rare and unique materials will be minimal.

The National Library Service for the Blind and Physically Handicapped is being cut 12 percent, resulting in 80,000 fewer copies of braille and recorded magazines and 2,000 fewer braille book copies.

Funds for the Congressional Research Service are being cut by $1.7 million—a loss to every Member of this Congress.

The effects of Gramm-Rudman-Hollings on the Library of Congress—the library created by this body 186 years ago—are indeed severe because the Library is funded solely by the Federal Government. But our Nation's other research libraries are also suffering under Gramm-Rudman-Hollings.

Federal assistance to our research libraries—only a relatively modest $10 to $15 million annually to begin with—comes from three programs: First, the Research Libraries Program at the Department of Education; second, the Office of Preservation at the National Endowment for the Humanities; and third, National Endowment for the Humanities challenge grants provided to research libraries.

Although many of these libraries receive most of their support from private sources, Federal assistance is vital to their ability to fulfill important functions—such as the preservation of unique collections of benefit to the Nation as a whole. For example, the New York Public Library has used Federal funding to preserve and film its World War I collection—the outstanding such collection in the country.

Thus, for a relatively small expenditure, we are often able to preserve priceless collections and maintain excellence in research, collecting, and cataloging.

Congress should not let Gramm-Rudman-Hollings destroy the legacies of the Library of Congress and our Nation's other research libraries.

Augustine Birrell once said, "Libraries are not made, they grow." It took our ancestors almost two centuries to build the Library of Congress into what it is today, but it will not take long to destroy it. We must continue to nurture our Nation's research libraries, in spite of Gramm-Rudman-Hollings.

Let us then, heed the advice of John Adams: "Let us * * * cherish, therefore, the means of knowledge. Let us dare to read, think, speak, and write * * * Let every sluice of knowledge be opened and set a-flowing."

I urge my colleagues to support this legislation, and I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2276

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

SECTION 1. EXEMPT PROGRAMS AND ACTIVITIES.

(a) EXEMPT ACCOUNTS.—Section 255(g)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 905(g)(1)) is amended by inserting after the item relating to Intragovernmenal funds the following new items:

"Library of Congress, books for the blind and physically handicapped, salaries and expenses (03-0141-0-1-503);

"Library of Congress, collection and distribution of library materials (03-0144-0-1-503);

"Library of Congress, copyright office, salaries and expenses (03-0102-0-1-376);

"Library of Congress, salaries and expenses (03-0101-0-1-503);".

"Library of Congress, Congressional Research Service, salaries and expenses (03-0127-0-1-801);".

(b) EXEMPT PROGRAMS, PROJECTS, AND ACTIVITIES WITHIN ACCOUNTS.—

(1) Section 255(g) of such Act is further amended by adding at the end thereof the following new paragraph:

"(3) The following programs, projects, and activities within the specified budget accounts shall be exempt from reduction under any order issued under this part:

"Challenge funds, PPA No. 13, National Endowment for the Humanities, Grants and Administration (59-0200-0-1-503) provided to research libraries;

"Office of Preservation, PPA No. 10, National Endowment for the Humanities, Grants and Administration (59-0200-0-1-503); and

"Research Libraries, PPA No. 9, Department of Education, Libraries (91-0104-0-1-503).".

(2) Section 255(l) of such Act is amended by adding at the end the following new sentence: "For purposes of paragraph (3) of subsection (g), an exempt program, project, or activity within a budget account that is not exempt is identified by the program, project, activity (PPA) number given to it in Sequestration Order for Fiscal Year 1986, Message of the President, and Related Communications, February 4, 1986 (S. Doc. 99-24).".

(c) APPLICATION.—The amendments made by this section shall apply to fiscal years beginning after September 30, 1986.●

By Mr. QUAYLE:

S. 2277. A bill to amend the Fair Labor Standards Act of 1938 to exclude from sections 6, 7, and 12 of that act individuals of league baseball teams who serve as bat boys and bat girls; to the Committee on Labor and Human Resources.

EXCLUSION OF LEAGUE BAT BOYS AND BAT GIRLS FROM CERTAIN SECTION OF THE FAIR LABOR STANDARDS ACT

● Mr. QUAYLE. Mr. President, in the words of the immortal poem "* * * there is no joy in Mudville, mighty Casey has struck out." Or more prosaically, Secretary of Labor Brock has ruled that bat boys and girls are "employees" of the baseball teams, that they are "working," and that the teams that "hire" bat boys and girls are violating Federal child labor statutes if the bat boys and girls are under age 16, because Federal child labor laws prohibit "working" past 9 p.m. on summer evenings, and past 7 p.m. while school is in session. All Americans know ball games do not fit into those times.

In a letter to baseball commissioner Peter Ueberroth, Secretary of Labor William E. Brock recently admitted "* * * being a bat boy is a dream opportunity for many youngsters."

He's right. Baseball is the All-American sport but the dream of being a baseball star, of hitting that clutch home run, is now closed to those bat boys and girls who want to associate with the players of their home town teams.

That dream has been extinguished for children across the Nation. Kids are not going to get a chance to meet the players, nor play with the players, nor be a bat boy, because the Labor Department has struck out.

Now I am the first to say that young children should not hold jobs in dangerous professions, nor should they displace older workers, nor should they work long hours whether while school is in session, or when it is out. However, a bat boy is none of the above—it is an opportunity to have fun and share in reflected glory.

Mr. President, I remind you that Casey got another turn at bat—and so should my good friend the Secretary of Labor. I invite him, as well as all my colleagues to support S. 2277, a bill to amend the Fair Labor Standards Act to specifically permit boys and girls between 14 and 16 to volunteer to be bat or ball "boys" for a league team so

long as, while school is in session, they do not attend more than 2 games per week which last past 11 p.m. In the summertime, if a 14 or 15 year old wants to serve a league team as a bat or ball "boy", for home games, I think we should permit it.

Mr. President, baseball is first and foremost, a game. To adults it may be a serious game, but to youngsters, it is just a game—even when played by adults. Let's keep this dream alive. Let's permit young boys and girls to be bat boys and girls for their baseball teams.

I offer this bill for the baseball fans of this Nation. I offer this bill for the little leaguers of this Nation and for their parents who vicariously enjoy the experiences of their children. But most of all, I offer this bill for the dreamers, those kids for whom "being a bat boy is a dream opportunity".

Mr. President, I ask unanimous consent that the text of S. 2277 be printed in the RECORD.

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

S. 2277

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 13(d) of the Fair Labor Standards Act of 1938 is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2) The provisions of sections 6, 7, and 12 shall not apply with respect to any individual who serves a league baseball team as a bat boy or bat girl for the team if the individual—

"(A) has attained 14 years of age but not 16 years of age;

"(B) serves as a bat boy or bat girl not more than two nights per week; and

"(C) while school is in session, works not later than 11 post meridian.".●

By Mr. DODD (for himself, Mr. SPECTER, Mr. HART, and Mr. MOYNIHAN):

S. 2278. A bill to grant employees parental and temporary medical leave under certain circumstances, and for other purposes; to the Committee on Labor and Human Resources.

PARENTAL AND MEDICAL LEAVE ACT

Mr. DODD. Mr. President, today I am introducing a bill to establish something we have gone without in this country for far too long: Namely, a national policy on parental leave. The Parental and Medical Leave Act of 1986 would promote the economic security of families by providing for parental leave upon the birth, adoption, or serious illness of a child, and temporary medical leave when a serious health condition prevents a parent from working. I am pleased to have Senators SPECTER, HART, and MOYNIHAN join me as cosponsors of this important legislation.

Because such leave would be unpaid, it will not add to the deficit nor to the economic burdens carried by employers. Yet it will provide parents with continuing health benefits and a most important assurance: that of a job when they are ready to return to work. Similar legislation has been introduced on the House side by Representatives SCHROEDER and CLAY.

The critical need for a national policy on parental leave has been underscored by the Yale Bush Center in child development and social policy, in a project focusing on infant care leave policies here and abroad. As director Ed Zigler of the Yale Bush Center in my State of Connecticut has pointed out so well, the time has come when we can no longer ignore the changing demographics of our work force.

Today, close to half of all mothers with infants under 1 year of age work outside of the home. That figure has doubled since 1970 and shows no signs of abating. In fact, 85 percent of all women working outside of the home are likely to become pregnant at some point during their child-bearing years. As a result, child care for infants is the fastest growing, most expensive form of supplemental care in this country.

These percentages translate into a total today of 24 million children under age 13 with mothers working outside of the home. In a report entitled the Subtle Revolution," The Urban Institute predicts that over the next 5 years, an additional 5 million children will have mothers joining the labor force.

The reasons behind this demographic resolution are quite simple: Mothers are entering the work force out of economic necessity. Two out of every three women working outside of the home today are either the sole providers for their children or have husbands who earn less than $15,000 a year. In 1983, 25 percent of the married women in the work force had husbands earning less than $10,000; 50 percent under $20,000, and nearly 80 percent less than $30,000. In short, these women's wages are critical to the support of their families.

As founder and cochairman of the Senate Children's Caucus, I have heard and seen first-hand the adverse consequences of forcing parents to choose between their children and their jobs. One new parent took an unpaid leave from her job in a retail store, only to find when she returned after her 6 weeks checkup at the doctor's that she has been replaced by a new employee. Another parent had arranged to adopt a child under the condition that she stay at home with the child for 6 months. When her employer refused to grant her more than 2 weeks' leave, the agency turned down her request to become an adoptive parent. Unfortunately, the list of such cases appears endless in contrast to the comparatively small group of employees who are able to obtain leave to stay at home for a short time with a new child.

The United States is the only industrialized nation without a policy to guarantee parents who want to stay home temporarily with a new child that their jobs will be waiting for them when they are able to return to work. This is a most dubious distinction, given the importance of the economic security of families to the defense and over security of any nation. Our economic summit partners, Canada, France, Britain, Japan, West Germany, and Italy, have already recognized this connection between the economic security of families and national security. In having established national parental leave policies, they have more in common with the Soviet Union than they do with us. Likewise, a whole host of developing nations, including Haiti and the Philippines, have national policies on maternity leave firmly in place.

We know that children do not fare well when their parents undergo economic stress: children of the unemployed are three times more likely to suffer abuse than other children. Neither do children thrive when their parents are suffering from physical and emotional exhaustion in their efforts to work full-time and incorporate a new infant into the family.

In a survey of women in the New Haven area in my State of Connecticut, Yale researchers found that the vast majority of working mothers said they had to return to work sooner than they felt was suitable. They returned out of fear of losing their jobs, jobs their families depend upon.

Even though many physicians assert it takes a women 6 to 8 weeks to recover from a normal, safe delivery, the typical working mother returns to her job after 3 to 4 weeks. She returns before recovering fully from childbirth, let alone coping with the dramatic changes in finances, scheduling, and family relationships that go along with caring for a new infant.

The Pregnancy Discrimination Act of 1978 mandates that all serious health conditions related to pregnancy be treated like all other short-term serious health conditions. However, only five States have temporary disability insurance policies. Likewise, only half of all private employers offer short-term disability coverage to assist mothers recovering from a complicated delivery or fathers recuperating from surgery.

The Parental and Medical Leave Act of 1986 provides for up to 6 months of temporary medical leave for both mothers and fathers. Just as importantly, it provides for up to 4 months parental leave to give a mother or

father time to integrate a new child into the family or to care for a child who is seriously ill. Although such leave is unpaid, health benefits will be assured as will a job when the parent is ready to return to work.

In endeavoring to assist parents, we must not forget the plight of employers, especially small businessmen and women to whom a stable work force can mean the difference between failure and success. For this reason, my bill exempts small businesses with fewer than 15 employees. The legislation introduced in the House of Representatives exempts small businesses with fewer than five employees. The small business exemption is an issue which should be addressed in both Senate and House hearings.

Likewise, the provision allowing parents to take unpaid leave to care for a seriously ill child should be reviewed in hearings. The Senate bill would grant such leave in the case of serious illness until a child turns 18 years of age. The House bill would continue such leave for the parents of disabled, dependent daughters and sons over the age of 18. The need for economic, physical, and emotional security for families with adult sons and daughters with disabilities is a pressing problem and one which should be explored further.

In closing, Mr. President, the need for a national policy on parental leave is clear. I urge my colleagues to join me in sponsoring the Parental and Medical Leave Act of 1986. For if we are to assure a strong, healthy future for coming generations of Americans, caring for your child can no longer mean losing your job.

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

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

S. 2278

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Parental and Medical Leave Act of 1986".

(b) TABLE OF CONTENTS.—

TITLE I—GENERAL REQUIREMENTS FOR PARENTAL AND MEDICAL LEAVE

SEC. 101. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the number of two-parent households in which both parents work and the number of single-parent households in which the single parent works are increasing significantly;

(2) it is important for the development of children and the family unit that fathers and mothers be able to participate in early childrearing and the care of children who have serious health conditions;

(3) the lack of employment policies to accommodate working parents forces many individuals to choose between job security and parenting; and

(4) there is inadequate job security for employees who have serious health conditions that prevent the employees from working for temporary periods.

(b) PURPOSES.—It is the purpose of this Act—

(1) to balance the demands of the workplace with the needs of families;

(2) to promote the economic security and stability of families; and

(3) to entitle employees to take reasonable leave for medical reasons, for the birth or adoption of a child, and for the care of a child who has a serious health condition, without the risk of termination or retaliation by employers.

SEC. 102. DEFINITIONS.

As used in this title:

(1) COMMERCE.—The terms "commerce" and "industry or activity affecting commerce" mean any activity, business, or industry in commerce or in which a labor dispute would hinder or obstruct commerce or the free flow of commerce, including "commerce" and any activity or industry "affecting commerce" within the meaning of the Labor Management Relations Act, 1947 (29 U.S.C 141 et seq.).

(2) EMPLOY.—The term "employ" has the same meaning given the term in section 3(g) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(g)).

(3) EMPLOYEE.—The term "employee" has the meaning given the term in section 3(e) of the Fair Labor Standards Act of 1938, except that—

(A) the term does not include any Federal officer or employee covered under subchapter III of chapter 63 of title 5, United States Code; and

(B) the term includes permanent part-time employees.

(4) EMPLOYER.—The term "employer"—

(A) means any person who employs 15 or more employees and is engaged in commerce or in any industry or activity affecting commerce;

(B) includes—

(i) any person who acts directly or indirectly in the interest of an employer to one or more employees; and

(ii) any successor in interest of such an employer; and

(C) includes any public agency, as defined in section 3(x) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(x)), except that employees of any such agency shall be considered employees engaged in "health condition" means an illness, injury, impairment, or physical or mental condition that involves—

(A) inpatient care in a hospital, hospice, or residential medicare care facility; or commerce.

(5) EMPLOYMENT BENEFITS.—The term "employment benefits" means all benefits provided or made available to employees by an employer, including group life insurance, health insurance, disability insurance, sick leave, annual leave, educational benefits, and pensions, regardless of whether the benefits are provided by a policy or practice of an employer or by an employee benefit plan as defined in section 3(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(1)).

(6) PERSON.—The term "person" has the same meaning given the term in section 3(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(a)).

(7) REDUCED LEAVE SCHEDULE.—The term "reduced leave schedule" means leave scheduled for fewer than the usual number of hours of an employee per workweek or hours per workday.

(8) SECRETARY.—The term "Secretary" means the Secretary of Labor.

(9) SERIOUS HEALTH CONDITION.—The term "serious health condition" means an illness, injury, impairment, or physical or mental condition that involves—

(A) inpatient care in a hospital, hospice, or residential medical care facility; or

(B) continuing treatment or continuing supervision by a health care provider.

(10) SON OR DAUGHTER.—The term "son or daughter" means a biological, adopted, or foster child, stepchild, legal ward, or child of a de facto parent, who is under 18 years of age.

(11) STATE.—The term "State" has the same meaning given the term in section 3(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(c)).

SEC. 103. PARENTAL LEAVE REQUIREMENT.

(a) IN GENERAL.—(1) An employee shall be entitled to 18 workweeks of parental leave during any 24-month period—

(A) as the result of the birth of a son or daughter of the employee;

(B) as the result of the placement, for adoption or foster care, of a son or daughter with the employee; or

(C) in order to care for the employee's son or daughter who has a serious health condition.

(2) The leave may be taken on a reduced leave schedule. Under the schedule—

(A) the total period during which the 18 workweeks may be taken may not exceed 36 consecutive workweeks; and

(B) the leave shall be scheduled so as not to disrupt unduly the operations of the employer.

(3) In the case of a child who has a serious health condition, the leave may be taken intermittently when medically necessary.

(b) UNPAID LEAVE PERMITTED.—Except as provided in subsection (c), leave granted under subsection (a) may consist of unpaid leave.

(c) RELATIONSHIP TO PAID LEAVE.—(1) If an employer provides paid parental leave for fewer than 18 weeks, the additional weeks of leave added to attain the 18-week total may be unpaid.

(2) An employee may elect to substitute any accrued paid vacation leave, personal leave, or other appropriate paid leave for any part of the 18-week period.

SEC. 104. TEMPORARY MEDICAL LEAVE REQUIREMENT.

(a) IN GENERAL.—(1) Any employee who, as the result of a serious health condition, becomes unable to perform the functions of the position of the employee, shall be entitled to temporary medical leave. The entitlement shall continue for as long as the employee is unable to perform the functions, except that the leave shall not exceed 26 workweeks during any 12-month period.

(2) The leave may be taken intermittently when medically necessary.

(b) UNPAID LEAVE PERMITTED.—Except as provided in subsection (c), leave granted under subsection (a) may consist of unpaid leave.

(c) RELATIONSHIP TO PAID LEAVE.—(1) If an employer provides paid temporary medical leave or paid sick leave for fewer than 26 weeks, the additional weeks of leave added to attain the 26-week total may be unpaid.

(2) An employee may elect to substitute accrued paid vacation leave, sick leave, or other appropriate paid leave for any part of the 26-week period.

SEC. 105. CERTIFICATION.

(a) IN GENERAL.—An employer may require that a claim for parental leave under section 103(a)(1)(C), or temporary medical leave under section 104, be supported by certification issued by—

(1) the duly licensed health care provider of the son, daughter, or employee, whichever is appropriate; or

(2) any other health care provider determined by the Secretary to be capable of providing adequate certification.

(b) SUFFICIENT CERTIFICATION.—The certification shall be considered sufficient if it states—

(1) the date on which the serious health condition commenced;

(2) the probable duration of the condition; and

(3) the medical facts within the knowledge of the provider regarding the condition.

SEC. 106. EMPLOYMENT AND BENEFITS PROTECTION.

(a) RESTORATION TO POSITION.—(1) Any employee who exercises any right provided under section 103 or 104 shall be entitled, on return from the leave—

(A) to be restored by the employer to the position held by the employee when the leave commenced; or

(B) to be restored to a position with equivalent status, benefits, pay, and other terms and conditions of employment.

(2) The taking of leave under this title shall not result in the loss of any benefit accrued before the date on which the leave commenced.

(3) Except as provided in subsection (b), nothing in this section shall be considered to entitle any restored employee to—

(A) the accrual of any seniority or benefits during any period of leave; or

(B) any right or benefit other than any right or benefit to which the employee would have been entitled had the employee not taken the leave.

(b) MAINTENANCE OF HEALTH BENEFITS.—During any period of leave taken under section 103 or 104, health benefits of an employee shall be maintained for the duration of the leave at the level at which the benefits would have been maintained if the employee had continued in employment continuously from the date the employee commenced the leave until the date the employee is restored under subsection (a).

SEC. 107. PROHIBITED ACTS.

(a) INTERFERENCE WITH RIGHTS.—(1) It shall be unlawful for any employer to interfere with, restrain, or deny the exercise of or the attempt to exercise, any right provided under this title.

(2) It shall be unlawful for any employer to discharge or in any other manner discriminate against any individual for opposing any practice made unlawful by this title.

(b) INTERFERENCE WITH PROCEEDINGS OR INQUIRIES.—It shall be unlawful for any person to discharge or in any other manner discriminate against any individual because the individual—

(1) has filed any charge, or has instituted or caused to be instituted any proceeding, under or related to this title;

(2) has given or is about to give any information in connection with any inquiry or proceeding relating to any right provided under this title; or

(3) has testified or is about to testify in any inquiry or proceeding relating to any right provided under this title.

SEC. 108. ADMINISTRATIVE ENFORCEMENT.

(a) IN GENERAL.—The Secretary shall issue such rules and regulations as are necessary to carry out this section, including rules and regulations concerning service of complaints, notice of hearings, answers and amendments to complaints, and copies of orders and records of proceedings.

(b) CHARGES.—(1) Any person (or person, including a class or organization, on behalf of any person) alleging an act that violates this title may file a charge respecting the violation with the Secretary. Charges shall be in such form and contain such information as the Secretary shall require by regulation.

(2) The Secretary shall serve a notice of the charge on the person charged with the violation not more than 10 days after the Secretary receives the charge.

(3) A charge may not be filed more than 1 year after the last event constituting the alleged violation.

(c) INVESTIGATION; COMPLAINT.—(1) Within the 60-day period after the Secretary receives any charge, the Secretary shall investigate the charge and issue a complaint based on the charge or dismiss the charge.

(2) If the Secretary determines that there is a reasonable basis for the charge, the Secretary shall issue a complaint based on the charge and promptly notify the charging party and the respondent as to the issuance.

(3) If the Secretary determines that there is no reasonable basis for the charge, the Secretary shall dismiss the charge and promptly notify the charging party and the respondent as to the dismissal.

(4) The charging party and the respondent may enter into a settlement agreement concerning the violation alleged in the charge. To be effective such an agreement must be determined by the Secretary to be consistent with this title.

(5) On the issuance of a complaint, the Secretary and the respondent may enter into a settlement agreement concerning a violation alleged in the complaint, except that any such settlement may not be entered into over the objection of the charging party.

(6) If, within the 60-day period referred to in paragraph (1), the Secretary—

(A) has not issued a complaint under paragraph (2);

(B) has dismissed the charge under paragraph (3); or

(C) has not approved or entered into a settlement agreement under paragraph (4) or (5),

the charging party may bring a civil action under section 109.

(7) The Secretary may issue and serve a complaint alleging a violation of this title on the basis of information and evidence gathered as a result of an investigation initiated by the Secretary pursuant to section 110.

(8) On issuance of a complaint, the Secretary shall have the power to petition the United States district court for the district in which the violation is alleged to have occurred, or in which the respondent resides or transacts business, for appropriate temporary relief or a restraining order. On the filing of any such petition, the court shall cause notice of the petition to be served on the respondent. The court shall have jurisdiction to grant to the Secretary such temporary relief or restraining order as the court considers just and proper.

(d) RIGHTS OF PARTIES.—(1) In any case in which a complaint is issued under subsection (b), the Secretary shall, not less than 5 days and not more than 30 days after the complaint is issued, cause to be served on the respondent a copy of the complaint.

(2) Any person filing a charge alleging a violation of this title may elect to be a full party to any complaint filed by the Secretary alleging the violation. The election must be made before the commencement of a hearing.

(e) CONDUCT OF HEARING.—(1) The Secretary shall prosecute any complaint issued under subsection (b).

(2) An administrative law judge shall conduct a hearing on the record with respect to a complaint issued under this title. The hearing shall be conducted in accordance with sections 554, 555, and 556 of title 5, United States Code, and shall be commenced within 60 days after the issuance of the complaint.

(f) FINDINGS AND CONCLUSIONS.—(1) After a hearing is conducted under this section, the administrative law judge shall promptly make findings of fact and conclusions of law, and, if appropriate, issue an order for relief as provided in section 111.

(2) The administrative law judge shall inform the parties, in writing, of the reason for any delay in making the findings and conclusions if the findings and conclusions are not made within 60 days after the conclusion of the hearing.

(g) FINALITY OF DECISION; REVIEW.—(1) The decision and order of the administrative law judge shall become the final decision and order of the Secretary unless, on appeal by an aggrieved party taken not more than 30 days after the action, the Secretary modifies or vacates the decision, in which case the decision of the Secretary shall be the final decision.

(2) Not later than 60 days after the entry of the final order, any person aggrieved by the final order may obtain a review of the order in the United States court of appeals for the circuit in which the violation is al-

leged to have occurred or in which the employer resides or transacts business.

(3) On the filing of the record with the court, the jurisdiction of the court shall be exclusive and its judgment shall be final, except that the same shall be subject to review by the Supreme Court of the United States on writ of certiorari or certification as provided in section 1254 of title 28, United States Code.

(h) COURT ENFORCEMENT OF ADMINISTRATIVE ORDERS.—(1) If a respondent does not appeal an order of an administrative law judge under subsection (g)(2), the Secretary may petition the United States district court for the district in which the violation is alleged to have occurred, or in which the respondent resides or transacts business, for the enforcement of the order of the administrative law judge, by filing in the court a written petition praying that the order be enforced.

(2) On the filing of the petition, the court shall have jurisdiction to make and enter a decree enforcing the order of the administrative law judge. In the proceeding, the order of the administrative law judge shall not be subject to review.

(3) If, on appeal of an order under subsection (g)(2), the United States court of appeals does not reverse or modify the order, the court shall have the jurisdiction to make and enter a decree enforcing the order of the administrative law judge.

SEC. 109. ENFORCEMENT BY CIVIL ACTION.

(a) RIGHT TO BRING CIVIL ACTION.—(1) Subject to the limitations in this section, an employee or the Secretary may bring a civil action against any employer to enforce this title in any appropriate court of the United States or in any State court of competent jurisdiction.

(2) A civil action may be commenced under this subsection without regard to whether a charge has been filed under section 108(b).

(3) No civil action may be commenced under paragraph (1) if the Secretary—

(A) has approved a settlement agreement under section 108(c)(4), in which case no civil action may be filed under this subsection if the action is based on a violation alleged in the charge and resolved by the agreement; or

(B) has issued a complaint under section 108(c)(2) or 108(c)(7), in which case no civil action may be filed under this subsection if the action is based on a violation alleged in the complaint.

(4) Notwithstanding paragraph (3)(A), a civil action may be commenced to enforce the terms of any such settlement agreement.

(5)(A) Except as provided in subparagraph (B), no civil action may be commenced more than 1 year after the date on which the alleged violation occurred.

(B) In any case in which—

(i) a timely charge is filed under section 108(b); and

(ii) the failure of the Secretary to issue a complaint or enter into a settlement agreement based on the charge (as provided under section 108(c)(6)) occurs more than 11 months after the date on which any alleged violation occurred,

the employee may commence a civil action not more than 30 days after the date on which the employee is notified of the failure.

(6) The Secretary may not bring a civil action against any agency of the United States.

(b) VENUE.—An action brought under subsection (a) in a district court of the United States may be brought—

(1) in any appropriate judicial district under section 1391 of title 28, United States Code; or

(2) in the judicial district in the State in which—

(A) the employment records relevant to the violation are maintained and administered; or

(B) the aggrieved person worked or would have worked but for the alleged violation.

(c) NOTIFICATION OF THE SECRETARY; RIGHT TO INTERVENE.—A copy of the complaint in any action brought by an employee under subsection (a) shall be served on the Secretary by certified mail. The Secretary shall have the right to intervene in a civil action brought by an employee under subsection (a).

(d) ATTORNEYS FOR THE SECRETARY.—In any civil action brought under subsection (a), attorneys appointed by the Secretary may appear for and represent the Secretary, except that the Attorney General and the Solicitor General shall conduct any litigation in the Supreme Court.

SEC. 110. INVESTIGATIVE AUTHORITY.

(a) IN GENERAL.—To ensure compliance with this title, or any regulation or order issued under this title, subject to subsection (c), the Secretary shall have the investigative authority provided under section 11(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 211(a)).

(b) OBLIGATION TO KEEP AND PRESERVE RECORDS.—An employer shall keep and preserve records in accordance with section 11(c) of such Act.

(c) REQUIRED SUBMISSIONS GENERALLY LIMITED TO AN ANNUAL BASIS.—The Secretary may not under this section require any employer or any plan, fund, or program to submit to the Secretary any books or records more than once in any 12-month period, unless the Secretary has reasonable cause to believe there may exist a violation of this title or any regulation or order issued pursuant to this title, or is investigating a charge brought pursuant to section 108.

(d) SUBPOENA POWERS, ETC.—For purposes of any investigation conducted under this section, the Secretary shall have the subpoena authority provided under section 9 of the Fair Labor Standards Act of 1938 (29 U.S.C. 209).

(e) DISSEMINATION OF INFORMATION.—The Secretary may make available to any person substantially affected by any matter that is the subject of an investigation under this section, and to any department or agency of the United States, information concerning any matter that may be the subject of the investigation.

SEC. 111. RELIEF.

(a) INJUNCTIVE RELIEF.—(1) On finding a violation under section 108 by a person, an administrative law judge shall issue an order requiring the person to cease and desist from any act or practice that violates this title.

(2) In any civil action brought under section 109, a court may grant as relief any permanent or temporary injunction, temporary restraining order, or other equitable relief as the court considers appropriate.

(b) MONETARY DAMAGES.—Any employer that violates this title shall be liable to the injured party in an amount equal to—

(1) any wages, salary, employment benefits, or other compensation denied or lost to the employee by reason of the violation, plus interest on the total monetary damages calculated at the prevailing rate; and

(2) an additional amount equal to the greater of—

(A) the amount determined under paragraph (1), as liquidated damages; or

(B) general or consequential damages.

(c) ATTORNEYS' FEES.—A prevailing party (other than the United States) may be awarded a reasonable attorneys' fee as part of the costs, in addition to any relief awarded. The United States shall be liable for costs in the same manner as a private person.

(d) LIMITATION.—Damages awarded under subsection (b) may not accrue from a date more than 2 years before the date on which a charge is filed under section 108(b) or a civil action is brought under section 109.

SEC. 112. NOTICE.

(a) IN GENERAL.—Each employer shall post and keep posted, in conspicuous places on the premises of the employer where notices to employees and applicants for employment are customarily posted, a notice, approved by the Secretary, setting forth excerpts from, or summaries of, the pertinent provisions of this title and information pertaining to the filing of a charge.

(b) PENALTY.—Any employer who willfully violates this section shall be fined not more than $100 for each separate offense.

TITLE II—PARENTAL LEAVE AND TEMPORARY MEDICAL LEAVE FOR CIVIL SERVICE EMPLOYEES

SEC. 201. PARENTAL AND TEMPORARY MEDICAL LEAVE.

(a) IN GENERAL.—(1) Chapter 63 of title 5, United States Code, is amended by adding at the end thereof the following new subchapter:

"SUBCHAPTER III—PARENTAL AND TEMPORARY MEDICAL LEAVE

"§ 6331. Definitions

"For purposes of this subchapter:

"(1) 'employee' means—

"(A) an employee as defined by section 6301(2) of this title (excluding an individual employed by the government of the District of Columbia); and

"(B) an individual under clause (v) or (ix) of such section;

whose employment is other than on a temporary or intermittent basis;

"(2) 'serious health condition' means an illness, injury, impairment, or physical or mental condition that involves—

"(A) inpatient care in a hospital, hospice, or residential medical care facility; or

"(B) continuing treatment, or continuing supervision, by a health care provider; and

"(3) 'child' means a biological, adopted, or foster child, stepchild, legal ward, or child of a de facto parent, who is under 18 years of age.

"§ 6332. Parental leave

"(a) Leave under this section shall be granted on the request of an employee if the leave is requested—

"(1) as the result of the birth of a child of the employee;

"(2) as the result of the placement for adoption or foster care of a child with the employee; or

"(3) in order to care for employee's child who has a serious health condition.

"(b) Leave under this section—

"(1) shall be leave without pay;

"(2) may not, in the aggregate, exceed the equivalent of 18 administrative workweeks

of the employee during any 24-month period; and

"(3) shall be in addition to any annual leave, sick leave, temporary medical leave, or other leave or compensatory time off otherwise available to the employee.

"(c) An employee may elect to use leave under this section—

"(1) immediately before or after (or otherwise in coordination with) any period of annual leave, or compensatory time off, otherwise available to the employee;

"(2) under a method involving a reduced workday, a reduced workweek, or other alternative work schedule;

"(3) on either a continuing or intermittent basis; or

"(4) any combination thereof.

"§ 6333. Temporary medical leave

"(a) An employee who, because of a serious health condition, becomes unable to perform the functions of the position of the employee shall, on request of the employee, be entitled to leave under this section.

"(b) Leave under this section—

"(1) shall be leave without pay;

"(2) shall be available for the duration of the serious health condition of the employee involved, but may not, in the aggregate, exceed the equivalent of 26 administrative workweeks of the employee during any 12-month period; and

"(3) shall be in addition to any annual leave, sick leave, parental leave, or other leave or compensatory time off otherwise available to the employee.

"(c) An employee may elect to use leave under this section—

"(1) immediately before or after (or otherwise in coordination with) any period of annual leave, sick leave, or compensatory time off otherwise available to the employee;

"(2) under a method involving a reduced workday, a reduced workweek, or other alternative work schedule;

"(3) on either a continuing or intermittent basis; or

"(4) any combination thereof.

"§ 6334. Job protection

"An employee who uses leave under section 6332 or 6333 of this title shall be entitled to be restored to the position held by the employee immediately before the commencement of the leave.

"§ 6335. Prohibition of coercion

"(a) An employee may not directly or indirectly intimidate, threaten, or coerce, or attempt to intimidate, threaten, or coerce, any other employee for the purpose of interfering with the exercise of the rights of the employee under this subchapter.

"(b) For the purpose of this section, 'intimidate, threaten, or coerce' includes promising to confer or conferring any benefit (such as appointment, promotion, or compensation), or taking or threatening to take any reprisal (such as deprivation of appointment, promotion, or compensation).

"§ 6336. Health insurance

"An employee enrolled in a health benefits plan under chapter 89 of this title who is placed in a leave status under section 6332 or 6333 of this title may elect to continue the health benefits enrollment of the employee while in leave status and arrange to pay into the Employees Health Benefits Fund (described in section 8909 of this title), through the employing agency of the employee, the appropriate employee contributions.

"§ 6337. Regulations

"The Office of Personnel Management shall prescribe regulations necessary for the administration of this subchapter. The regulations prescribed under this subchapter shall be consistent with the regulations prescribed by the Secretary of Labor under title I of the Parental and Medical Leave Act of 1986.".

(2) The table of contents for chapter 63 of title 5, United States Code, is amended by adding at the end thereof the following:

"SUBCHAPTER III—PARENTAL AND TEMPORARY MEDICAL LEAVE

"6331. Definitions.
"6332. Parental leave.
"6333. Temporary medical leave.
"6334. Job protection.
"6335. Prohibition of coercion.
"6336. Health insurance.
"6337. Regulations.".

(b) EMPLOYEES PAID FROM NONAPPROPRIATED FUNDS.—Section 2105(c)(1) of title 5, United States Code, is amended by striking out "53" and inserting in lieu thereof "53, subchapter III of chapter 63,".

TITLE III—ADVISORY PANEL ON PAID PARENTAL AND MEDICAL LEAVE

SEC. 301. ESTABLISHMENT.

(a) ESTABLISHMENT.—There is established an Advisory Panel to be known as the Advisory Panel on Paid Parental and Medical Leave (hereinafter in this title referred to as the "Panel").

SEC. 302. DUTIES.

The Panel shall—

(1) compile and review, to the extent practicable, all studies of existing and proposed methods designed to provide workers with full or partial salary replacement or other income protection during periods of temporary medical leave, parental leave, and leave for care of dependents;

(2) conduct, where it deems appropriate, research activities;

(3) within 2 years after the date on which the Panel first meets, submit a report to Congress, including legislative recommendations concerning implementation of a system of salary replacement for temporary medical leave and parental leave.

SEC. 303. MEMBERSHIP.

(a) COMPOSITION.—The Panel shall be composed of 15 members appointed not more than 60 days after the date of the enactment of this Act as follows:

(1) Three Senators shall be appointed by the majority leader of the Senate, in consultation with the minority leader of the Senate.

(2) Three members of the House of Representatives shall be appointed by the Speaker of the House of Representatives, in consultation with the minority leader of the House of Representatives.

(3) The Secretary of Health and Human Services.

(4) The Secretary of Labor.

(5) Seven members shall be appointed jointly by the majority leader of the Senate and the Speaker of the House of Representatives. The members shall be appointed by virtue of demonstrated expertise in relevant family and temporary disability issues.

(b) VACANCIES.—Any vacancy on the Panel shall be filled in the same manner in which the original appointment was made.

(c) CHAIRPERSON AND VICE CHAIRPERSON.—The Panel shall elect a chairperson and a vice-chairperson from among the members of the Panel.

(d) QUORUM.—Eight members of the Panel shall constitute a quorum for all purposes, except that a lesser number may constitute a quorum for the purpose of holding hearings.

SEC. 304. COMPENSATION.

(a) PAY.—Members of the Panel shall serve without compensation.

(b) TRAVEL EXPENSES.—Members of the Panel shall be allowed reasonable travel expenses, including a per diem allowance, in accordance with section 5703 of title 5, United States Code, while performing duties of the Panel.

SEC. 305. POWERS.

(a) MEETINGS.—The Panel shall first meet not more than 30 days after the date by which all members are appointed. The Panel shall meet thereafter on the call of the chairperson or a majority of the members.

(b) HEARINGS AND SESSIONS.—The Panel may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Panel considers appropriate. The Panel may administer oaths or affirmations to witnesses appearing before the Panel.

(c) ACCESS TO INFORMATION.—The Panel may secure directly from any Federal agency information necessary to enable the Panel to carry out this Act. On the request of the chairperson or vice chairperson of the Panel, the head of the agency shall furnish the information to the Panel.

(d) DIRECTOR.—The Panel may appoint an Executive Director from the personnel of any Federal agency to assist the Panel in carrying out the duties of the Panel.

(e) USE OF SERVICES AND FACILITIES.—On the request of the Panel, the head of any Federal agency may make available to the Panel any of the facilities and services of the agency.

(f) PERSONNEL FROM OTHER AGENCIES.—On the request of the Panel, the head of any Federal agency may detail any of the personnel of the agency to assist the Panel in carrying out the duties of the Panel.

SEC. 306. TERMINATION.

The Panel shall terminate 30 days after the date of the submission of the final report of the Panel to Congress.

TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. EFFECT ON OTHER LAWS.

(a) FEDERAL LAWS.—Nothing in this Act shall be construed to modify or affect any Federal law prohibiting discrimination on the basis of race, religion, color, national origin, sex, age, or handicapped status.

(b) STATE AND LOCAL LAWS.—Nothing in this Act shall be construed to supersede any provision of any State and local law that provides greater employee parental or medical leave rights than the rights established under this Act.

SEC. 402. EFFECT ON EXISTING EMPLOYMENT BENEFITS.

(a) MORE PROTECTIVE.—Nothing in this Act shall be construed to diminish the obligation of an employer to comply with any collective-bargaining agreement or any employment benefit program or plan that provides greater parental and medical leave rights to employees than the rights provided under this Act.

(b) LESS PROTECTIVE.—The rights provided to employees under this Act may not be diminished by any collective bargaining agreement or any employment benefit program or plan.

SEC. 403. REGULATIONS.

The Secretary shall prescribe such regulations as are necessary to carry out title I.

SEC. 404. EFFECTIVE DATES.

(a) IN GENERAL.—Titles I, II, and IV, and the amendments made by title II, shall become effective 6 months after the date of enactment of this Act.

(b) ADVISORY PANEL.—Title III shall become effective on the date of enactment of this Act.

● Mr. HART. Mr. President, I am pleased to join Senator DODD in introducing a bill that is truly profamily—the Parental and Medical Leave Act of 1986.

This legislation recognizes the economic and social realities of today. Economic changes have brought many parents of young children into the work force out of financial necessity. Shifts in social attitudes, too, have encouraged large numbers of women to enter into employment outside the home.

These phenomena have caused ripples throughout our society, but no institution has been more strongly affected than our families. Mothers holding jobs outside the home now outnumber mothers working in the home. Most children no longer can expect to receive full-time care from a parent; many young children are lucky to receive full-time care from any adult.

The purpose of the Parental and Medical Leave Act is to promote the stability and economic security of families by allowing up to 26 weeks of unpaid leave to employees with a serious health condition or upon the birth, adoption, or serious illness of a child. These Federal guidelines will clarify parental child care policy which, up to now, has been the subject of a confusing hodgepodge of State laws.

It is high time that our country establish a national parental child care policy. Every industrialized country except the United States provides some period of leave for new parents. Indeed, most provide benefits equal to 100 percent of wages during such periods. The emergence of the modern American family calls for a Federal policy that encourages workplaces to adapt to the needs of families.

The needs of young children have changed little over the last several decades: day after day, their most basic need is for care and nurturing. The needs of many parents, on the other hand, have changed drastically. The number of single-parent households and two-parent households in which the single parent or both parents are working has increased sharply.

Now, half the mothers of children under 3 are in the work force, compared with a third a decade ago. For mothers of children aged 3 to 5, that proportion increased from 45 to 60 percent over the last 10 years. And most working mothers are employed full time: from 67 percent of those with children under 3 to 77 percent of those with children aged 14 to 17.

Not only have large numbers of women entered the full-time work force but, as well, they are increasingly responsible for providing or contributing to family income. More and more two wage-earner families rely on contributions from both spouses: 27 percent of married working women have husbands who earn less than $10,000; 41 percent have husbands who earn less than $15,000.

Changes in workplace practices are needed to accommodate a work force that is increasingly composed of working parents. Too often, workers have had to choose between job security and their parental responsibilities. Mothers and fathers should be given the opportunity to participate in early childrearing and to care for their children when they are seriously ill.

The Parental and Medical Leave Act would balance the demands of the workplace with the needs of families. Under the act, an employee is entitled to 18 weeks of unpaid leave per year upon the birth, adoption, or serious illness of a child. As well, an employee who is unable to perform a job because of a serious health condition, including pregnancy, is provided 26 weeks of unpaid leave.

On return from leave, a worker is entitled to be restored to his or her previous position, or a comparable position, without loss of seniority or other benefits. The act applies to employees in all sectors of government and to most workers in the private sector.

The Parental and Medical Leave Act of 1986 establishes necessary and innovative Federal policy. It's necessary because our children are our future—they must grow up with the care and security that only parents can provide. And it's innovative because, for the first time, both fathers and mothers can take temporary leave, with job security, during the critical times in their children's lives which require a parent's at-home care. Most important, it promotes family stability—the core of a stable society—during a time of economic, technological, and social change.

The comapanion measure has been developed and introduced by Representative PAT SCHROEDER and several other Members of the House. My colleague from Colorado and Senator DODD deserve our forward-looking legislation.●

● Mr. MOYNIHAN. Mr. President, I rise today to join my distinguished colleagues Senators DODD, HART, and SPECTER in introducing the Parental and Medical Leave Act of 1986. A similar version of this important legislation was recently offered in the House of Representatives, where it is cosponsored by 40 Members.

The purpose of this bill could not be more straightforward: to promote the security of the American family by providing job protection for parents who must temporarily leave their jobs due to the birth, adoption, or serious illness of a child, or who are temporarily unable to work because of a disabling health condition.

Under the Parental and Medical Leave Act, all employers would be required to provide a minimum of 18 weeks leave for any parent—mother or father—who chooses to stay home to care for a newborn, newly adopted, or seriously ill child, with reinstatement to the same or equivalent job upon his or her return. An employer would not be required to pay the absent employee, but would have to maintain preleave benefits, including health insurance coverage, during the employee's absence. In addition, employees would be entitled to a minimum of 26 weeks leave for an inability to work due to non-job-related, short-term disability; employees could return to the same or equivalent job thereafter. All employers—except those with fewer than 15 employees—would be bound to the provisions of this bill.

Legislation like that being proposed today is vital, and the need for these parental protections continues to grow. For as the composition of the work force has become increasingly populated by women and parents of younger and younger children, the American workplace has not adequately met their changing needs. Since the late 1940's, the number of women entering the American work force has increased by over 170 percent. By 1984, according to data published by the Bureau of Labor Statistics, nearly 4½ million mothers with children under 3 were employed, or actively seeking employment. Of these, fully half had infants under 1 year of age. Professors Sheila Kamerman and Alfred Kahn of Columbia University, offer some interesting data on this point. They report that 80 percent of women in the work force today are of childbearing age, and that 93 percent of these women will become pregnant during their working lives. Thus, three out of four working women will become pregnant at some point in their working lives.

In the face of such facts, there is no longer any excuse for our failure to establish a Federal policy on child care leave for working parents. Currently, only five States in the Nation mandate job leave for employees with temporary disabilities, including those related to childbirth. Many employers voluntarily offer paid and unpaid leave to their pregnant employees. Yet such leave is usually granted for only 1 or 2 months—generally insufficient time for a new mother to adapt to the arrival of an infant, or to care for a seriously ill child.

I, for one, believe that it is now time to acknowledge the needs of working parents. By failing to recognize the competing demands on them, we have neglected millions of mothers and fathers who face both employment and family responsibilities. The Parental and Medical Leave Act of 1986 is the first step in addressing the needs of many workers who have had to choose between job security and family obligations. I trust our colleagues in the Senate will agree, and will join us to assure the passage of this important piece of legislation in the 99th Congress.●

By Mr. HEINZ:

S. 2279. A bill to improve the administration of the Temporary Emergency Food Assistance Program and to reestablish food bank special nutrition projects, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD ASSISTANCE IMPROVEMENT ACT

● Mr. HEINZ. Mr. President, the farm bill which the President recently signed into law reauthorized the Temporary Emergency Food Assistance Program [TEFAP] for another 2 years. TEFAP is now over 4 years old, and we have yet to create sufficient guidelines and reporting requirements for effectively administering it. The result, Mr. President, has been wasted food and frequent mishandling of the program.

Throughout 1984 and 1985 the General Accounting Office [GAO] examined State administration of the TEFAP Program. It found many problems, some of which denied needy families access to commodities and others which resulted in wasted or spoiled foodstuffs. My purpose in bringing legislation before the Senate today is not to blame the Department of Agriculture [USDA] or any of the States. My purpose is to bring the States and USDA closer together in jointly administering and monitoring a program which is extremely important to low-income Americans.

GAO found that the temporary nature of TEFAP resulted in improper inventory management—the warehousing and handling of surplus commodities—at the State and local level. GAO also found that USDA's Food and Nutrition Service needed to improve its oversight of State programs. The legislation I am introducing today will accomplish these goals and open up a highly efficient, supplemental system of distribution through the Nation's network of regional food banks.

Section 1 of my legislation would require additional reporting procedures and the creation of an annual plan by the States demonstrating their ability to account for and move commodities through emergency feeding organizations. Section 2 would create a special nutrition program to supplement TEFAP distribution by reopening the Food Bank Demonstration Program. The USDA ran this program as a demonstration project 2 years ago. Although authority for the program never expired, USDA stopped running it after only 1 year, despite a successful progress report. My bill would reactivate the program and allow food banks to again distribute commodities through their network of emergency feeding organizations.

The difficulties raised by the GAO study clearly call for efficient and carefully monitored distribution of surplus USDA commodities. My legislation would accomplish this goal without adding further costs to the program, indeed it may help stretch existing dollars still further.

Mr. President, I ask unanimous consent that a section-by-section analysis of this legislation and the bill itself appear at the conclusion of my remarks. I urge all my colleagues will join me as cosponsor of this sensible, cost-effective solution to a problem which is denying citizens access to desperately needed foodstuffs.

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

S. 2279

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

SECTION 1. TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM.

(a) ANNUAL PLANS.—Section 203B of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is amended by adding at the end thereof the following new subsection:

"(d) Each State shall submit to the Secretary an annual plan for the distribution of commodities made available to the agency under this Act, including plans for the provision of technical assistance and training to eligible recipient agencies (in accordance with regulations issued by the Secretary).".

"(b) QUARTERLY REPORTS.—Section 203B of such Act (as amended by subsection (a)) is amended by adding at the end thereof the following new subsection:

"(e) Each State shall submit to the Secretary a quarterly report that includes—

"(1) an inventory of commodities made available to the agency under this Act;

"(2) a description of the allocation of the commodities to, and acceptance of the commodities by, the agency;

"(3) a comparison of the amount of the commodities distributed to the State agency and the amount of the commodities distributed by the State agency to eligible recipient agencies and needy persons; and

"(4) such other matters as the Secretary considers appropriate.".

(c) STORAGE, DISTRIBUTION, AND LOSSES OF COMMODITIES.—Subsection (a) of section 210 of such Act is amended to read as follows:

"(a) The Secretary shall issue such regulations as are necessary to carry out this Act, including regulations that establish standards for—

"(1) the warehousing and storage of commodities made available under this Act in facilities owned by States or private companies;

"(2) the monitoring by State agencies of the distribution of the commodities by eligible recipient agencies; and

"(3) the liability of eligible recipient agencies for the loss of the commodities, taking into consideration—

"(A) the special needs and circumstances of emergency feeding organizations, including the use of volunteers and limited financial resources;

"(B) the effect liability could have on the ability of the organizations to meet the needs of low-income populations; and

"(C) situations in which there is no evidence of negligence, fraud, or continuing problems.".

SEC. 2. FOOD BANK SPECIAL NUTRITION PROJECTS.

The first sentence of section 211(d) of the Agricultural Act of 1980 (7 U.S.C. 2004(d)) is amended by striking out "a progress report on July 1, 1983, and a final report on January 1, 1984," and inserting in lieu thereof "an annual report".

SECTION-BY-SECTION ANALYSIS FOOD ASSISTANCE IMPROVEMENT ACT OF 1986

SECTION ONE

This section provides for new procedures to improve the management and handling of surplus commodities distributed by the Temporary Emergency Food Assistance Program (TEFAP). In addition, it requires an annual plan for state-level distribution of commodities made available to volunteer and emergency feeding organizations and requires states to describe their proposed efforts to train and assist local agencies in distributing commodities. Quarterly reports on commodity inventories, allocations, and distribution to needy persons will also be required.

The Secretary of Agriculture will be required to issue regulations for proper warehousing and storage of surplus commodities in order to prevent loss or waste. Monitoring of agency performance and commodity distribution is also required. Liability of volunteers and emergency feeding organizations for commodity loss is modified in order to protect feeding programs.

SECTION TWO

This section creates a special Food Bank Nutrition project in order to utilize the existing distribution and feeding services available through the Nation's regional food banks. By reopening existing statutory authority for these programs, Food Banks will be eligible for USDA surplus commodities, which they in turn may distribute through their network of emergency feeding organizations.●

By Mr. GRASSLEY (for Mrs. HAWKINS, for herself, Mr. ANDREWS, Mr. BENTSEN, Mr. BRADLEY, Mr. BURDICK, Mr. CHILES, Mr. COHEN, Mr. CRANSTON, Mr. DOLE, Mr. DURENBERGER, Mr. GLENN, Mr. GOLDWATER, Mr. GRASSLEY, Mr. HATCH, Mr. HEINZ, Mr. HOLLINGS, Mr. INOUYE, Mr. JOHNSTON, Mr. MATSUNAGA, Mr. NICKLES, Mr. NUNN, Mr. PRYOR, Mr. RIEGLE, Mr. ROTH, Mr. SARBANES, Mr. STENNIS, Mr. WARNER, Mr. ZORINSKY, Mr. HUMPHREY, and Mr. D'AMATO):

S.J. Res. 315. Joint resolution designating May 1986 as "Older Americans'

Month"; to the Committee on the Judiciary.

OLDER AMERICANS' MONTH

● Mr. GRASSLEY. Mr. President, on behalf of my colleague from Florida, Senator HAWKINS, I am introducing today a joint resolution which would designate May 1986 as "Older Americans' Month." Senator HAWKINS is joined in this myself, Senator MATSUNAGA, chairman and ranking minority member of the Subcommittee on Aging, Senators HEINZ and GLENN, chairman and ranking minority member of the Special Committee on Aging and 24 other Members.

The Congress has been so honoring older Americans since 1963, and I am pleased to join in this now traditional recognition of the contributions made by older Americans to our national life.

The designation of May as "Older Americans' Month" by the Congress will kick off activities in the States and in local communities which will also honor older Americans.

I am pleased to join with my colleagues in this effort.

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

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

S.J. RES. 315

Whereas older Americans have contributed many years of service to their families, their communities, and the Nation;

Whereas the population of the United States is comprised of a large percentage of older Americans representing a wealth of knowledge and experience;

Whereas older Americans should be acknowledged for the contributions they continue to make to their communities and the Nation; and

Whereas many States and communities acknowledge older Americans during the month of May: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That in recognition of the traditional designation of the month of May as "Older Americans Month" and the repeated expression by the Congress of its appreciation and respect for the achievements of older Americans and its desire that these Americans continue to play an active role in the life of the Nation, the President is directed to issue a proclamation designating the month of May 1986 as "Older Americans Month" and calling on the people of the United States to observe this month with appropriate programs, ceremonies, and activities.●

By Mr. CRANSTON (for himself, Mr. PACKWOOD, Mr. DIXON, Mr. D'AMATO, Mr. LAUTENBERG, Mr. METZENBAUM, Mr. HEINZ, Mr. KENNEDY, Mr. NICKLES, Mr. KERRY, Mr. HECHT, Mr. SARBANES, Mr. DANFORTH, Mr. BURDICK, Mr. MATTINGLY, Mr. SIMON, Mr. TRIBLE, Mr. PELL, Mr. ANDREWS, Mr. EXON, Mr. SASSER, Mr. SPECTER, Mr. LEAHY, Mr. FORD, Mr. DECONCINI, Mr. HART, Mr. BOSCHWITZ, Mr. JOHNSTON, Mr. WILSON, Ms. HAWKINS, Mr. LEVIN, Mr. BIDEN, Mr. DODD, Mr. BINGAMAN, Mr. BRADLEY, Mr. BUMPERS, Mr. GORE, Mr. HARKIN, Mr. HEFLIN, Mr. MELCHER, Mr. PRYOR, Mr. INOUYE, Mr. MATSUNAGA, Mr. MITCHELL, Mr. PROXMIRE, Mr. RIEGLE, Mr. ROCKEFELLER, Mr. MOYNIHAN, Mr. GLENN, Mr. BAUCUS, Mr. WEICKER, Mr. KASTEN, Mr. BOREN, Mr. HOLLINGS, Mr. MURKOWSKI, Mr. GORTON, Mr. GRASSLEY, Mr. ROTH, Mr. BYRD, Mr. DURENBERGER, and Mr. PRESSLER):

S.J. Res. 316. Joint resolution prohibiting the sale to Saudi Arabia of certain defense articles and related defense services; to the Committee on Foreign Relations.

PROHIBITING ARMS SALES TO SAUDI ARABIA

Mr. CRANSTON. Mr. President, late yesterday, the Reagan administration formally notified Congress of its intent to sell another $354 million worth of advanced missiles to Saudi Arabia. This sale would include about 995 AIM-9L Sidewinder missiles, 671 AIM-9P4 Sidewinders, 200-man portable Stinger ground-to-air missiles with another 600 Stinger reloads, and 100 Harpoon air-to-sea missiles.

Today, Senators PACKWOOD, DIXON, D'AMATO, and LAUTENBERG, join me and another 56 of our Senate colleagues—for a total of 61—in introducing a print resolution disapproving the proposed sale.

We oppose this sale of more than 2,500 missiles to Saudi Arabia because of the hostility Saudi Arabia has shown for fundamental United States national security interests in the Middle East. These vital interests include: Combatting terrorism and denying terrorists support; broadening the peace process by building on the Camp David treaties; and securing the military and economic health of our key allies, Israel and Egypt.

In each of these crucial efforts, Saudi Arabia has not only failed to support American efforts, but has also worked actively to oppose us.

Specifically, the Saudi monarchs have continued to fund PLO terrorists, and Syria—the protectors of terrorists who have murdered hundreds of Americans.

The Saudis have undermined the fitful efforts of King Hussein to move forward in the peace process, working against him in pan-Arab conferences and attempting to isolate Jordan and Egypt because of their willingness to pursue peace with Israel.

Finally, under Saudi leadership, pan-Arab conferences have stepped up efforts to punish American businesses and workers who cooperate with Israel—and have backed Colonel Qadhafi, pledging to make good on any losses incurred from the American boycott of Libyan goods.

Mr. President, I do not believe it is consistent with United States national security interests to reward the Saudi kingdom for its hostility toward key United States foreign policy objectives.

PRELUDE TO MORE ARMS SALES

The current sale is "just the camel's nose under the tent" and there is every liklihood that Congress will be asked to approve additional arms sales to the Saudis after our elections this fall or early next year.

The administration has indicated to the Saudis that the State Department is prepared to respond favorably to subsequent Saudi requests for such items as Blackhawk helicopters, F-15 retrofit equipment—speed enhancement—and ECM—electronic countermeasure—kits for the F-15's. The Saudis have also requested more F-15 aircraft, M-1 tanks, bomb racks for their F-15's and more fuel tanks to extend the F-15's range.

ADMINISTRATION JUSTIFICATION FOR THE SALE

The administration attempts to support its request with three basic arguments. The Saudis are said to need this equipment desperately to maintain their existing capabilities. The Saudis are said to need the missiles to defend against a possible Iranian advance through Iraq. And the United States needs to proceed with the sale—which is said to be a "test of our friendship"—so that we can get back to "business as usual" in our arms relationship with the Saudis.

I reject each of these arguments.

These missiles are needed only to further fill bulging Saudi supply warehouses. That should be clear. Consummation of this sale would give the Saudis an astonishing total of 37 advanced missiles per capable aircraft, versus a ratio of 9:1 of the NATO forces, and 6:1 in Israel.

The antiaircraft missiles have no relevance to the ground war between Iran and Iraq. Iran has only 60 aircraft left capable of flying and the Saudis can already overwhelm these.

The Congress seeks to bar the pending sale to avert a return to "business as usual"—we do not wish to continue unchanged a relationship that has seen the United States supply the Saudis since 1971 with more than $44 billion in our most sophisticated weaponry—half in the past 5 years alone—while the Saudis have consistently scorned our basic interests.

Mr. President, I would like to submit for the RECORD at this point the joint resolution disapproving the sale of arms to Saudi Arabia. I would also like to submit an article I wrote for the San Jose Mercury-News discussing the proposed sale. Finally, I would like to include the text of remarks I made

earlier today at a press conference on this subject, and I ask unanimous consent that the material be printed in the RECORD.

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

S.J. RES. 316

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the issuance of a letter with respect to any of the following proposed sales to Saudi Arabia (described in the certifications transmitted to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate pursuant to section 36(b) of the Arms Export Control Act on April 8, 1986) is hereby prohibited:

(1) The proposed sale of AIM-9L Sidewinder missiles, and related defense articles and defense services (Transmittal Numbered 86-29A).

(2) The proposed sale of AIM-9P4 Sidewinder air-to-air missiles, and related defense articles (Transmittal Numbered 86-29B).

(3) The proposed sale of basic Stinger air defense guided missile systems, and related defense articles and defense services (Transmittal Numbered 86-29C).

(4) The proposed sale of air-launched Harpoon missiles, and related defense articles and defense services (Transmittal Numbered 86-29D).

REMARKS OF SENATOR CRANSTON

I will introduce today a resolution sponsored by 58 Senators and supported by still others to block the proposed Saudi arms sale.

In moments of candor, the administration admits that they want this sale so as to send a signal to the Saudis "That we're ready to get back to business as usual".

This is precisely the kind of business-as-usual that a majority of the Senate rejects.

We are fed up with Third World dictators and potentates who thwart vital American national interests—and then expect unhampered delivery of our most advanced military weapons.

We are also fed up with Saudi arguments that they deserve these weapons because they are doing us a favor by checking the advance of communism and maintaining a free flow of oil.

They are pumping oil not as a favor to us but to make money.

And stopping communism is in their own interest, no less than ours.

There's another aspect of the proposed Saudi arms sale that is particularly disturbing to me and which is not getting the attention it should.

That is: Terrorism.

200 years ago, France suffered through a reign of terror.

Today, the world is suffering from a reign of terrorism.

With Americans a primary target.

Khadaffi and other Arab extremists threaten more and more attacks.

Think for a moment:

Is this the time to supply 2,600 more missiles to Khadaffi's friends: The Saudis?

Saudi Arabia: Which has repeatedly supported Khadaffi at pan-Arab conferences,

Which has sided with Khadaffi against the U.S. in every confrontation,

Which has offered to make good Khadaffi's economic losses because of the American boycott,

Which bankrolls PLO terrorists and Syria,

Which has thwarted every effort by Jordan to join in the peace process and which still doesn't have diplomatic relations with Egypt because of Camp David.

Two years ago, President Reagan used his emergency powers to send 400 Stingers to Saudi Arabia when Congress refused to go along.

Is this the time to supply the Saudis with 800 more Stinger missiles and reloads?

I say no.

Imagine if even one of these weapons should fall into the hands—or be placed in the hands—of one of the multitude of terrorist-fanatics who abound in the Middle East!

The Stinger is a highly portable, shoulder-launched missile.

It is extremely effective.

With one of these advanced heat-seeking weapons, you could fire at an on-coming aircraft from more than five miles away.

That gives you plenty of time to escape and avoid detection if you are a terrorist and your target is an American airliner.

Stingers have been called the "ideal terrorist weapon", "the terrorist's weapon of choice", "the terrorist's delight".

Fifty years ago, Robert Sherwood won the Pulitzer Prize for his play forecasting World War II.

It was called "idiot's delight".

Congress should refuse to play a role in the latest version of "idiot's delight"—sending 800 more Stinger missiles, "the terrorist's delight", into the Arab world.

[From the San Jose Mercury News, Mar. 19, 1986]

ARMING SAUDIS OFFERS NO BENEFIT TO U.S. SECURITY

(By Alan Cranston)

The recent defense by the Mercury News of the latest Saudi arms sale request and the attack on the Senate majority opposing this sale fail to address crucial American interests.

In its peculiar focus on what Israel might like; on what some Washington lobbyists seek, and on what might make the Saudis feel better, the Mercury News editorial completely misses the main point.

This is not really a debate between Washington and Jerusalem or between Congress and the "American Israeli lobby." The central issues are between the United States and Saudi Arabia. And the real question is: How do we advance American security interests?

The Reagan administration defends its proposal to sell another 2,600 advanced anti-aircraft missiles to the Saudis on three grounds, asserting that the sale is a crucial "test of our friendship"; that the missiles are needed urgently to defend against the threat Iran is posing by ground advances into Iraq; and that the Saudis require these missiles "to maintain" minimum defense capabilities.

The Mercury News editorial accepts these assertions as indisputable facts, deploring what it calls "knee-jerk reaction against a legitimate weapons request by a legitimate U.S. friend with a legitimate security need against a menacing adversary."

Why is it that a majority of the Senate rejects these arguments?

First, we have sold the Saudis more than $44 billion in military equipment and services since 1971—$22 billion worth in the past five years alone. Virtually every transaction has been pressed as a "test of our friendship." When do we make the grade? When does the U.S. earn the right to request in return some greater sympathy for our security needs?

Second, these missiles wouldn't even be delivered to the Saudis until 1989. The line about the urgency of their delivery to counter Iran and the "legitimacy" of the Saudis' need for this type of weapon is a canard.

Iran has less than 100 air-capable planes left, and its war with Iraq has been reduced to World War I-style ground combat where anti-aircraft missiles are of virtually no use.

Finally, the notion that this is a "maintenance package" is equally misleading. The warehouses of the Saudi arsenal are already teeming. Delivery of these missiles would give them 37 advanced AIM 9L missiles per F-15 aircraft; the comparable ratio for NATO is nine to one.

The United States shares Saudi Arabia's desire to keep OPEC's oil flowing and to reduce targets of opportunity for Soviet adventurism. But the Saudis don't pursue these policies as any favor to us, and we do have other vital interests in the region.

These interests include combating terrorism while denying terrorists any base of support; broadening the Camp David peace process; and helping our allies Egypt and Israel to maintain their military and economic security.

The Saudi kingdom has not only failed to support the U.S. government in each of three crucial areas—they've actively opposed us. Specifically, the Saudis have continued to bankroll the Palestine Liberation Organization, and Syria—the protector of terrorists implicated in the murder of hundreds of Americans.

The Saudis have undermined King Hussein's efforts to involve Jordan in the peace process, working against him in pan-Arab conferences and continuing to isolate Egypt simply because it signed the Camp David treaty.

Under Saudi leadership, pan-Arab organizations have stepped up efforts to punish American businesses trading with Israel. Finally, the Saudis sided with Moammar Khadafy in our recent showdown with the Libyan dictator, and reportedly pledged to make good on any losses incurred from the American boycott of Libya.

Past readiness to meet Saudi desires for our most advanced armaments has not yielded Saudi support for key U.S. initiatives.

This, therefore, is the reason a majority of the Senate is opposed to the latest Saudi arms request. We believe that the pending missile sale—which meets no legitimate, urgent Saudi need—is an appropriate place to draw the line. It is time for American policymakers to get serious with the Saudis.

● Mr. DIXON. Mr. President, I regret that the joint resolution we are introducing today is necessary. At the same time I would like to point out that 61 Members of the U.S. Senate see the President's request for selling arms to Saudi Arabia as inadvisable.

There has been a great deal of publicity about this sale, and whether or not it is in Israel's best interests. Well, Mr. President, it is not in the best interests of the United States or the entire Middle East region.

Although Saudi Arabia is perceived by the Reagan administration to be a moderate Arab nation, there are very disturbing facts which lead me to be-

lieve that this sale is very ill-advised and that such a perception is inaccurate.

First, the administration maintains that this sale is necessary because of the escalation of the Iran-Iraq war. According to the administration, however, the sale is not scheduled for delivery until 1989 and would stretch to 1991. Given the nature of the region, it would seem unwise to make such a long-term commitment to a nation which has repeatedly scorned both American and Israeli Interests.

Second, a major part of the package consists of 200 portable Stinger ground-to-air missiles. This weapon would not enhance the Saudis, defenses against Iran, whose real threat to Saudi Arabia is terrorism and subversion. Futher, in the hands of terrorists, this weapon could have disastrous consequences. It can be carried by one person and has enough destructive capability to obliterate civilian aircraft—and action which is all too possible in these times of international turmoil and tragedy.

Third, the Saudis have repeatedly acted against the interests of the United States in their support of Libya by condemning American erforts to constrain the outlaw agenda of Qadhafi and his cohorts in brutality. Saudi Arabia has publicly stated its allegiance to these international criminals, in direct opposition to American policy and interests.

Fourth, the Saudis continue to serve as a major contributor to the Palestine Liberation Organization. Last year alone, they provided Yassar Arafat and his followers with $28.5 million so that they could continue carrying out their agenda of terror and destruction long after other Arab States have abandoned financial support of these extremists.

Fifth, Saudi Arabia doesn't live up to its agreements and the administration apparently ignores this. The 1981 agreement to sell AWACS to them was based upon several conditions, one being that a peaceful resolution of disputes in the region was to have been successfully completed or significant progress toward that goal was to have been accomplished with substantial assistance from Saudi Arabia. This commitment was made by the Saudis to President Reagan nearly 5 years ago, and I daresay, that none of it has come to pass.

The situation in the region is, if possible, more unstable than ever, and there has been no positive action by the Saudis to bring peace to the area. In fact, the Saudis continue to lead the Arab boycott against Israel. They are seeking to gain additional allies in Africa to confront Israel. They continue to reinforce the isolation of Israel at every opportunity.

For these and many other reasons, this sale is not in the best interests of any nation which advocates peace in the Middle East and deplores terrorism against innocent civilians. Saudi Arabia is in a declared state of war with Israel. This sale would give her additional weapons which could be used against our closest ally in the Middle East.

America has already sold more military equipment and services to Saudi Arabia than any other single country in the world. Our sales to the Saudis exceed $50 billion, including $20 billion remaining to be delivered. Total sales to all of our European allies amounted to just $50 billion.

What should we be getting from Saudi Arabia in return? If the administration's decision to go ahead with this sale, after postponing it for over a year, is based on a real military and strategic threat to our interests, then now is the time to exact more cooperation from Saudi Arabia.

The Saudi defenses are strong, and the immediate need, other than "sending a message to Iran" does not seem to this Senator to be sufficient. Instead, we should send another message, which is that the United States should not provide additional arms to Saudi Arabia, a declared enemy of our closest ally in the Middle East, Israel, and a declared supporter of Qadhafi and Arafat, both of whom have perpetrated atrocious acts of violence against the United States and many innocent civilians traveling abroad.

Before we consider sending additional implements of war to Saudi Arabia, we need to elicit from them a comment to work for peace with Israel, as well as their concurrence with policies which are in the best interests of responsible people everywhere.●

● Mr. PACKWOOD. Mr. President, I rise today to join 60 of my colleagues in introducing the joint resolution opposing the sale of additional arms to Saudi Arabia.

Yesterday, the administration sent formal notification to Congress of its plans to sell a package of $354 million in advanced missiles to Saudi Arabia. Specifically, the package includes approximately 1,700 advanced Sidewinder air-to-air missiles, 100 Harpoon antiship missiles, and 800 Stinger handheld antiaircraft missiles.

I am opposed to this sale of more than 2,500 missiles to Saudi Arabia because I do not believe the sale is in the best interest of the United States, nor in the interest of our allies and friends in the Middle East. I believe our interests in the Middle East are best served by encouraging peace through negotiations rather than contributing further to instability in the region through yet another arms sale.

Mr. President, proponents of the sale argue that this sale is necessary to demonstrate our commitment to the security of Saudi Arabia. They argue that the Saudis need the additional missiles contained in the proposed package to offset a growing threat from Iran and to upgrade and maintain their existing defense capabilities. Finally, supporters of the sale argue that the sale would help provide American jobs and help offset our growing trade deficit, and that this sale poses no threat to Israel because Saudi Arabia already possesses weapons of the type the administration proposes to sell. Sadly, Mr. President, they make no claim that this sale will help encourage Saudi Arabia to assist in efforts to promote peace in the region through direct negotiations between Israel and her Arab neighbors.

Mr. President, we should not sell additional arms to Saudi Arabia until they join the peace process and make peace with Israel. To date, Saudi Arabia has not only failed to support American efforts to promote peace in the region, but they have worked actively against us.

Saudi Arabia continues to fund PLO terrorists and Syria—which provides safe haven and training for terrorists who have killed scores of innocent Americans. The Saudis have actively resisted the efforts of Jordan and Egypt to make peace with Israel. Finally, they have expressed support, openly and through Saudi leadership in pan-Arab conferences, for Libya in the wake of the United States' antiterrorist efforts.

Mr. President, since 1971, we have provided Saudi Arabia with over $44 billion of our most advanced military weaponry. I find it astonishing that we should be asked to further reward Saudi Arabia for working against us and our allies in each of these critical areas with yet another arms sale.

Let me also remind my colleagues that the proposed arms package before us is only part of a much larger arms package proposed last year—a package which was to contain Blackhawk helicopters, fuel tanks, bomb racks, and other enhancements for the Saudi F-15 fighters, Bradley armored fighting vehicles, and possibly M-1 tanks and additional F-15 fighters. Clearly, the current package is only the tip of the iceberg. There is every indication that Congress will be asked to approve the rest of last year's huge arms package sometime in the near future.

In conclusion, Mr. President, providing weapons contained in the current package, such as Stinger missiles—the ideal terrorist weapon—and sophisticated Harpoon antiship missiles without asking anything in return is extremely dangerous, unwise, and counterproductive. As I've said many times in the past, we should sell no arms to countries in the Middle East that are not willing to make peace with Israel and participate in the peace process. I urge the administration to reconsider

this unwise sale, and withdraw the package from consideration. I urge my colleagues to support this joint resolution and oppose the proposed arms sale to Saudi Arabia.●

● Mr. LAUTENBERG. Mr. President, today I join with Senators CRANSTON, PACKWOOD, DIXON, and D'AMATO in introducing a joint resolution to disapprove the administration's request to sell $354 million in advanced arms to Saudi Arabia. Fifty-three of our colleagues have joined as original cosponsors of this resolution.

I oppose the sale of arms to Saudi Arabia because such a sale could harm United States national security interests and jeopardize Israeli security, without fulfilling any justifiable Saudi need for these weapons.

Mr. President, the administration proposes to sell 1,700 Sidewinder air-to-air missiles, 100 Harpoon air-to-sea missiles, and 800 Stinger ground-to-air missiles to Saudi Arabia to help it defend itself against Iranian advances.

Mr. President, the rationale supporting this sale is unconvincing at best. Though the administration says Iran poses an immediate military threat to Saudi Arabia, deliveries of these weapons won't begin till 1989, and won't be completed till 1991. And Saudi Arabia's arsenals are already full to bursting with the very weapons we propose to sell them. This sale would give them at least 36 missiles per aircraft, a ratio far higher than that enjoyed by either the United States or Israel. Even that ratio underestimates the Saudis' firepower from other air-to-air missiles in their arsenals, like the American Sparrow and the French Magic.

If we look at the targets against which these missiles could be used, it is equally apparent that Saudi Arabia already has more than enough missiles to meet her defense needs. Iran has less than 100 aircraft capable of flying, and Saudi Arabia already has an arsenal of 3,000 Sidewinders to overcome these craft. Further, these antiaircraft missiles are useless against the true threat Iran poses, ground attack.

Mr. President, the administration has argued that we need to sell these weapons to Saudi Arabia to signal our determination to back the Saudis in their own defense. But the logic of this argument escapes me. How can selling the Saudis weapons they have no military need for and will not receive for several years deter Iran today? We are already signaling our determination to support Saudi Arabia in more meaningful ways—by stationing four U.S. Air Force AWAC's in Saudi Arabia to assist the Saudi Air Force in the Persian Gulf. And our past record speaks for itself. We have sent combat units to Saudi Arabia, including F-15 fighters when needed. And we have already sold Saudi Arabia far more military goods and services than any other country, over $50 billion, including future deliveries.

The administration argues that Saudi Arabia needs these missiles to defend itself against a possible threat on its southern border from South Yemen. But the South Yemen military, weakened by the recent internal fighting, is in no position to undertake military operations against the Saudis now. Future conventional military attacks from South Yemen are unlikely since the Saudi-South Yemen border traverses the "Empty Quarter," an uninhabited wasteland without roads. Even if South Yemen did threaten Saudi Arabia, its current forces are enough to defeat such a threat.

Mr. President, this administration argues that if we don't make this sale, our relationships and credibility with the Gulf Arab states and with Saudi Arabia itself will be undermined. But, Mr. President, Saudi Arabia is already our biggest customer for military goods and services. We have sold Saudi Arabia 50 million dollars' worth of military goods and services, as much as our total sales to all our European allies, and more than our sales to any other single country. How often, and for how long must we sell arms to Saudi Arabia until we are no longer told that each proposed sale is a test of our credibility in the Arab world?

Mr. President, while the rationale for this sale is weak, there are many reasons not to sell these arms to Saudi Arabia. One reason is the strong possibility that the Stingers might be obtained by the PLO through the Saudis. The Saudis provide financial support to the PLO and allow the Palestinians to work with their military. Since the Saudis already have enough Stingers for their own needs, and have a history of cooperation with the PLO, the Stingers we sell might be provided or fall into the hands of the PLO. Since Stingers are probably the ideal terrorist weapon, their use by the PLO would pose a real threat to Israel's security.

Further, in a more general sense, supplying Israel's enemies with more weapons forces Israel to spend scarce defense dollars to counter that threat. In a time of economic austerity in Israel, this sale can only add to the Israeli defense burden.

Finally, the Saudis have a long history of working against American and Israeli interests in the Middle East. I would like to bring to my colleague's attention a letter I wrote to the President, expressing my opposition to selling arms to Saudi Arabia for this reason. The letter points out Saudi Arabia's recent support for United Nations' resolutions that castigate Israel, and lay the groundwork for expelling her from the United Nations. It also points out Saudi support for the Islamic Conference resolution that expresses solidarity with Libya in the aftermath of the imposition of United States sanctions against that country. Mr. President, I ask that a copy of the letter be printed in the RECORD, along with copies of the United Nations resolution.

Mr. President, not only has Saudi Arabia's voting record in the U.N. and the Islamic Conference pointed up her hostility to United States and Israeli interests, her past behavior is equally telling. Saudi Arabia has taken the lead in trying to impose sanctions on American companies doing business with Israel, and is a strong financial backer of the PLO.

When her record is added to the lack of military justification for this sale, and Saudi Arabia's hostility to American and Israeli interests, a strong case in made for Congress to tell Saudi Arabia: No sale.

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

U.S. SENATE,
Washington, DC, March 6, 1986.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: I am writing to express my concern over Saudi Arabia's recent voting record on United Nations resolutions that condemn Israel and on her support for the Islamic Conference Resolution expressing solidarity with Libya and opposition to U.S. sanctions. In light of these recent actions, and the fact that Saudi Arabia is still in a state of war with Israel, I urge you not to propose the sale of arms to Saudi Arabia at this time.

On December 16, 1985, Saudi Arabia voted in support of a group of United Nations resolutions, collectively known as Agenda Item 38, which condemn Israel, her actions, and her policies. These resolutions lay the groundwork for expelling Israel from the United Nations and making her into an international pariah.

Saudi Arabia voted in favor of the "isolation resolution" which declares that Israel's record, policies, and actions establish conclusively that she is not a peace-loving Member State, and that she has persistently violated the principles of and failed to carry out her obligations under the Charter. It calls on all Member States to refrain from supplying Israel with weapons or military assistance, to suspend economic, financial and technological assistance to and co-operation with Israel, and to sever diplomatic, trade and cultural relations with Israel. The resolution further calls on all Member States to cease all dealings with Israel in order to totally isolate her in all fields.

Saudi Arabia also supported a resolution which condemns Israel's continued occupation of the Palestinian and other Arab territories, including Jerusalem, demands the immediate, unconditional and total withdrawal of Israel from all the territories occupied since 1967, and labels Israel's establishment of settlements as a terrorist, aggressive measure which violates the U.N. Charter and international law. That resolution also states that the U.S.-Israeli agreements on strategic co-operation and free trade, and the United States' continued supply of modern arms and substantial economic aid have encouraged Israel to pursue

her aggressive and expansionist policies and practices.

Saudi Arabia voted favorably on a resolution which condemns the Israeli control of Jerusalem, and determines that Israel's decision to impose her laws, jurisdiction, and administration on Jerusalem is illegal, null and void.

Furthermore, the 16th Islamic foreign ministers conference, of which Saudi Arabia is a member, adopted a statement in closed session in January 9, 1986 that condemns American sanctions against Libya, expresses its categorical solidarity with Libya, demands that the U.S. government cancel its unjust measures, and calls on Islamic countries to adopt the arrangements they consider suitable to confront these unjust U.S. measures. Saudi support of this resolution is consistent with the telephone call by King Fahd to Qaddafi on January 6, 1986 expressing support for Qaddafi. The Saudi position is a direct slap at American foreign policy and your recent actions with regard to Libya. It undercuts our efforts to eradicate terrorism.

Supporters of the sale of arms to Saudi Arabia have argued that these sophisticated weapons will induce Saudi Arabia to be more cooperative with our efforts to make peace in the Middle East. But Saudi Arabia's recent votes in the U.N. and her opposition to U.S. policy on Libya give no hint of that. Instead, Saudi Arabia voted to endorse U.N. resolutions which not only violently condemn everything which Israel stands for but deny her the right to live in peace. And Saudi Arabia voted to support the actions of Muammar Qaddafi, a sworn enemy not only of Israel but of the United States. Saudi Arabia continues to be in a state of war with Israel, refuses to recognize her right to exist, and continues to support the Arab boycott of Israel.

Saudi Arabia must begin to act as if she wants peace if we are to seriously consider selling her lethal weapons which could be used against Israel.

I urge you, in light of this record, not to propose the sale of arms to Saudi Arabia.

Sincerely,

FRANK R. LAUTENBERG.

THE SITUATION IN THE MIDDLE EAST

Bahrain, Bangladesh, Djibouti, India, Indonesia, Iraq, Kuwait, Malaysia, Mauritania, Morocco, Oman, Pakistan, Qatar, Saudi Arabia, Somalia, Sudan, Tunisia, United Arab Emirates, Yemen and Yugoslavia: draft resolution

The General Assembly:

Having discussed the item entitled "The situation in the Middle East",

Reaffirming its resolutions 36/226 A and B of 17 December 1981, ES-9/1 of 5 February 1982, 37/123 F of 20 December 1982, 38/58 A to E of 13 December 1983, 38/180 A to D of 19 December 1983 and 39/146 A to C of 14 December 1984,

Recalling Security Council resolutions 425 (1978) of 19 March 1978, 497 (1981) of 17 December 1981, 508 (1982) of 5 June 1982, 509 (1982) of 6 June 1982, 511 (1982) of 18 June 1982, 512 (1982) of 19 June 1982, 513 (1982) of 4 July 1982, 515 (1982) of 29 July 1982, 516 (1982) of 1 August 1982, 517 (1982) of 4 August 1982, 518 (1982) of 12 August 1982, 519 (1982) of 17 August 1982, 520 (1982) of 17 September 1982, 521 (1982) of 19 September 1982 and 555 (1984) of 12 October 1984,

Taking note of the reports of the Secretary-General,[1]

Reaffirming the need for continued collective support for the resolutions adopted by the Twelfth Arab Summit Conference, held at Fez, Morocco, on 25 November 1981 and from 6 to 9 September 1982,[2] reiterating its previous resolutions regarding the Palestinian question, and its support for the Palestine Liberation Organization as the sole, legitmate representative of the Palestinian people, and considering that the convening of an International Conference for Peace in the Middle East, under the auspices of the United Nations, in accordance with the General Assembly resolution 38/58 C and other relevant resolutions related to the question of Palestine, would contribute to the promotion of peace in the region,

Welcoming all efforts contributing towards the realization of the inalienable rights of the Palestinian people through the achievement of a comprehensive, just and lasting peace in the Middle East, in accordance with the United Nations resolutions relating to the question of Palestine and to the situation in the Middle East,

Welcoming the world-wide support extended to the just cause of the Palestinian people and the other Arab countries in their struggle against Israeli aggression and occupation in order to achieve a comprehensive, just and lasting peace in the Middle East and the full exercise by the Palestinian people of its inalienable national rights, as affirmed by previous resolutions of the General Assembly relating to the question of Palestine and to the situation in the Middle East,

Gravely concerned that the Palestinian and other Arab territories occupied since 1967, including Jerusalem, still remain under Israeli occupation, that the relevant resolutions of the United Nations have not been implemented and that the Palestinian people is still denied the restoration of its land and the exercise of its inalienable national rights in conformity with international law, as reaffirmed by resolutions of the United Nations,

Reaffirming the applicability of the Geneva Convention relative to the Protection of Civilian Persons in time of War, of 12 August 1949,[3] to all the occupied Palestinian and other Arab territories, including Jerusalem,

Reaffirming further all relevant United Nations resolutions which stipulate that the acquisition of territory by force is inadmissible under the Charter of the United Nations and the principles of international law and that Israel must withdraw unconditionally from all the Palestinian and other Arab territories occupied by Israel since 1967, including Jerusalem,

Reaffirming also the imperative necessity of establishing a comprehensive, just and lasting peace in the region, based on full respect for the Charter and the principles of international law,

Gravely concerned also at the continuing Israeli policies involving the escalation and expansion of the conflict in the region, which further violate the principles of international law and endanger international peace and security,

Stressing once again the great importance of the time factor in the endeavours to achieve an early comprehensive, just and lasting peace in the Middle East,

1. Reaffirms its conviction that the question of Palestine is the core of the conflict in the Middle East and that no comprehensive, just and lasting peace in the region will be achieved without the full exercise by the Palestinian people of its inalienable national rights and the immediate, unconditional and total withdrawal of Israel from all the Palestinian and other occupied Arab territories;

2. Reaffirms further that a just and comprehensive settlement of the situation in the Middle East cannot be achieved without the participation on an equal footing of all the parties to the conflict, including the Palestine Liberation Organization, the representative of the Palestinian people;

3. Declares once more that peace in the Middle East is indivisible and must be based on a comprehensive, just and lasting solution of the Middle East problem, under the auspices of the United Nations and on the basis of relevant resolutions of the United Nations, which ensures the complete and unconditional withdrawal of Israel from the Palestinian and other Arab territories occupied since 1967, including Jerusalem, and which enables the Palestinian people, under the leadership of the Palestine Liberation Organization, to exercise its inalienable rights, including the right to return and the right to self-determination, national independence and the establishment of its independent sovereign State in Palestine, in accordance with the resolutions of the United Nations relevant to the question of Palestine, in particular General Assembly resolutions ES-7/2 of 29 July 1980, 36/120 A to F of 10 December 1981, 37/86 A to D of 10 December 1982, 37/86 E of 20 December 1982, 38/58 A to E of 13 December 1983 and 39/146 A to C of 14 December 1984;

4. Considers the Arab Peace Plan adopted unanimously at the Twelfth Arab Summit Conference, held at Fez, Morocco, on 25 November 1981 and from 6 to 9 September 1982,[2] reiterated by the Extraordinary Summit Conference of the Arab States held at Casablanca 1985, as well as relevant efforts and action to implement the Fez Plan, as an important contribution toward the realization of the inalienable rights of the Palestinian people through the achievement of a comprehensive, just and lasting peace in the Middle East;

5. Condemns Israel's continued occupation of the Palestinian and other Arab territories, including Jerusalem, in violation of the Charter of the United Nations, the principles of international law and the relevant resolutions of the United Nations, and demands the immediate, unconditional and total withdrawal of Israel from all the territories occupied since 1967;

6. Rejects all agreements and arrangements which violate the inalienable rights of the Palestinian people and contradict the principles of a just and comprehensive solution to the Middle East problem which ensures the establishment of a just peace in the area;

7. Deplores Israel's failure to comply with Security Council resolutions 476 (1980) of 30 June 1980 and 478 (1980) of 20 August 1980 and General Assembly resolutions 35/207 of 16 December 1980 and 36/226 A and B of 17 December 1981; determines that Israel's decision to annex Jerusalem and to declare it as its "capital" as well as the measures to alter its physical character, demographic composition, institutional structure and status are null and void and demands that

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[1] A/40/168-S/17014, A/40/668 and Add. 1 and A/40/779-S/17581 and Corr.1.

[2] See A/37/696-S/15510, annex.

[3] United Nations, *Treaty Series*, vol. 75, No. 973, P. 287.

they be rescinded immediately; and calls upon all Member States, the specialized agencies and all other international organizations to abide by the present resolution and all other relevant resolutions and decisions;

8. Condemns Israel's aggression, policies and practices against the Palestinian people in the occupied Palestinian territories and outside these territories, including expropriation, establishment of settlements, annexation and other terrorist, aggressive and repressive measures, which are in violation of the Charter and the principles of international law and the relevant international conventions;

9. Strongly condemns the imposition by Israel of its laws, jurisdiction and administration on the occupied Syrian Golan Heights, its annexationist policies and practices, the establishment of settlements, the confiscation of lands, the diversion of water resources and the imposition of Israeli citizenship on Syrian nationals, and declares that all these measures are null and void and constitute a violation of the rules and principles of international law relative to belligerent occupation, in particular the Geneva Convention relative to the Protection of Civilian Persons in Time of War, of 12 August 1949;

10. Considers that the agreements on strategic co-operation between the United States of America and Israel, signed on 30 November 1981, and the continued supply of modern arms and materiel to Israel, augmented by substantial economic aid, including the recently concluded Agreement on the Establishment of a Free Trade Area between the two Governments, have encouraged Israel to pursue its aggressive and expansionist policies and practices in the Palestinian and other Arab territories occupied since 1967, including Jerusalem, and have had adverse effects on efforts for the establishment of a comprehensive, just and lasting peace in the Middle East and would threaten the security of the region;

11. Calls once more upon all States to put an end to the flow to Israel of any military, economic, financial and technological aid, as well as of human resources, aimed at encouraging it to pursue its aggressive policies against the Arab countries and the Palestinian people;

12. Strongly condemns the continuing and increasing collaboration between Israel and the racist régime of South Africa, especially in the economic, military and nuclear fields, which constitutes a hostile act against the African and Arab States and enables Israel to enhance its nuclear capabilities, thus subjecting the States of the region to nuclear blackmail;

13. Reaffirms its call for the convening of an International Peace Conference on the Middle East under the auspices of the United Nations and on the basis of relevant resolutions of the United Nations—as specified in paragraph 5 of the Geneva Declaration on Palestine [4] and endorsed by General Assembly resolution 38/58 C of 13 December 1983;

MEETING No. 118—VOTE No. 26—ITEM No. 38

Recorded vote—64 Yes; 33 No; 41 Abstain:

Y—Afghanistan; Y—Albania; Y—Algeria; Angola; A—Antigua-Barbuda; A—Argentina; N—Australia; N—Austria.

A—Bahamas; Y—Bahrain; Y—Bangladesh; A—Barbados; N—Belgium; Belize; Benin; Y—Bhutan; N—Bolivia; Botswana; A—Brazil; Y—Brunei Darussalam; Y—Bulgaria; Y—Burkina Faso; A—Burma; Y—Burundi; Y—Byelorussian S.S.R.

A—Cameroon; N—Canada; Cape Verde; A—Central African Republic; A—Chad; N—Chile; Y—China; N—Colombia; Comoros; Y—Congo; N—Costa Rica; Y—Cuba; Y—Cyprus; Y—Czechoslovakia.

Democratic Kampuchea; Y—Democratic Yemen; N—Denmark; Y—Djibouti; A—Dominica; N—Dominican Republic.

N—Ecuador; A—Egypt; N—El Salvador; A—Equatorial Guinea; Y—Ethiopia.

N—Fiji; N—Finland; N—France.

A—Gabon; A—Gambia; Y—German Democratic Rep.; Germany, Federal Rep. of; Ghana; N—Greece; A—Grenada; N—Guatemala; Guinea; Guinea-Bissau; Y—Guyana.

A—Haiti; N—Honduras; Y—Hungary.

N—Iceland; Y—India; Y—Indonesia; Y—Iran (Islamic Rep. of); Y—Iraq; N—Ireland; N—Israel; N—Italy; A—Ivory Coast.

A—Jamaica; N—Japan; Y—Jordan; Y—Kenya; Y—Kuwait.

Y—Lao P.D.R.; Y—Lebanon; Lesotho; A—Liberia; Y—Libyan Arab Jamahiriya; N—Luxembourg.

Y—Madagascar; A—Malawi; Y—Malaysia; Y—Maldives; Y—Mali; A—Malta; Y—Mauritania; N—Mauritius; A—Mexico; Y—Mongolia; Y—Morocco; Y—Mozambique.

A—Nepal; N—Netherlands; N—New Zealand; Y—Nicaragua; A—Niger; Y—Nigeria; N—Norway; Y—Norway; Y—Oman.

Y—Pakistan; A—Panama; Papua New Guinea; A—Paraguay; A—Peru; A—Philippines; Y—Poland; N—Portugal; Y—Oatar.

Romania; A—Rwanda; St. Christopher and Nevis; A—Saint Lucia; A—Saint Vincent—Grenada; A—Samoa; Sao Tome and Principe; Y—Saudi Arabia; Y—Senegal; Seychelles; A—Sierra Leone; A—Singapore; Solomon Islands; Y—Somalia; South Africa; N—Spain; Y—Sri Lanka; Y—Sudan; Suriname; A—Swaziland; N—Sweden; Y—Syrian Arab Republic.

A—Thailand; A—Togo; A—Trinidad and Tobago; Y—Tunisia; Y—Turkey.

Y—Uganda; Y—Ukrainian S.S.R.; Y—Union of Soviet Socialist Republics; Y—United Arab Emirates; N—United Kingdom; Y—United Republic of Tanzania; N—United States; A—Uruguay.

Vanuatu; A—Venezuela; Y—Viet Nam; Y—Yemen; Y—Yugoslavia; A—Zaire; Y—Zambia; Y—Zimbabwe.

THE SITUATION IN THE MIDDLE EAST

Algeria, Bahrain, Bangladesh, Democratic Yemen, Djibouti, India, Indonesia, Iraq, Jordan, Kuwait, Lebanon, Libyan Arab Jamahiriya, Malaysia, Mauritania, Morocco, Oman, Pakistan, Qatar, Saudi Arabia, Somalia, Sudan, Syrian Arab Republic, Tunisia, United Arab Emirates, Yemen and Yugoslavia: draft resolution

The General Assembly:

Having discussed the item entitled "The situation in the Middle East",

Taking note of the report of the Secretary-General of 22 October 1985,[1]

Recalling Security Council resolution 497 (1981) of 17 December 1981,

Reaffirming its resolutions 36/226 B of 17 December 1981, ES-9/1 of 5 February 1982, 37/123 A of 16 December 1982, 38/180 A of 19 December 1983 and 39/146 B of 14 December 1984,

Recalling its resolution 3314 (XXIX) of 14 December 1974, in which it defined an act of aggression, inter alia, as "the invasion or attack by the armed forces of a State of the territory of another State, or any military occupation, however temporary, resulting from such invasion or attack, or any annexation by the use of force of the territory of another State or part thereof" and provided that "no consideration of whatever nature, whether political, economic, military or otherwise, may serve as a justification for aggression",

Reaffirming the fundamental principle of the inadmissibility of the acquisition of territory by force,

Reaffirming once more the applicability of the Geneva Convention relative to the Protection of Civilian Persons in Time of War, of 12 August 1949,[2] to the occupied Palestinian and other Arab territories, including Jerusalem,

Noting that Israel's record, policies and actions establish conclusively that it is not a peace-loving Member State and that it has not carried out its obligations under the Charter of the United Nations,

Noting further that Israel has refused, in violation of Article 25 of the Charter, to accept and carry out the numerous relevant decisions of the Security Council, in particular 497 (1981), thus failing to carry out its obligations under the Charter,

1. Strongly condemns Israel for its failure to comply with Security Council resolution 497 (1981) and General Assembly resolutions 36/226 B, ES-9/1, 37/123 A, 38/180 A and 39/146 B;

2. Declares one more that Israel's continued occupation of the Golan Heights, and its decision of 14 December 1981 to impose its laws, jurisdiction and administration on the occupied Syrian Golan Heights constitute an act of aggression under the provisions of Article 39 of the Charter of the United Nations and General Assembly resolution 3314 (XXIX);

3. Declares once more that Israel's decision to impose its laws, jurisdiction and administration on the occupied Syrian Golan Heights is illegal and therefore null and void and has no validity whatsoever;

4. Declares all Israeli policies and practices of, or aimed at, annexation of the occupied Palestinain and other Arab territories, including Jerusalem, to be illegal and in violation of international law and of the relevant United Nations resolutions;

5. Determines once more that all actions taken by Israel to give effect to its decision relating to the occupied Syrian Golan Heights are illegal and invalid and shall not be recognized;

6. Reaffirms its determination that all relevant provisions of the Regulations annexed to the Hague Convention IV of 1907,[3] and the Geneva Convention relative to the Protection of Civilian Persons in Time of War, of 12 August 1949, continue to apply to the Syrian territory occupied by Israel since 1967, and calls upon the parties thereto to respect and ensure respect of their obligations under these instruments in all circumstances;

7. Determines once more that the continued occupation of the Syrian Golan Heights since 1967 and their annexation by Israel on

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[4] *Report of the International Conference on the Question of Palestine, 29 August-7 September 1983* (United Nations publication, Sales No. E.83.I.21), chap. I, sect. A.

[1] A/40/779-S/17581 and Corr. 1.

[2] United Nations, *Treaty Series*, vol. 75, No. 973, p. 287.

[3] Carnegie Endowment for International Peace, *The Hague Conventions and Declarations of 1899 and 1907* (New York, Oxford University Press, 1915), p.100.

14 December 1981, following Israel's decision to impose its laws, jurisdiction and administration on that territory, constitute a continuing threat to international peace and security;

8. Strongly deplores the negative vote by a permanent member of the Security Council which prevented the Council from adopting against Israel, under Chapter VII of the Charter, the "appropriate measures" referred to in resolution 497 (1981) unanimously adopted by the Council;

9. Further deplores any political, economic, financial, military and technological support to Israel that encourages Israel to commit acts of aggression and to consolidate and perpetuate its occupation and annexation of occupied Arab territories;

10. Firmly emphasizes once more its demand that Israel, the occupying Power, rescind forthwith its illegal decision of 14 December 1981 to impose its laws, jurisdiction and administration on the Syrian Golan Heights, which resulted in the effective annexation of that territory;

11. Reaffirms once more the overriding necessity of the total and unconditional withdrawal by Israel from all the Palestinian and other Arab territories occupied since 1967, including Jerusalem, which is an essential prerequisite for the establishment of a comprehensive and just peace in the Middle East;

12. Determines once more that Israel's record, policies and actions confirm that it is not a peace-loving Member State, that it has persistently violated the principles contained in the Charter and that it has carried out neither its obligations under the Charter nor its commitment under General Assembly resolution 273 (III) of 11 May 1949;

13. Calls once more upon all Member States to apply the following measures:

(a) To refrain from supplying Israel with any weapons and related equipment and to suspend any military assistance that Israel receives from them;

(b) To refrain from acquiring any weapons or military equipment from Israel;

(c) To suspend economic, financial and technological assistance to and co-operation with Israel;

(d) To sever diplomatic, trade and cultural relations with Israel;

14. Reiterates its call to all Member States to cease forthwith, individually and collectively, all dealings with Israel in order totally to isolate it in all fields;

15. Urges non-member States to act in accordance with the provisions of the present resolution;

16. Calls upon the specialized agencies and other international organizations to conform their relations with Israel to the terms of the present resolution;

17. Requests the Secretary-General to report to the General Assembly at its forty-first session on the implementation of the present resolution.

MEETING No. 118—VOTE No. 27—ITEM No. 38

Recorded vote—98 Yes; 19 No; 31 Abstain:

Y—Afghanistan; Y—Albania; Y—Algeria; Angola; A—Antigua-Barbuda; Y—Argentina; N—Australia; A—Austria.

A—Bahamas; Y—Bahrain; Y—Bangladesh; A—Barbados; N—Belgium; Belize; Y—Benin; Y—Bhutan; Y—Bolivia; Y—Botswana; Y—Brazil; Y—Brunei Darussalam; Y—Bulgaria; Y—Burkina Faso; A—Burma; Y—Burundi; Y—Byelorussian S.S.R.

A—Cameroon; N—Canada; Y—Cape Verde; Y—Central African Republic; Y—Chad; A—Chile; Y—China; A—Colombia; Comoros; Y—Congo; N—Costa Rica; Y—Cuba; Y—Cyprus; Y—Czechoslovakia.

Y—Democratic Kampuchea; Y—Democratic Yemen; N—Denmark; Y—Djibouti; A—Dominica; A—Dominican Republic.

Y—Equador; Y—Egypt; N—El Salvador; Y—Equatorial Guinea; Y—Ethiopia; A—Fiji; A—Finland; N—France.

Y—Gabon; Y—Gambia; Y—German Democratic Rep.; N—Germany, Federal Rep. of; Y—Ghana; Y—Greece; A—Grenada; A—Guatemala; Y—Guinea; Y—Guinea-Bissau; Y—Guyana.

A—Haiti; A—Honduras; Y—Hungary; N—Iceland; Y—India; Y—Indonesia; Y—Iran (Islamic Rep. of); Y—Iraq; N—Ireland; N—Israel; N—Italy; A—Ivory Coast.

A—Jamaica; A—Japan; Y—Jordan; Y—Kenya; Y—Kuwait.

Y—Lao P.D.R.; Y—Lebanon; Y—Lesotho; A—Liberia; Y—Libyan Arab Jamahiriya; N—Luxembourg.

Y—Madagascar; A—Malawi; Y—Malaysia; Y—Maldives; Y—Mali; Y—Malta; Y—Mauritania; Mauritius; Y—Mexico; Y—Mongolia; Y—Morocco; Y—Mozambique.

Y—Nepal; N—Netherlands; N—New Zealand; Y—Nicaragua; Y—Niger; Y—Nigeria; N—Norway; Y—Oman.

Y—Pakistan; A—Panama; Papua New Guinea; A—Paraguay; Y—Peru; Y—Philippines; Y—Poland; N—Portugal; Y—Qatar.

Y—Romania; Y—Rwanda; St. Christopher and Nevis; A—Saint Lucia; A—Saint Vincent—Grenada; A—Samda; Y—Sao Tome and Principe; Y—Saudi Arabia; Y—Senegal; Seychelles; Sierra Leone; Y—Singapore; Solomon Islands; Y—Somalia; South Africa; A—Spain; Y—Sri Lanka; Y—Sudan; Suriname; A—Swaziland; A—Sweden; Y—Syrian Arab Republic.

Y—Thailand; Y—Togo; Y—Trinidad and Tobago; Y—Tunisia; Y—Turkey.

Y—Uganda; Y—Ukrainian S.S.R.; Y—Union of Soviet Soc. Rep.; Y—United Arab Emirates; N—United Kingdom; Y—United Republic of Tanzania; N—United States; A—Uruguay.

Y—Vanuatu; Y—Venezuela; Y—Viet Nam; Y—Yemen; Y—Yugoslavia; A—Zaire; Y—Zambia; Y—Zimbabwe.

MEETING No. 118—VOTE No. 28—ITEM No. 38

Recorded vote—86 Yes; 23 No; 37 Abstain:

Y—Afghanistan; Y—Albania; Y—Algeria; Y—Angola; A—Antigua-Barbuda; Y—Argentina; N—Australia; A—Austria; A—Bahamas; Y—Bahrain; Y—Bangladesh; Y—Barbados; N—Belgium; Belize; Y—Benin; Y—Bhutan; A—Bolivia; Y—Botswana; A—Brazil; Y—Brunei Darussalam; Y—Bulgaria; Y—Burkina Faso; A—Burma; Y—Burundi; Y—Byelorussian S.S.R.

A—Cameroon; N—Canada; Y—Cape Verde; Central African Republic; Y—Chad; Chile; Y—China; A—Colombia; Y—Comoros; Y—Congo; N—Costa Rica; Y—Cuba; Y—Cyprus; Y—Czechoslovakia.

Y—Democratic Kampuchea; Y—Democratic Yemen; N—Denmark; Y—Djibouti; A—Dominica; A—Dominican Republic.

A—Ecuador; A—Egypt; N—El Salvador; A—Equatorial Guinea; Y—Ethiopia; A—Fiji; N—Finland; N—France.

Y—Gabon; Y—Gambia; Y—German Democratic Rep. of; N—Germany, Federal Rep.; Y—Ghana; Y—Greece; A—Grenada; A—Guatemala; Y—Guinea; Y—Guinea-Bissau; Y—Guyana.

N—Haiti; A—Honduras; Y—Hungary; N—Iceland; Y—India; Y—Indonesia; Y—Iran (Islamic Rep. of); Y—Iraq; N—Ireland; N—Israel; N—Italy; A—Ivory Coast.

A—Jamaica; N—Japan; Y—Jordan; Y—Kenya; Y—Kuwait.

Y—Lao P.D.R. Y—Lebanon; Y—Lesotho; A—Liberia; Y—Libyan Arab Jamahiriya; N—Luxembourg; Y—Madagascar; A—Malawi; Y—Malaysia; Y—Maldives; Y—Mali; Y—Malta; Y—Mauritania; Mauritius; Y—Mexico; Y—Mongolia; Y—Morocco; Y—Mozambique.

A—Nepal; N—Netherlands; N—New Zealand; Y—Nicaragua; Y—Niger; Y—Nigeria; N—Norway; Y—Oman.

Y—Pakistan; A—Panama; Papua New Guinea; A—Paraguay; A—Peru; A—Philippines; Y—Poland; N—Portugal; Y—Qatar; Romania.

Y—Rwanda; St. Christopher and Nevis; A—Saint Lucia; A—Saint Vincent-Grenadines; A—Samoa; Y—Sao Tome and Principe; Y—Saudi Arabia; Y—Sengal; Seychelles; A—Sierra Leone; A—Singapore; Solomon Islands; Y—Somalia; South Africa; A—Spain; Y—Sri Lanka; Y—Sudan; Suriname; A—Swaziland; N—Sweden; Y—Syrian Arab Republic. A—Thailand; Y—Togo; Y—Trinidad and Tobago; Y—Tunisia; Y—Turkey.

Y—Uganda; Y—Ukrainian S.S.R.; Y—Union of Soviet Soc. Rep.; Y—United Arab Emirates; N—United Kingdom; Y—United Republic of Tanzania; N—United States; A—Uruguay.

A—Vanuatu; A—Venezuela; Y—Viet Nam; Y—Yemen; Y—Yugoslavia; A—Zaire; Y—Zambia; Y—Zimbabwe.

THE SITUATION IN THE MIDDLE EAST

Algeria, Bahran, Bangladesh, Democratic Yemen, Djibouti, Egypt, India, Indonesia, Iraq, Jordan, Kuwait, Lebanon, Libyan Arab Jamahiriya, Malaysia, Mauritania, Morocco, Oman, Pakistan, Qatar, Saudi Arabia, Somalia, Sri Lanka, Sudan, Syrian Arab Republic, Tunisia, United Arab Emirates, Yemen and Yugoslavia: draft resolution

The General Assembly:

Recalling its resolutions 36/120 E of 10 December 1981, 37/123 C of 16 December 1982, 38/180 C of 19 December 1983 and 39/146 C of 14 December 1984, in which it determined that all legislative and administrative measures and actions taken by Israel, the occupying Power, which had altered or purported to alter the character and status of the Holy City of Jerusalem, in particular the so-called "Basic Law" on Jerusalem and the proclamation of Jerusalem as the capital of Israel, were null and void and must be rescinded forthwith,

Recalling Security Council resolution 478 (1980) of 20 August 1980, in which the Council, *inter alia*, decided not to recognize the "Basic Law" and called upon those States that had established diplomatic missions at Jerusalem to withdraw such missions from the Holy City,

Having considered the report of the Secretary-General of 22 October 1985, [1]

1. Determines that Israel's decision to impose its laws, jurisdiction and administration on the Holy City of Jerusalem is illegal and therefore null and void and has no validity whatsoever;

2. Deplores the transfer by some States of their diplomatic missions to Jerusalem in violation of Security Council resolution 478 (1980) and their refusal to comply with the provisions of that resolution;

3. Calls once upon those to abide by the provisions of the relevant United Nations resolutions, in conformity with the Charter of the United Nations;

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[1] A/40/779-S/17581 and Corr.1.

4. Requests the Secretary-General to report to the General Assembly at its forty-first session on the implementation of the present resolution.

MEETING No. 118—VOTE No. 29—ITEM No. 38

Subject: The situation in the Middle East.

Recorded vote: 137 yes, 2 no, 10 abstain.

Y—Afghanistan; Y—Albania; Y—Algeria; Angola; A—Antigua-Barbuda; Y—Argentina; Y—Australia; Y—Austria.

Y—Bahamas; Y—Bahrain; Y—Bangladesh; Y—Barbados; Y—Belgium; Belize; Y—Benin; Y—Bhutan; Y—Bolivia; Y—Botswana; Y—Brazil; Y—Brunei Darussalam; Y—Bulgaria; Y—Burkina Faso; Y—Burma; Y—Burundi; Y—Byelorussian S.S.R.

Y—Cameroon; Y—Canada; Y—Cape Verde; Y—Central African Republic; Y—Chad; Y—Chile; Y—China; Y—Colombia; Y—Comoros; Y—Congo; N—Costa Rica; Y—Cuba; Y—Cyprus; Y—Czechoslovakia.

Y—Democratic Kampuchea; Y—Democratic Yemen; Y—Denmark; Y—Djibouti; A—Dominica; Y—Dominican Republic.

Y—Ecuador; Y—Egypt; Y—El Salvador; Y—Equatorial Guinea; Y—Ethiopia.

Y—Fiji; Y—Finland; Y—France; Y—Gabon; Y—Gambia; Y—German Democratic Rep.; Y—Germany, Federal Rep. of; Y—Ghana; Y—Greece; Y—Grenada; A—Guatemala; Y—Guinea; Y—Guinea-Bissau; Y—Guyana.

Haiti; Y—Honduras; Y—Hungary; Y—Iceland; Y—India; Y—Indonesia; Y—Iran (Islamic Rep. of); Y—Iraq; Y—Ireland; Y—Israel; Y—Italy; Y—Ivory Coast.

Y—Jamaica; Y—Japan; Y—Jordan.

Y—Kenya; Y—Kuwait.

Y—Lao P.D.R; Y—Lebanon; Y—Lesotho; A—Liberia; Y—Libyan Arab Jamahiriya; Y—Luxembourg.

Y—Madagascar; A—Malawi; Y—Malaysia; Y—Maldives; Y—Mali; Y—Malta; Y—Mauritania; Y—Mauritius; Y—Mexico; Y—Mongolia; Y—Morocco; Y—Mozambique.

Y—Nepal; Y—Netherlands; Y—New Zealand; Y—Nicaragua; Y—Niger; Y—Nigeria; Y—Norway; Y—Oman.

Y—Pakistan; Y—Panama; Papua New Guinea; A—Paraguay; Y—Peru; Y—Philippines; Y—Poland; Y—Portugal; Y—Qatar.

Y—Romania; Y—Rwanda.

St. Christopher and nevis; Y—Saint Lucia; Y—Saint Vincent-Grenada Y—Samoa; Y—Sao Tome and Principe; Y—Saudi Arabia; Y—Senegal; Seychelles; Sierra Leone; Y—Singapore; Solomon Islands; Y—Somalia; South Africa; Y—Spain; Y—Sri Lanka; Y—Sudan; Y—Suriname; A—Swaziland; Y—Sweden; Y—Syrian Arab Republic.

Y—Thailand; Y—Togo; Y—Trinidad and Tobago; Y—Tunisia; Y—Turkey.

Y—Uganda; Y—Ukrainian S.S.R.; Y—Union of Soviet Soc. Rep.; Y—United Arab Emirates; Y—United Kingdom; Y—United Republic of Tanzania; A—United States; Y—Uruguay.

Y—Vanuatu; Y—Venezuela; Y—Viet Nam.

Y—Yemen; Y—Yugoslavia.

A—Zaire; Y—Zambia; Y—Zimbabwe.●

● Mr. KENNEDY. Mr. President, yesterday the administration formally notified Congress of its intention to sell sophisticated missiles to Saudi Arabia. Today I am joining Senators CRANSTON, PACKWOOD, DIXON, D'AMATO, LAUTENBERG, and 55 other Senators in introducing a resolution of disapproval of the administration's request for advance weapons to Saudi Arabia.

This administration has yet to learn a fundamental truth about the Middle East—that the way to bring peace and stability to the Middle East is through a peace policy, not an arms policy. The United States must not sell advanced weapons to the enemies of Israel unless and until that nation accepts the existence of Israel and begins direct negotiations for peace.

Opponents of this sale do not seek another confrontation with the administration. But neither can we remain silent while the administration pursues a reckless course that could endanger Israel and her people in a future confrontation in the Middle East.

Saudi Arabia has received $44 billion in arms and other military aid from the United States since 1971. Saudi Arabia already has adequate stockpiles of weapons for its own defense. This latest request for Sidewinders, Stingers, and Harpoons can only escalate the already dangerous arms race in the Middle East.

The addition of these Sidewinder missiles will bring the total to nearly 5,500—providing a far greater number of missiles per plane than that of any of our allies. These heat-seeking missiles are extremely effective—most of the 85 Syrian MIG's downed in Lebanon were destroyed by Sidewinders—with an accuracy rate of 80 percent. These missiles also enabled the British to destroy 19 Argentine aircraft in the Falklands war—using only 23 Sidewinders.

The Stinger missiles are portable weapons which can be carried and fired by individual soldiers, and which have a range of 5,000 meters and can hit planes at altitudes of up to 3,000 meters; a single missile could destroy a civilian aircraft. We need only remind ourselves of the tragic death of the Klug family in the skies over Greece last week to realize the havoc terrorists could cause should these weapons fall into their hands.

The air-launched harpoon is an antiship missile with a range of up to 85 nautical miles; it is not yet in the Saudi inventory. These new weapons would be used on Saudi Arabian F-15 aircraft and possibly the newly acquired British Tornados and would enhance the Saudi capacity to control the sea lanes around it.

Finally, Saudi Arabia has not lived up to the specific condition set down in writing by President Reagan in 1981 that no future advanced arms sales to Saudi Arabia would take place until significant progress toward peace in the region is not only accomplished—but accomplished with the substantial assistance of Saudi Arabia.

Yet the Saudis have consistently opposed American peace initiatives since the AWAC's sale including the Reagan plan in 1982, the May 17, 1983 Lebanon-Israel accord and the Camp David peace process. And they continue to bankroll the PLO and Syria. Clearly, there has been no progress toward peace and no Saudi assistance—and the obvious question is whether the administration meant what it said in 1981.

It is time for this administration to direct its efforts to move the peace process forward between Israel and her neighbors, not to continue trying to move one arms deal after another through Congress. No further sophisticated weapons should be sold to the Saudis until that nation accepts the existence of Israel and begins direct negotiations for peace. Unless this fundamental condition is met, this latest arms deal should be rejected by Congress.●

● Mr. D'AMATO. Mr. President, I rise today to strongly support the resolution introduced by my good friend, the senior Senator from California, which will disallow the proposed $354 million arms sale to Saudi Arabia.

The administration has formally notified Congress that it intends to sell $354 million worth of advanced missiles to Saudi Arabia. The administration cites Saudi Arabia's moderating influence in the Middle East, its close friendship with the United States, and the dangers it faces from the Iran-Iraq war.

I find fault with these arguments. Saudi Arabia has consistently worked to undermine the Arab-Israeli peace process. Saudi Arabia supports two of America's main terrorist threats, Libya and Syria. Saudi Arabia has provided not only over $4 billion of monetary assistance to the P.L.O. but also sanctuary, training, and logistics for P.L.O. militants.

I am unconvinced that we can trust the Saudis with such advanced missiles. The Saudis have not lived up to the AWAC's agreements. Congress was assured that future deliveries to Saudi Arabia of AWAC's and other advanced arms would take place only if peace efforts in the region have the substantial assistance of Saudi Arabia. This has not happened.

We do not have to prove our friendship with Saudi Arabia. We have supplied the Saudi's with over $44 billion in arms since 1971, $22 billion just during this administration. The simple fact of the matter is that Saudi Arabia does not truly need the missiles. This is just a preliminary sale. I expect the administration to come back in the future if we do not stop it now and ask to sell even more sophisticated weaponry. I also question the urgency of this sale if the missiles are not going to be sent to Saudi Arabia for quite some time.

Part of the proposed sale includes advanced hand-held Stinger missiles. The Iranian Air Force has a limited number planes capable of flying. Saudi Arabia, which already has Stinger mis-

siles, has more than enough missiles to defend against this threat.

Our total arms sales to Saudi Arabia are larger than those to any other nation. No other nation has exceeded $12 billion in total arms purchases. Total arms sales to all of our European allies combined amounts to just $50 billion, barely more than Saudi Arabia's purchases alone. Last year Saudi Arabia, by purchasing $3.5 billion of American arms, purchased 25 percent of all United States arms exports.

It is not in the best interest of the United States and our allies in the Middle East, particularly Israel, that this sale go through. Saudi Arabia has to prove that it is truly for peace in the Middle East before the United States provides billions more in military sales.

Mr. President, the fact that so many of my colleagues have joined with me on this resolution shows the true concern of this body over this proposed sale. I urge other colleagues to cosponsor this important resolution and I ask for its quick passage.●

By Mr. HEINZ (for Mr. GLENN, Mr. WILSON, Mr. HOLLINGS, Mr. SYMMS, Mr. KERRY, Mr. COHEN, Mr. ZORINSKY, Mr. ROCKEFELLER, Mr. BAUCUS, Mr. DOLE, Mr. LUGAR, Mr. GORE, Mr. NUNN, Mr. ROTH, Mr. BRADLEY, Mr. LAUTENBERG, Mr. WARNER, Mr. DURENBERGER, Mr. MATSUNAGA, Mr. KASTEN, Mr. SARBANES, Mr. ANDREWS, Mr. RIEGLE, Mr. COCHRAN, Mr. KENNEDY, Mr. PRYOR, Mr. CHAFEE, Mr. STAFFORD, Mr. JOHNSTON, Mr. LEVIN, Mr. BENTSEN, Mr. CRANSTON, Mr. THURMOND, Mr. HATCH, Mr. DIXON, and Mr. MCCLURE):

S.J. Res. 317. Joint resolution to designate the month November 1986 as "National Hospice Month"; to the Committee on the Judiciary.

NATIONAL HOSPICE MONTH

● Mr. HEINZ. Mr. President, I am pleased to be joined today by Senator GLENN and 35 additional distinguished colleagues in introducing a resolution designating November 1986 as "National Hospice Month." A companion resolution is being introduced today in the House of Representatives by Congressman GRADISON.

This resolution will mark the third annual National Hospice Month recognizing hospice care as a humane response to the needs of those who are terminally ill.

Hospice provides support and care for persons in the last phase of life. It enables terminally ill persons to live out the end of their lives in dignity, as fully and comfortably as possible. Hospice offers hope to family members as well by providing them with emotional support and understanding at this most difficult time.

The first hospice was established in New Haven, CT, in 1974. Hospice was a health-care innovation that was sorely needed and has been wholeheartedly embraced. In the 12 years that have passed, the hospice movement has grown dramatically, and public awareness and support for the program has grown as well. According to the Joint Commission on Accreditation of Hospitals, there are an estimated 1,400 hospice programs in the United States. Almost 100,000 patients a year receive hospice care. And thousands of volunteers each year contribute many hours of service to the care of hospice patients.

Mr. President, hospice care is very different from traditional hospital care. Most hospice patients are faced with months of severe pain and suffering while their families are faced with feelings of helplessness and frustration. While traditional hospital care is committed to treating and curing diseases, for most hospice patients there is no cure. Pain control and family support are often the only antidotes for these patients.

Hospice is an alternative for these patients—an alternative to institutionalization, to separation from families, and to purely clinical treatments. Hospice focuses not just on how long life lasts, but on the quality of that life.

Mr. President, this resolution also recognizes the many people who work as teams to make hospice care a valuable service. Hospice services are provided through the use of home health aides, social workers, registered nurses, clergy, and volunteers—all united to help those most in need.

This resolution celebrates the hope and caring that hospice brings to terminally ill patients and their families. I urge my colleagues to support this resolution, so that we may again reaffirm Congress' support for hospice. I ask that the text of the resolution be printed in the RECORD.

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

S.J. RES. 317

Whereas hospice care has been demonstrated to be a humanitarian way for terminally ill patients to approach the end of their lives in comfort with appropriate, competent, and compassionate care in an environment of personal individuality and dignity;

Whereas hospice advocates care of the patient and family by attending to their physical, emotional, and spiritual needs and specifically, the pain and grief they experience;

Whereas hospice care is provided by an interdisciplinary team of physicians, nurses, social workers, pharmacists, psychological and spiritual counselors, and other community volunteers trained in the hospice concept of care;

Whereas hospice is rapidly becoming a full partner in the Nation's health care system;

Whereas the recent enactment of the medicare hospice benefit makes it possible for many more elderly Americans to have the opportunity to elect to receive hospice care;

Whereas private insurance carriers and employers have recognized the value of hospice care by the inclusion of hospice benefits in health care coverage packages; and

Whereas there remains a great need to increase public awareness of the benefits of hospice care: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the month of November 1986 is designated "National Hospice Month". The President is requested to issue a proclamation calling upon all Government agencies, the health care community, appropriate private organizations, and people of the United States to observe that month with appropriate forums, programs, and activities designed to encourage national recognition of and support for hospice care as a humane response to the needs of the terminally ill and a viable component of the health care system in this country.●

● Mr. GLENN. Mr. President, I am proud to join many of my colleagues today in introducing a resolution designating November 1986, as "National Hospice Month." Most American families have, at one time or another, faced the painful ordeal of providing care and support for a relative or friend with a terminal illness. While death is something we all must face, the death of a loved one—especially one suffering through illness—is particularly traumatic.

Hospice care provides support and care for persons in the last phase of life, enabling the terminally ill patient to live his or her remaining days surrounded by the love and support of family and friends. Hospice is an alternative to traditional hospital care; instead of focusing on treating and curing diseases, hospice care concentrates on pain control, and comfort, and family support. For most hospice patients there is no cure, so the focus of care is on the quality rather than the quantity of life.

The "National Hospice Month" resolution recognizes the efforts of the people—the nurses, social workers, physicians, and volunteers to name but a few—who work to make hospice care a reality. Their compassion and dedication to what is often a difficult job is commendable. These people provide the kind of care upon which the hospice program is based: "to cure sometimes, to relieve often and comfort always."

It is fitting that the "National Hospice Month" resolution is being introduced today. Earlier this week, on Monday, April 17, the reconciliation bill was signed into law. It puts into place two very important changes in the Medicare Hospice Program. First, the hospice benefit becomes permanent rather than expiring, as previously scheduled, on October 1, 1986. Second, it raises the daily reimbursement rate by $10 per day—to a more realistic level—which should lead to

more hospice participation in Medicare.

Mr. President, as a long-time supporter of hospice it is my hope that by drawing attention to those who work within the hospice movement, we will create more opportunities to bring their special type of care to many who are dying. We in Congress must remain firm in our support of their purpose and efforts in the care of the terminally ill. We can show our support by again enacting this resolution. I urge my colleagues in the Senate to join me in supporting the resolution designating November 1986, as "National Hospice Month."●

By Mr. ABDNOR (for himself, Mr. DURENBERGER, Mr. WEICKER, Mr. STENNIS, Mr. MOYNIHAN, Mr. PRESSLER, Mr. BOSCHWITZ, Mr. ROCKEFELLER, Mrs. HAWKINS, Mr. DOLE, Mr. BRADLEY, Mr. DODD, Mr. HOLLINGS, Mr. MCCLURE, Mr. STEVENS, Mr. NUNN, Mr. SYMMS, Mr. BURDICK, Mr. GARN, Mr. HEINZ, Mr. GORE, Mr. KERRY, Mr. WARNER, Mr. NICKLES, Mr. CHILES, Mr. ANDREWS, Mr. MATHIAS, Mr. TRIBLE, and Mr. INOUYE):

S.J. Res. 318. Joint resolution designating November 1986 as "National Diabetes Month"; to the Committee on the Judiciary.

NATIONAL DIABETES MONTH

Mr. ABDNOR. Mr. President, I am today introducing a joint resolution to designate the month of November, 1986, as "National Diabetes Month." Although the ongoing war against diabetes has yielded significant advances in basic and clinical research aimed at prevention, diagnosis, and treatment of persons who are afflicted with this disease, much more remains to be done.

I am convinced of the need for this effect to call to the attention of the public the toll diabetes takes on the 11 million Americans afflicted with the disease and their families. Some 5 million of those afflicted are not even aware of their illness. Tens of millions of Americans—the friends and families of those with the disease—are personally affected by the grave impact which diabetes has on their loved ones. Over $14 billion are spent each year for health care, disability payments, and premature mortality costs resulting from diabetes.

Health complications resulting from diabetes affect a variety of bodily functions and organs. The lasting effects of these complications are extremely severe. For example, the National Diabetes Data Group has reported that:

Diabetes causes almost 50 percent of foot and leg amputations among adults;

Twenty percent of all cases of kindney failure, and 15 percent of all blindness is due to diabetes;

Diabetes is a major cause of birth defects and infant mortality;

The United States ranks among the highest five nations in the world in mortality due to diabetes;

Diabetes is a major risk factor for cardiovascular disease;

A disproportionately large number of black Americans, Hispanic Americans, Native Americans and women suffer from diabetes and its numerous complications;

One in every 600 children suffer from insulin dependent diabetes;

Those afflicted with diabetes spend twice as many days in hospitals as persons without the disease; and

Diabetes, which is the fourth leading cause of visits to general and family practice physicians, places a significant drain on our Nation's health resources.

Mr. President, I would like to take this opportunity to commend the American Diabetes Association, which works so diligently on behalf of the 11 million Americans who suffer from diabetes, and the South Dakota Affiliate of the American Diabetes Association for its efforts on behalf of more than 30,000 South Dakotans afflicted with diabetes and their loved ones.

Mr. President, the designation of November of this year as National Diabetes Month will serve to call to the wider attention of the American people the human and economic costs of diabetes. It is my sincere hope and belief that this increased understanding of the disease—both by those afflicted and by others—will lead to more intensive research, improved methods of preventing serious complications, new types of treatment, and general awareness of the challenge we face in seeking to lessen the impact of diabetes. I urge the speedy adoption of this joint resolution.

Mr. President, I ask unanimous consent that the text of the resolution be printed.

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

S.J. RES. 318

Whereas diabetes with its complications kills more than any other disease except cancer and cardiovascular diseases;

Whereas diabetes afflicts eleven million Americans and five million of these Americans are not aware of their illness;

Whereas more than $14,000,000,000 annually is used for health care costs, disability payments, and premature mortality costs due to diabetes;

Whereas up to 85 per centum of all cases of non-insulin dependent diabetes may be preventable through greater public understanding, awareness and education;

Whereas diabetes is particularly prevalent among black Americans, Hispanic Americans, Native Americans, and women; and

Whereas diabetes is a leading cause of blindness, kidney disease, heart disease, stroke, birth defects, and lower life expectancy, which complications may be reduced through greater patient and public understanding, awareness, and education: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the month of November 1986 is designated as "National Diabetes Month" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that month with appropriate programs, ceremonies, and activities.

Mr. DURENBERGER. Mr. President, I am pleased to join my distinguished colleague from South Dakota [Mr. ABDNOR] in sponsoring this important resolution designating November 1986, as National Diabetes Month. Through my past support of this initiative, including being its chief sponsor last year, I have had the opportunity to meet some impressive individuals who have diabetes or who have devoted their professional lives to researching the causes, treatments, or cures for this disease.

Diabetes is a potentially devastating disease, and yet so many diabetics have taken the bull by the horns and have mastered the management of their diabetes. They are making full use of the newest methods of home glucose monitoring, receiving laser treatments to stop hemorrhages of the eye that often lead to blindness, or are using insulin pumps to achieve the tightest control possible of their blood sugars.

Tight blood sugar control seem to be the way to go, so the latest research indicates, to prevent or arrest the development of long-term complications of diabetes—blindness, kidney disease, heart disease, stroke, and amputation. But the jury is not 100 percent in on this, and more research is needed to answer critical questions about diabetes. How important is tight blood glucose control to the long-term effects of diabetes? Through what methods of diabetes management is this best achieved? How can pancreas or islet cell—the cells in the pancreas that manufacture insulin—transplantation be perfected and made more widely available to diabetics who could most benefit from these methods of treatment?

As chairman of the Health Subcommittee of the Senate Finance Committee, I have pursued many initiatives to reform our Nation's health care system, such as championing legislation to encourage more health promotion and disease prevention in our health care delivery system. A proposal of mine to set up five Medicare demonstration programs designed to reduce the risk of disability and death or through the provision of preventative health services to Medicare beneficiaries was just signed into law by the President as part of the fiscal year 1986 budget reconciliation package. In

this way, individuals will be encouraged to take more responsibility for how they manage their own health and where they spend their health care dollars.

This approach to health care is important for successful health outcomes for diabetics. Diabetes accounts for over $10 billion annually in health care expenditures in the United States, and the 2 million-plus elderly diabetics cost the Medicare Program alone about $3 billion a year. And most of these costs are from curative measures for the long-term complications of the disease—the kidney disease, the heart attacks, the amputations.

A diabetic, at the same time, is the premier example of someone whose life story plays out best when the diabetic, along with his or her physician and others in the health team, takes responsibility up front and controls the disease rather than letting the disease be in control. This management can reduce the cost of health care for the diabetic and can allow that individual to be as healthy as possible for as long as possible. With this kind of health promotion and disease prevention teamwork, costs can be less and responsibility is appropriately placed in the hands of the individual.

This approach to health care management can be a model for us all as we continue to examine ways to reform our health care system. National Diabetes Month will serve to focus the Nation on understanding the disease, intensify the scientific and educational efforts that are currently underway, and help us move another step forward in shaping a healthy future for everyone involved.

ADDITIONAL COSPONSORS

S. 471

At the request of Mr. DODD, the name of the Senator from Montana [Mr. BAUCUS] was added as a cosponsor of S. 471, a bill to amend the Federal Election Campaign Act of 1971 and the Internal Revenue Code of 1954 to provide a 100 percent tax credit for small contributions to candidates for the Senate of the United States who agree to abide in the general election by an overall spending limit and a limit on the use of personal funds; to create a new overall limit on contributions by nonparty multicandidate political committees to Senate election campaigns; to provide Senate candidates with the ability to respond free or at reduced costs to independent expenditures made against a candidate or in favor of the candidate's opponent; and for other purposes.

S. 670

At the request of Mr. PELL, the name of the Senator from Tennessee [Mr. SASSER] was added as a cosponsor of S. 670, a bill to amend the National Labor Relations Act to give employers and performers in the performing arts rights given by section 8(e) of such act to employers and employees in similarly situated industries, and to give to employers and performers in the performing arts the same rights given by section 8(f) of such act to employers and employees in the construction industry, and for other purposes.

S. 856

At the request of Mr. NICKLES, his name was added as a cosponsor of S. 856, a bill to amend the Internal Revenue Code of 1954 to allow the deduction for certain expenses paid or incurred by an individual in connection with the adoption of a child.

S. 896

At the request of Mr. NICKLES, his name was added as a cosponsor of S. 896, a bill to amend the Internal Revenue Code of 1954 to apply rural electric cooperative plans to the provisions relating to cash or deferred arrangements.

S. 974

At the request of Mr. WEICKER, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 974, a bill to provide for protection and advocacy for mentally ill persons.

S. 1154

At the request of Mr. MATSUNAGA, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 1154, a bill to amend title XVIII of the Social Security Act to provide direct medicare reimbursement for services performed by registered nurse anesthetists.

S. 1220

At the request of Mr. HATFIELD, the names of the Senator from Georgia [Mr. MATTINGLY], and the Senator from Nebraska [Mr. ZORINSKY] were added as cosponsors of S. 1220, a bill entitled the "Renewable Energy and Conservation Transition Act of 1985".

S. 1654

At the request of Mr. STEVENS, the names of the Senator from Nevada [Mr. LAXALT], and the Senator from Kentucky [Mr. MCCONNELL] were added as cosponsors of S. 1654, a bill to amend title 18, United States Code, to provide for criminal forfeiture of proceeds derived from espionage activities and rewards for informants providing information leading to arrests in espionage cases.

S. 1662

At the request of Mr. PELL, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 1662, a bill to encourage the transfer of training technology developed by the Federal Government to commercial users and public industrial users.

S. 1747

At the request of Mr. ROTH, the names of the Senator from Arizona [Mr. DECONCINI], and the Senator from Connecticut [Mr. DODD] were added as cosponsors of S. 1747, a bill to amend the Foreign Assistance Act of 1961 to protect tropical forests in developing countries.

S. 1748

At the request of Mr. ROTH, the names of the Senator from Arizona [Mr. DECONCINI] and the Senator from Connecticut [Mr. DODD] were added as cosponsors of S. 1748, a bill to amend the Foreign Assistance Act of 1961 to protect biological diversity in developing countries.

S. 1810

At the request of Mr. SYMMS, the name of the Senator from South Dakota [Mr. ABDNOR] was added as a cosponsor of S. 1810, a bill to require United States representatives to international financial institutions to oppose assistance by such institutions for the production of agricultural commodities in competition with United States produced agricultural commodities, and for other purposes.

S. 1835

At the request of Mr. METZENBAUM, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 1835, a bill to provide assistance in alleviating the suffering of victims of Alzheimer's disease and their families.

S. 1855

At the request of Mr. QUAYLE, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 1855, a bill to revise the provisions of the Public Health Service Act relating to health planning.

S. 1888

At the request of Mr. BUMPERS, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of S. 1888, a bill to provide for a program of cleanup and maintenance on Federal public lands, national parks, recreation areas, and for other purposes.

S. 1917

At the request of Mr. BRADLEY, the names of the Senator from Alaska [Mr. STEVENS], the Senator from North Dakota [Mr. ANDREWS], and the Senator from Florida [Mr. CHILES] were added as cosponsors of S. 1917, a bill to amend the Foreign Assistance Act of 1961 to provide assistance to promote immunization and oral rehydration, and for other purposes.

S. 1941

At the request of Mr. DENTON, the names of the Senator from North Carolina [Mr. EAST] and the Senator from Nevada [Mr. LAXALT] were added as cosponsors of S. 1941, a bill to pro-

tect the security of the United States by providing for sanctions against any country that provides support for perpetrators of acts of international terrorism.

S. 1942

At the request of Mr. DENTON, the names of the Senator from North Carolina [Mr. EAST] and the Senator from Nevada [Mr. LAXALT] were added as cosponsors of S. 1942, a bill to amend title 10, United States Code, to improve the security of United States military installations.

S. 1966

At the request of Mrs. KASSEBAUM, the names of the Senator from Alaska [Mr. STEVENS], and the Senator from Iowa [Mr. HARKIN] were added as cosponsors of S. 1966, a bill to provide for efficient and equitable use of operating rights at congested airports, and for other purposes.

S. 1979

At the request of Mrs. KASSEBAUM, the name of the Senator from Hawaii [Mr. MATSUNAGA] was added as a cosponsor of S. 1979, a bill to fulfill the purposes of the Airport and Airway Improvement Act of 1982, promote air passenger safety, and provide equity to airway users.

S. 2040

At the request of Mr. MATHIAS, the names of the Senator from Michigan [Mr. RIEGLE] and the Senator from Illinois [Mr. DIXON] were added as cosponsors of S. 2040, a bill to amend title VIII of the Act commonly called the Civil Rights Act of 1968, to revise the procedures for the enforcement of fair housing, and for other purposes.

S. 2059

At the request of Mr. NICKLES, his name was added as a cosponsor of S. 2059, a bill to control franking costs.

S. 2176

At the request of Mr. BOREN, the names of the Senator from Nebraska [Mr. ZORINSKY] and the Senator from North Dakota [Mr. ANDREWS] were added as cosponsors of S. 2176, a bill to amend chapter 11 of title 18, United States Code, to prohibit any former high-level Federal civilian officer or employee or high-ranking officer of a uniformed service from representing or advising a foreign principal for a period of at least 5 years after leaving Government service.

S. 2187

At the request of Mr. DECONCINI, the names of the Senator from Maryland [Mr. SARBANES], the Senator from Illinois [Mr. SIMON], and the Senator from North Dakota [Mr. ANDREWS] were added as cosponsors of S. 2187, a bill to amend title 38, United States Code, to exempt from sequestration certain benefits for veterans and dependents and survivors of certain veterans which are paid based on the service-connected disability or death of veterans.

S. 2190

At the request of Mr. SARBANES, the name of the Senator from Maryland [Mr. MATHIAS] was added as a cosponsor of S. 2190, a bill to provide that the full cost-of-living adjustment in benefits payable under certain Federal programs shall be made for 1987.

S. 2220

At the request of Mr. CRANSTON, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 2220, a bill to provide for a mutual, verifiable moratorium on the testing of nuclear warheads, and for other purposes.

S. 2221

At the request of Mrs. KASSEBAUM, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of S. 2221, a bill to amend section 108 of the Internal Revenue Code of 1954 to provide that the discharge of certain farm indebtedness shall not be included in gross income.

S. 2229

At the request of Mr. DODD, the names of the Senator from Massachusetts [Mr. KERRY] and the Senator from Kentucky [Mr. FORD] were added as cosponsors of S. 2229, a bill to amend the Impoundment Control Act of 1974 to provide that deferrals of budget authority by the President shall not take effect unless within 45 legislative days Congress completes action on a deferral bill, and for other purposes.

S. 2261

At the request of Mr. HUMPHREY, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 2261, a bill to amend the Service Contract Act of 1965 to reform the administration of such act, and for other purposes.

SENATE JOINT RESOLUTION 2

At the request of Mr. HATCH, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of Senate Joint Resolution 2, a joint resolution proposing an amendment to the Constitution of the United States relating to voluntary silent prayer or reflection.

SENATE JOINT RESOLUTION 112

At the request of Mr. PELL, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of Senate Joint Resolution 112, a joint resolution to authorize and request the President to call a White House Conference on Library and Information Services to be held not later than 1989, and for other purposes.

SENATE JOINT RESOLUTION 237

At the request of Mr. NICKLES, his name was added as a cosponsor of Senate Joint Resolution 237, a joint resolution to designate the month of January 1986 as "United States Savings Bonds Month".

SENATE JOINT RESOLUTION 241

At the request of Mr. DOLE, the names of the Senator from Mississippi [Mr. STENNIS] and the Senator from Oklahoma [Mr. NICKLES] were added as cosponsors of Senate Joint Resolution 241, a joint resolution designating the week beginning on May 11, 1986, as "National Asthma and Allergy Awareness Week".

SENATE JOINT RESOLUTION 282

At the request of Mr. MOYNIHAN, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of Senate Joint Resolution 282, a joint resolution to express the disapproval of the Congress with respect to the proposed rescission of budget authority for the general revenue sharing program.

SENATE JOINT RESOLUTION 284

At the request of Mr. METZENBAUM, the names of the Senator from Ohio [Mr. GLENN] and the Senator from Rhode Island [Mr. PELL] were added as cosponsors of Senate Joint Resolution 284, a joint resolution to designate the month of May 1986 as "Better Hearing and Speech Month."

SENATE JOINT RESOLUTION 287

At the request of Mr. BOREN, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of Senate Joint Resolution 287, a joint resolution designating September 29, 1986, as "National Teachers Day."

SENATE JOINT RESOLUTION 289

At the request of Mr. ROTH, the names of the Senator from California [Mr. WILSON], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Pennsylvania [Mr. SPECTER], and the Senator from North Dakota [Mr. ANDREWS] were added as cosponsors of Senate Joint Resolution 289, a joint resolution to designate 1988 as the "Year of New Sweden" and to recognize the New Sweden '88 American Committee.

SENATE JOINT RESOLUTION 290

At the request of Mr. DECONCINI, the names of the Senator from Minnesota [Mr. BOSCHWITZ] and the Senator from Alabama [Mr. HEFLIN] were added as cosponsors of S.J. Res. 290, a joint resolution to designate July 4, 1986, as "National Immigrants Day."

SENATE JOINT RESOLUTION 293

At the request of Mrs. HAWKINS, the names of the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Arkansas [Mr. BUMPERS], the Senator from Utah [Mr. HATCH], the Senator from Ohio [Mr. METZENBAUM], the Senator from Vermont [Mr. STAFFORD], and the Senator from Georgia [Mr. MATTINGLY] were added as cosponsors of Senate Joint Resolution 293, a joint resolution to designate the month of May 1986 as "National Child Safety Month."

SENATE JOINT RESOLUTION 298

At the request of Mr. QUAYLE, the names of the Senator from Maine [Mr. MITCHELL], the Senator from North Carolina [Mr. EAST], the Senator from New Jersey [Mr. BRADLEY], and the Senator from Kansas [Mrs. KASSEBAUM] were added as cosponsors of Senate Joint Resolution 298, a joint resolution to designate the week of October 5, 1986, through October 11, 1986, as "Mental Illness Awareness Week."

SENATE JOINT RESOLUTION 303

At the request of Mr. MATHIAS, the names of the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Iowa [Mr. GRASSLEY], and the Senator from Massachusetts [Mr. KENNEDY] were added as cosponsors of Senate Joint Resolution 303, a joint resolution to designate April 1986, as "Fair Housing Month".

SENATE JOINT RESOLUTION 307

At the request of Mr. MATTINGLY, the names of the Senator from North Carolina [Mr. EAST], the Senator from Oklahoma [Mr. NICKLES], the Senator from New York [Mr. D'AMATO], the the Senator from Mississippi [Mr. COCHRAN], the Senator from Kansas [Mr. DOLE], the Senator from Pennsylvania [Mr. SPECTER], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Florida [Mrs. HAWKINS], the Senator from Mississippi [Mr. STENNIS], the Senator from Arkansas [Mr. BUMPERS], the Senator from Arkansas [Mr. PRYOR], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Tennessee [Mr. GORE], and the Senator from Missouri [Mr. EAGLETON] were added as cosponsors of Senate Joint Resolution 307, a joint resolution to designate the week of April 18, through April 27, 1986, as "National Carpet and Floorcovering Week."

SENATE JOINT RESOLUTION 312

At the request of Mr. D'AMATO, the names of the Senator from Illinois [Mr. DIXON], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Tennessee [Mr. GORE], the Senator from Oklahoma [Mr. BOREN], the Senator from Pennsylvania [Mr. SPECTER], and the Senator from Georgia [Mr. MATTINGLY] were added as cosponsors of Senate Joint Resolution 312, a joint resolution designating the week beginning April 13, 1986, as "National Medical Laboratory Week."

SENATE JOINT RESOLUTION 314

At the request of Mr. QUAYLE, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as a cosponsor of Senate Joint Resolution 314, a joint resolution to designate the week beginning July 27, 1986, as "National Nuclear Medicine Week."

SENATE CONCURRENT RESOLUTION 119

At the request of Mrs. KASSEBAUM, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of Senate Concurrent Resolution 119, expressing the sense of the Congress relating to an amendment to the Internal Revenue Code of 1954 excluding the discharge of qualified agricultural indebtedness from cancellation of indebtedness income.

SENATE RESOLUTION 279

At the request of Mr. NICKLES, his name was added as a cosponsor of Senate Resolution 279, a resolution expressing the sense of the Senate with respect to any transfer of U.S. territory, including certain islands in the Arctic Ocean.

SENATE RESOLUTION 332

At the request of Mr. ARMSTRONG, the names of the Senator from Alabama [Mr. DENTON], the Senator from Louisiana [Mr. LONG], the Senator from Georgia [Mr. NUNN], the Senator from Idaho [Mr. SYMMS], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Louisiana [Mr. JOHNSTON] were added as cosponsors of Senate Resolution 332, a resolution to honor the *Challenger* Space Shuttle astronauts.

SENATE RESOLUTION 335

At the request of Mr. PELL, the name of the Senator from Minnesota [Mr. BOSCHWITZ] was added as a cosponsor of Senate Resolution 335, a resolution expressing the Senate's opposition to the imposition of a fee on imported oil and refined petroleum products.

SENATE RESOLUTION 374

At the request of Mr. FORD, the names of the Senator from Utah [Mr. GARN] and the Senator from California [Mr. CRANSTON] were added as cosponsors of Senate Resolution 374, a resolution limiting the amount that may be expended by Senators for mass mailings during the remainder of fiscal year 1986.

SENATE CONCURRENT RESOLUTION 124—RELATING TO THE MILK PRODUCTION TERMINATION PROGRAM

Mr. BAUCUS (for himself, Mr. SYMMS, Mr. MCCLURE, Mr. EXON, Mr. GORE, Mr. PRYOR, Mr. BENTSEN, Mr. MELCHER, Mr. SIMPSON, Mr. ANDREWS, Mr. ZORINSKY, and Mr. ARMSTRONG) submitted the following concurrent resolution; which was referred to the Committee on Agriculture, Nutrition, and Forestry:

S. CON. RES. 124

Whereas the Food Security Act of 1985 established a milk production termination program intended to reduce the current oversupply of milk products, and

Whereas the Food Security Act of 1985 also provided that the Secretary of Agriculture should make purchases of specified amounts of red meat in order to offset the effects of the milk production termination program on the red meat market, and

Whereas the implementation of the milk production termination program has resulted in substantial declines in both current prices of red meat and futures prices for red meat, and

Whereas both cattle and dairy farmers would benefit from more stable red meat prices, and

Whereas immediate action is necessary to counteract the adverse effects of the dairy diversion program,

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that the Secretary of Agriculture shall immediately take the following steps to address the current instability in the red meat market.

(1) The Department shall increase the present purchase of red meat and defense distributions during the first bid period, which has been announced by the Department to be from April 1, 1986 to August 31, 1986. The purchases should proportionately reflect the presently scheduled 633,176 cows; 216,970 heifers; and 165,900 calves, which are to be slaughtered during each disposal period in the program. The red meat purchases should reflect the number of cattle that are slaughtered during each disposal period in the program.

Specifically, the Department should immediately begin purchasing more of the 200 million pounds of red meat that are to be purchased during the milk production termination program during the first disposal period. This purchase amount is in contrast to the 130 million pounds that the Department is presently scheduled to purchase during the first disposal period. Further, the Senate expresses it concern that the Department has not scheduled the present purchase of 130 million pounds until April 14, 1986 for canned meat and April 21 for frozen ground beef. These purchases do not correspond to the April 1 starting date of the first disposal period.

The Department should accomplish this purchase goal by expediting school lunch purchases and domestic feeding program purchases to begin in April rather than the traditional month of July. Toward the same end, the Department should act immediately on the provision of the law that requires that the meat be channeled through the Department of Defense.

(2) The Department should move approximately 200,000 dairy cows and corresponding heifers and calves, which are presently scheduled during the first disposal period, to later periods by moving those producers who submitted multiple bids at the same price. The move should be conducted on a voluntary basis. Any changes in the disposal period should be consistent with the existing contracts with dairy producers who are participating in the program.

(3) The Department immediately should take additional steps as necessary to alleviate the concerns in the red meat industry regarding the adverse impact on total red meat supplies due to the additional dairy cattle that are being slaughtered. The Department should implement a plan to encourage proportional spacing of dairy cattle slaughter within each disposal period for producers in the program. This could include monthly and weekly targets for dairy cattle slaughter during the disposal periods to minimize jamming of slaughter house facilities occurring in some parts of the country. The Department should also include the actual count of all dairy cattle which are marketed as a result of this program in the published weekly slaughter reports.

(4) The Department also should take further steps that would offset any further damage to the red meat industry. Producers must be assured that the Federal Government will purchase a pound of red meat to

offset every pound of red meat which enters the market as a result of the milk production termination program, and that the Department is taking other steps to provide for the orderly marketing of dairy cattle slaughtered under the program.

MILK PRODUCTION TERMINATION PROGRAM

Mr. BAUCUS. Mr. President, all of us in the Cattle Belt know that the USDA Milk Production Termination Program has devastated the cattle and beef market. As a consequence, I, working with Representative COELHO of the House, have written a Dear Colleague letter to the Members of the Senate.

In addition, I am now submitting a concurrent resolution cosponsored by Senator SYMMS, Senator MCCLURE, Senator EXON, and others, expressing the sense of the Senate and the House that the USDA should increase the present purchase of red meat and defense distribution programs; second, that the USDA should move approximately 200,000 dairy cows and a corresponding number of heifers and calves in the periods; third, that the Department immediately should take additional steps as necessary to alleviate the concerns in the red meat industry regarding the adverse impact on total red meat supplies due to the additional dairy cattle that are being slaughtered; and, fourth, that the Department should take further steps that will offset any further damage to the red meat industry.

Mr. President, this concurrent resolution is essential, I think, and I shall urge, at the appropriate time, consent to take it up and pass it.

Mr. EXON. I thank the Senator from Montana for submitting the concurrent resolution I am a cosponsor of. Both sides recognize that we have a major problem in the cattle industry right now. I hope the Secretary of Agriculture will read this concurrent resolution and act appropriately, as he has authority to do.

SENATE CONCURRENT RESOLUTION 125—RECOGNIZING THE ACHIEVEMENTS OF THE IRELAND FUND

Mr. HEINZ (for himself, Mr. LAXALT, Mr. KENNEDY, Mr. MOYNIHAN, Mr. DODD, Mr. SPECTER, Mr. HART, Mr. MATSUNAGA, and Mr. WEICKER) submitted the following concurrent resolution; which was referred to the Committee on the Judiciary:

S. CON. RES. 125

Whereas the Ireland Fund characterizes the friendship between the United States and Ireland and the goodwill which the American and Irish people have for each other;

Whereas the Ireland Fund is a nonpolitical, nonsectarian organization which raises funds in the United States to promote peace, culture and charity in Ireland;

Whereas the goal of the Ireland Fund is to realize the highest in human potential, regardless of creed or economic background;

Whereas donations to the Ireland Fund reflect the warm feelings of Americans for the people of Ireland and for the unique heritage which has contributed so much to America's growth and diversity;

Whereas the Ireland Fund has provided an opportunity for concerned Americans to support projects aimed at establishing peace and harmony in Ireland, preserving Irish culture, and fostering charitable giving to the less fortunate;

Whereas over the centuries the Irish have created one of the world's great bodies of literature, poetry, drama, art, and music and the Ireland Fund has fostered Irish culture by supporting libraries, visual arts, drama, dance, opera, classical and choral music programs as well as historic, cultural, and wildlife preservation;

Whereas the Ireland Fund supports economic and social programs in the Catholic and Protestant areas of Northern and Southern Ireland in an effort to develop the economy of both communities through programs for employment, job training, youth sports, and educational opportunities for children;

Whereas the Ireland Fund has supported many hospitals, health care facilities, and programs for the sick, the handicapped, the deaf, the blind, the abused, the homeless, the rural poor, and the elderly; and

Whereas Dr. Anthony J.F. O'Reilly, the founder and chairman of the Ireland Fund, will celebrate his fiftieth birthday on May 7, 1986: Now, therefore, be it

Resolved by the Senate (The House of Representatives concurring), That the Congress recognizes the laudable charitable achievements of the Ireland Fund and further recognizes its Founder, Dr. Anthony J.F. O'Reilly, for the humane work he has inspired on behalf of the people of Ireland.

● Mr. HEINZ. Mr. President, it is my pleasure to introduce legislation to honor the Ireland Fund and its founder, Dr. Anthony O'Reilly. The Ireland Fund is a nonsectarian society which promotes peace, culture, and charity in Ireland. Its programs are geared toward the less fortunate in Irish society, both in the North and South.

Let me emphasize to my colleagues that the Ireland Fund is completely nonpolitical. Its limited resources are entirely used for community development, employment and training, youth programs, cultural preservation, health care, the improvement and development of social services, agricultural training, and care for the elderly.

One of the most important aspects of the fund's work is its commitment to joining Catholics and Protestants in common activities of work, education, religion, and play. Their hope and their goal is to bring peace through the joint efforts of all the Irish people, North and South, Protestant and Catholic, and thus forge a better society.

The concurrent resolution which Senators LAXALT, KENNEDY, MOYNIHAN, DODD, SPECTER, HART, and I are submitting today recognizes the achievements of the Ireland Fund and its founder, Dr. Anthony O'Reilly, on the occasion of Dr. O'Reilly's 50th birthday, May 7. An identical resolution passed the House of Representatives on March 14, and I hope we in the Senate can move as quickly to honor an outstanding organization.

Mr. President, I ask unanimous consent that a list of the charities and aid societies which are supported by the Ireland Fund be printed in the RECORD at the conclusion of my remarks. I urge all my colleagues to join me in sponsoring this tribute to one of the best hopes for peace in Ireland.

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

ORGANIZATIONS SUPPORTED BY THE IRELAND FUND, NORTHERN AND SOUTHERN IRELAND

COMMUNITY DEVELOPMENT ORGANIZATIONS

Ballymacarrett Youth & Community Project, Belfast.
Belfast Housing Aid Society, Belfast.
Belfast Simon Community, Belfast.
Center for Neighborhood Development, Belfast.
Crossmaglen Community Association, Armagh.
Derry Youth Project, Derry.
Divis Drop-in Club, Belfast.
Falls Community Council Resource Centre, Belfast.
Gingerbread, Northern Ireland, Belfast.
Irish Council for Civil Liberties, Dublin.
Irvinestown Fairs & Market Trusteest, Fermanagh.
Mullaghmore Tenants Association, Omagh.
Royal Town Planning Institute—Irish Branch, Belfast.
Ulster People's College Association, Derry.
Waveney Community Centre, Antrim.

EMPLOYMENT ORGANIZATIONS

Crescent Youth Service, Limerick.
Education Centre, Derry.
Flax Trust, Belfast.
Glenand Youth & Community Workshop, Ltd., Belfast.
Marieville/Moor Youth Club, Derry.
Newry & Mourne Co-Operative Society, Ltd., Down.
North West Center for Learning and Development, Derry.
Northern Ireland Cooperative Enterprises, Belfast.
Omagh and District Unemployed Advice Center, Tyrone.
Shankill Photographic Workshop, Belfast.
St. Mary's Parish, Tyrone.
Worker's Educational Association, Belfast.

YOUTH AND SOCIAL PROGRAMS

Armagh Citizen's Advice Bureau, Armagh.
Ashton Street Youth Club, Belfast.
Ballymurphy Community House, Belfast.
Bangor Boys Club, Down.
Belfast Community Action, Belfast.
Buncranna Youth Club, Donegal.
Candel, Down.
Channel '78, Derry.
Dismas House, Belfast.
Divis Community Centre, Belfast.
Drumquin Youth Centre, Tyrone.
Edward Street Hostel, Armagh
Foyle Day Care Association, Derry
Holiday Projects West, Derry
Holywood School, Down
Frank McConellougue House, Derry
National Council of YMCA's of Ireland, Down

National Federation of Youth Clubs, Dublin
Northern Ireland Association of Youth Clubs, Belfast
Northern Ireland Children's Holiday Scheme, Donegal
Northwest Council for Social Services, Derry
Rathenraw Tenants Association, Antrim
Samaritans, Belfast
Shelagh Youth Club, Down
St. Eugene's Cathedral Parish Council
St. Savior's Youth and Community Centre, Dublin
Springmartin Youth Club, Belfast

PEACE AND RECONCILIATION PROGRAM

Ballyarneet/Shantallow Resource Centre, Derry
Ballyfermot Peace Corps, Dublin
Belfast Women's Aid, Belfast
Coleraine Education Centre, Derry
Columbia House, Derry
Comchairdes-Irish Workcamp Movement, Dublin
Coolure House, Westmeath
Cornerstone Community, Belfast
Corrymeela Community, Antrim
Dalkey School Project, Dublin
Extern, Belfast
Folkschool Trust, Belfast
Free Legal Advice Centres, Dublin
Glencree Centre for Reconciliation, Wicklow
Harmony Community Trust, Belfast
Hope, Dublin
Irish School of Ecumenics, Dublin
Lagan College, Belfast
Models of Political Cooperation in Divided Societies, Queens
University, Belfast
Omagh Community Research Group, Omagh
Peace Week
Souther Movement for Peace, Limerick
Tallaght Welfare Society, Dublin
Voluntary Services, Lisburn

CULTURAL PRESERVATION

Archbishops Marsh's Library, Dublin
Belfast Library & Society for Promoting Knowledge, Belfast
Guild of Agricultural Journalists of Ireland, Dublin
Public Broadcasting System Program on James Joyce's Life, U.S.A.
Rooney Prize in Irish Literature, Ireland
Slane Community Council, Meath
Stonehill College Irish Studies Program, Massachusetts
United Arts Club, Dublin
Yeats Society, Inc., Sligo

IRISH HERITAGE

American Committee for Irish Studies
An Cumann Gaelach, Co. Monaghan
An Taisce, Dublin
An T-Oireachtas, Dublin
Arts Council, Dublin
Church of John the Evangelist, Dublin
Cinegael, Co. Galway
Crane Bag, Dublin
Gaelic Athletic Association, Dublin
Glenstal Abbey Building Fund, Co. Limerick
Graphic Studio, Dublin
Holy Cross Abbey, Co. Tipperary
Irish American Cultural Institute, St. Paul, Minnesota
Irish Wildlife Federation, Dublin
Kilkenny Archeological Committee, Kilkenny
Kilkenny Design Workshops, Kilkenny
National Film Institute of Ireland, Dublin
Out of the Shadows Photography Exhibit, Columbus, Ohio
R.O.S.C., Dublin
Royal Horticultural Society, Dublin
Royal National Lifeboat Institute, Dublin
Fraunces Tavern Museum, New York City
West Kerry Development Cooperative, Kerry

MUSIC AND THE PERFORMING ARTS

Armagh Pipers Club, Armagh
Association of Irish Composers, Dublin
Bantry Brass and Reed Band, Co. Cork
Cois na hAbhana, Co. Clare
Colaiste Muire Development Fund, Co. Clare
Colmcille Choir of Derry, Derry
Comhaltas Ceoltoiri Eireann, Co. Dublin
Cork International Choral & Dance Festival, Cork
Cumann Piobairi Uilleann and Ceoltoiri Traidisiunta, Belfast
Field Day Theater, Co. Donegal
Irish Ballet Company, Cork
Limerick Music Association, Limerick
Moving Theater, Dublin
Music Association of Ireland, Dublin
Na Piobaire Uilleann, Dublin
National Theatre Society, Limerick
Playzone Theatre Company, Belfast
St. Mary's Concert Band, St. Mary's Youth Association, Derry
Scoil Samhraidh, Galway
Team Educational Theatre Company, Dublin
Ulster Folk News, Belfast
Ulster Singers, Belfast
Wexford Opera Festival, Wexford

HEALTH CARE AND COUNSELING

Aim Group, Dublin
Arch, Dublin
Armagh Multiple Sclerosis Support and Discussion Group, Armagh
Bantry District Mentally Handicapped Association, Co. Cork
Blind Centre for Northern Ireland, Belfast
Central Remedial Clinic, Dublin
Cherish, Dublin
Connemara Association of Mentally Retarded, Galway
Contact, Dublin
Coolemine Lodge, Co. Dublin
Friends of the Rotunda Hospital, Dublin
Hanley Centre, Dublin
Irish Heart Foundation, Dublin
Irish Stone Foundation, Dublin
Mid-Western Association for Spina Bifida & Hydrocephalus, Limerick
National Association for Cerebral Palsy, Dublin
National Association for the Deaf, Dublin
National Children's Hospital, Dublin
National Medical Rehabiliation Centre, Co. Dublin
Northern Ireland Rape Crisis Association, Belfast
Our Lady's Hospital for Sick Children, Dublin
Rutland Centre Ltd., Dublin
S.H.A.R.E., Belfast
St. Joseph's Invalids' Hostel, Co. Mayo
St. Laurence Cheshire Home, Co. Cork
St. Michael's House, Dublin
Spod, Dublin
Stanhope Alcoholism Counselling Service, Dublin
Western Care Association, Co. Mayo

CHILDREN AND YOUTH

Association of Parents and Friends of Scoil
Chiarian, Dublin
Ballymun Holiday House, Dublin
Camphill Village Community of Ireland, Kilkenny
Clare Special School Project, Co. Clare
Day Centre for Children at Risk, Cork
Dublin Samaritans, Dublin
Dublin Simon Community, Dublin
Francis Xavier Community Center Project, Dublin
Friends of St. Vincent's, Dublin
Galway Sunshine Holiday Committee, Galway
Glinsk Community Council, Co. Galway
Irish Society for Austic Children, Dublin
Irish Society for the Prevention of Cruelty to Children, Dublin
Laois Association for Mentally Handicapped Children, Co. Laois
Limerick Adapt, Co. Limerick
Limerick Youth Service, Limerick
Midleton Community & Recreation Center, Cork
National Federation of Youth Clubs, Dublin
Parents and Friends of Mary Immaculate School for Deaf Children, Co. Dublin
S.H.A.R.E., Cork
St. Benedict's Athletic Club, Co. Wicklow
St. Kieran's Enterprise Centre, Dublin
St. Vincent's Day Center, Dublin

THE RURAL POOR

An Oige Treathneach, Co. Dublin
Ballinamore Community Centre, Co. Leitrim
Bantry Bay Development Group, Co. Cork
Between, Co. Cork
Connemara West, Galway
Fairgreen Training Centre for Travellers, Galway
Kilkenny Social Services, Kilkenny
Newpark Sports Training Centre, Dublin
Northern Ireland Council for Travelling People, Belfast
Quigley's Point Community Centre, Co. Donegal
Sacred Heart College of Agriculture, Co. Mayo
St. Joseph's Social & Cultural Club, Co. Clare
St. Kieran's Training Centre for Travelling
People, Co. Wicklow
St. Martin's Centre, Co. Limerick
Women's Aid, Coleraine

EDUCATION

Clongowes Wood College, Dublin
Dublin Institute of Adult Education, Dublin
Royal College of Surgeons in Ireland, Dublin
St. Patrick's College, Maynooth
University College, Cork

THE ELDERLY

Age Concern Northern Ireland, Belfast
Ballinasloe Social Services Council, Co. Galway
Ballygall Youth & Cultural Society, Dublin
Bantry Homes for the Aged, Cork
Charles Sheils Charity, Co. Tyrone
Invalid Residential Care Group, Co. Mayo
Lourdes Day Care Centre, Dublin
Our Lady of Knock Shrine, Knock
Secular Franciscan Sisters, Dublin
Upper Springfield Family Project, Belfast●

SENATE RESOLUTION 378—TO REFER THE BILL S. 2275 TO THE COURT OF CLAIMS

Mr. LAUTENBERG submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 378

Resolved, That the bill (S. 2275) entitled "a bill for the relief of Dynamic Technology International, Inc., Lew Malnak Associates, Star Design, Inc., Riverside Precision Machines, and certain other individuals" now pending in the Senate, together with all the accompanying papers, is referred to the Chief Judge of the United States Claims Court. the Chief Judge shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28, United States Code, and report thereon to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States or a gratuity and the amount, if any, legally or equitably due to the claimants from the United States.

AMENDMENTS SUBMITTED

METROPOLITAN WASHINGTON AIRPORT TRANSFER

PRESSLER (AND OTHERS) AMENDMENT NOS. 1730 AND 1731

(Ordered to lie on the table.)

Mr. PRESSLER (for himself, Mr. EXON, Mr. HOLLINGS. and Mr. SPECTER) submitted two amendments intended to be proposed by them to the bill (S. 1017) to provide for the transfer of the Metropolitan Washington Airports to an independent airport authority; as follows:

AMENDMENT NO. 1730

On page 35, line 7, strike "Five" and insert in lieu thereof "Two".

On page 35, line 8, strike "three" and insert in lieu thereof "two".

On page 35, line 11, strike "one member" and insert in lieu thereof "five members".

On page 35, line 22, strike "member" and insert in lieu thereof "members".

On page 36, line 5, strike "term," and insert in lieu thereof "term and".

On page 36, line 5, strike all from "and," through "term," on line 12 and insert in lieu thereof the following: "; and the President shall appoint one member for a full 6-year term, a second member for a 4-year term, and the final three members for 2-year terms,".

AMENDMENT NO. 1731

On page 35, strike all from line 7 through line 13 on page 36 and insert in lieu thereof the following:

(A) Two members shall be appointed by the Governor of Virginia,

PRESSLER AMENDMENT NO. 1732

(Ordered to lie on the table.)

Mr. PRESSLER submitted an amendment intended to be proposed by him to amendment No. 1731 proposed by himself (and others) to the bill S. 1017, supra; as follows:

At the end of the amendment, add the following: two members shall be appointed by the Mayor of the District of Columbia, two members shall be appointed by the Governor of Maryland, and five members shall be appointed by the President with the advice and consent of the Senate; the Chairman shall be appointed from among the members by majority vote of the members and shall serve until replaced by majority vote of the members.

(B) Members shall (i) not hold elective or appointive political office, (ii) serve without compensation other than for reasonable expenses incident to board functions, and (iii) reside within the Washington Standard Metropolitan Statistical Area, except that the members appointed by the President shall not be required to reside in that area.

(C) Appointments to the board shall be for a period of 6 years; however, initial appointments to the board shall be made as follows: each jurisdiction shall appoint one member for a full 6-year term and a second member for a 4-year term; and the President shall appoint one member for a full 6-year term, a second member for a 4-year term, and the final three members for 2-year terms, with such Federal appointees subject to removal for cause.

METZENBAUM AMENDMENT NO. 1733

Mr. METZENBAUM proposed an amendment to the bill S. 1017, supra; as follows:

On page 37, line 6, beginning after the words "or for", strike through the word "Authority" on line 8, and insert in lieu thereof: "activities necessary and appropriate to serve passengers or cargo in air commerce, or for non-profit, public use facilities".

LAUTENBERG (AND OTHERS) AMENDMENT NO. 1734

Mr. LAUTENBERG (for himself, Mr. DIXON, Mr. SIMON, Mr. BRADLEY, Mr. KERRY, Mr. DODD, Mr. MOYNIHAN, Mr. SARBANES, Mr. MATHIAS, Mr. EAGLETON, Mr. LEVIN, Mr. CRANSTON, and Mr. BYRD) proposed an amendment to the bill S. 1017, supra; as follows:

At the appropriate place, add the following:

Safe and efficient air transportation is essential to the economy of the nation; and

The margin safety in the skies is jeopardized by a serious experience drain in the air traffic control system; and

The total number of air traffic controllers is significantly below the level employed in 1981; and

At a time of rising air travel, the air traffic controller system is at 59 percent of full performance level as of September 30, 1985 as contrasted to 82 percent in 1981 and is subject to further experience drain due to expected retirement: Now, therefore,

(1) it is the Sense of the Senate that the Executive Branch should employ the quickest and most cost efficient means to return the air traffic control system to past experience levels;

(2) the Executive Branch should, to the extent required, rehire, as new employees, those experienced air traffic controllers fired from the Federal Aviation Administration in 1981, who meet standards for employment in the Federal civil service, necessary to fulfill this objective;

(3) the Executive Branch should, in implementing the intent of this resolution, insure that no involuntary displacement of existing Federal Aviation Administration personnel results from the reentry of former controllers.

KASSEBAUM (AND OTHERS) AMENDMENT NO. 1735

Mrs. KASSEBAUM (for herself, Mr. DANFORTH, Mr. HOLLINGS, Mr. EXON, Mr. FORD, Mr. ROCKEFELLER, Mr. KASTEN, Mr. GOLDWATER, Mr. PROXMIRE, Mr. METZENBAUM, Mr. ABDNOR, Mr. NUNN, Mr. SIMON, Mr. BURDICK, Mr. LAUTENBERG, Mr. DECONCINI, Mr. MATSUNAGA, Mr. RIEGLE, Mr. BUMPERS, Mr. STENNIS, Mr. PRESSLER, Mr. GORE, Mr. COCHRAN, Mr. MATHIAS, Mr. LEVIN, and Mr. STEVENS) proposed an amendment to the bill S. 1017, supra; as follows:

On page 50, insert the following immediately after line 9:

AIRPORT SLOTS

SEC. 13. (a) The Secretary and the Administrator of the Federal Aviation Administration (hereinafter referred to as the "Administrator") shall—

(1) repeal the final rule regarding Slot Allocation and Transfer Methods at High Density Traffic Airports, issued on December 20, 1985 (50 Fed. Reg. 52180), as in effect on the date of enactment of this Act; and

(2) after the date of enactment of this Act, not promulgate any rule or regulation or issue any order (other than on an emergency basis) relating to restrictions on aircraft operations at high density traffic airports designated in Subpart K of part 93 of title 14, Code of Federal Regulations (14 CFR 93.121 et seq.), that is inconsistent with the provisions of this section.

(b) Consistent with aviation safety, the Administrator shall, not later than 120 days after the date of enactment of this Act, provide by rule or otherwise for the recall and subsequent allocation pursuant to subsection (c) of this section of any air carrier or commuter operator instrument flight rule takeoff and landing operational privilege at high density traffic airports, hereinafter in this section referred to as a "slot", that is substantially unused. The provisions of this subsection shall not apply to any slot reserved for international operations or for essential air transportation (as defined in section 419 of the Federal Aviation Act of 1958 (49 App. U.S.C. 1389)).

(c)(1) Consistent with aviation safety, the Administrator shall, not later than 120 days after the date of enactment of this Act, establish by rule or otherwise, after affording the opportunity for and considering public comment, a mechanism for the equitable allocation of slots to which Subpart K of part 93 of title 114, Code of Federal Regulations, applies, in accordance with the provisions of this subsection.

(2) The allocation of slots (other than on a basis consistent with paragraph (4) of this subsection) shall be made by a separate air carrier and commuter air carrier scheduling committee established for each of such high density traffic airports. The Administrator shall establish the composition of each such scheduling committee.

(3) The scheduling committee shall allocate and reallocate slots according to a time schedule to be established by the Administrator.

(4)(A) The Administrator shall, no later than 120 days after the date of enactment of this Act, and after affording the opportunity for and considering public comment, establish a special mechanism for the allocation of slots, to be utilized in the event that any scheduling committee is unable to reach agreement on the manner in which it will allocate slots within the time period established by the Administrator. Such special mechanism may include commitment of the issues involved to binding arbitration, lottery, lease by the Administrator (by auction or other market mechanism) of some or all of the slots currently in use at such airports, or any other non-market mechanism determined by the Administrator to be appropriate. The duration of any such lease or other allocation of slots shall be determined by the Administrator, after giving due consideration to the need for maintaining competition between and among airlines at high density traffic airports, the capital investment of existing users of slots at such airports, and the need for adequate air service to such airports from small- and medium-sized communities, except that no such lease or other allocation of slots shall remain in effect after December 31, 1988. Notwithstanding any other provision of law, the revenues generated by any lease of slots by the Administrator under this paragraph shall be credited to the Airport and Airway Trust Fund established in section 9502 of the Internal Revenue Code of 1954 (26 U.S.C. 9502). The Administrator shall also formulate a mechanism to allocate all new slots, voluntarily returned slots, and unused slots.

(B) Any allocation mechanism established by the Administrator under this paragraph shall be adequate to ensure the opportunity for new entry, to maintain essential air transportation, and to protect the access rights of commuter operators. In addition, the Administrator shall employ a method for the withdrawal of slots currently in use that ensures that no carrier incurs the loss of an undue proportion of its slots.

(d) No mechanism formulated or utilized under section 93.123 of title 14, Code of Federal Regulations, as in effect on February 1, 1986, or under this section shall be construed to create a permanent property right in any slot. Any such slot shall be public property, and its use shall represent a nonpermanent operating privilege within the exclusive control and jurisdiction of the Administrator. Any such privilege may be withdrawn, recalled or reallocated by the Administrator for reasons of aviation safety or airspace efficiency, or to enhance competition in air transportation.

(e)(1) Other than on an emergency basis, the Administrator shall not promulgate any rule or regulation or implement any practice that restricts aircraft operation by means of slot controls at any airport or air traffic control facility other than those specified in section 93.123 of title 14, Code of Federal Regulations, as in effect on February 1, 1986, unless the Administrator first transmits to the Congress a written report justifying the need for such rule, regulation or practice not less than 90 days before the effective date of such rule, regulation or practice.

(2)(A) No later than January 1, 1987, and every two years thereafter, the Secretary shall conclude a rulemaking to reauthorize or eliminate all high density traffic airport slot controls specified in section 93.123 of title 14, Code of Federal Regulations, and any other slot control created subsequent to such date by the Administrator. Each such rulemaking shall include a report to Congress concerning the extent to which the retention of slot controls at any airport, or the creation of new slot controls, is required in the public interest. Such report shall describe possible improvements in facilities or related air traffic control facilities or procedures that would allow slot controls to be reduced or eliminated, and shall describe any action taken by the Administrator to reduce or eliminate the need for such controls.

(B) No regulation imposing slot controls to which this paragraph applies shall have the force and effect of law after two years from the date on which it becomes effective, unless such regulation is reauthorized pursuant to subparagraph (A) of this paragraph.

(f) The Secretary and the Administrator shall make timely recommendations to the Congress regarding any additional statutory authority they consider necessary or appropriate to carry out the purposes of this section. In addition, the Secretary and the Administrator shall report annually to the Congress on the extent to which the allocation mechanisms established pursuant to subsection (c) of this section and any slot control regulations reauthorized pursuant to subsection (e) of this section have minimized barriers to entry at high density traffic airports.

PRESSLER AMENDMENT NO. 1736

(Ordered to lie on the table.)

Mr. PRESSLER submitted an amendment intended to be proposed by him to the bill S. 1017, supra; as follows:

On page 35, strike all from line 7 through line 13 on page 36 and insert in lieu thereof the following:

(A) Three members shall be appointed by the Governor of Virginia,

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PRESSLER AMENDMENT NO. 1737

(Ordered to lie on the table.)

Mr. PRESSLER submitted an amendment intended to be proposed by him to amendment No. 1736 proposed by him to the bill S. 1017, supra; as follows:

At the end of the amendment, add the following: three members shall be appointed by the Mayor of the District of Columbia, three members shall be appointed by the Governor of Maryland, and two members shall be appointed by the President with the advice and consent of the Senate; the Chairman shall be appointed from among the members by majority vote of the members and shall serve until replaced by majority vote of the members.

(B) Members shall (i) not hold elective or appointive political office, (ii) serve without compensation other than for reasonable expenses incident to board functions, and (iii) reside within the Washington Standard Metropolitan Statistical Area, except that the members appointed by the President shall not be required to reside in that area.

(C) Appointments to the board shall be for a period of 6 years; however, initial appointments to the board shall be made as follows: each jurisdiction shall appoint one member for a full 6-year term and two members for 4-year terms; and the President shall appoint two members for full 6-year terms, with such Federal appointees subject to removal for cause.

GRAMM AMENDMENT NO. 1738

Mr. GRAMM proposed an amendment to amendment No. 1738 proposed by Mrs. Kassebaum (and others) to the bill S. 1017, supra; as follows:

In lieu of language, insert:

AIRPORT SLOTS

SEC. 13. (a) The Secretary and the Administrator of the Federal Aviation Administration shall reclaim slots that have been allocated to private airlines and sell those slots to the highest bidder.

BENTSEN (AND GRAMM) AMENDMENT NO. 1739

Mr. BENTSEN (for himself and Mr. GRAMM) proposed an amendment to the bill S. 1017, supra; as follows:

At the end of the bill, add the following new section:

SEC. . (a) Notwithstanding any other provision of this Act, or any other law, or any regulation issued pursuant thereto, a person shall not be prohibited from operating an air carrier aircraft nonstop between Washington National Airport and any other airport which is located within 1250 miles of Washington National Airport.

(b) Notwithstanding any other provision of this Act or any other law, the Airports Authority shall have no authority to issue any regulation imposing any such prohibition referred to in subsection (a) of this section.

TRIBLE (AND METZENBAUM) AMENDMENT NO. 1740

Mr. TRIBLE (for himself and Mr. METZENBAUM) proposed an amendment to the bill S. 1017, supra; as follows:

On page 38, line 15 insert the following after the period:

"(4) In acquiring by contract supplies or services for an amount estimated to be in excess of $200,000, or awarding concession contracts, the Airports Authority shall obtain, to the maximum extent practicable, full and open competition through the use of published competitive procedures: *Provided*, that by a vote of seven members, the Airports Authority may grant exceptions to the requirements of this paragraph."

Renumber paragraphs (4)-(7) accordingly.

PRESSLER AMENDMENT NOS. 1741 AND 1742

Mr. PRESSLER proposed two amendments to the bill S. 1017, supra; as follows:

AMENDMENT NO. 1741

Line 5, page 35, strike the word "eleven" and insert in lieu thereof "thirteen".

Line 11, page 35, strike "one member" and insert in lieu thereof "three members".

Line 22, page 35, strike "member" and insert in lieu thereof "members".

Lines 11-12, page 36, strike "a 6-year term" and insert in lieu thereof "6-year terms".

Line 14, page 36, strike "Seven" and insert in lieu thereof "Eight".

AMENDMENT NO. 1742

Line 5, page 35, strike the word "eleven" and insert in lieu thereof "thirteen".

Line 11, page 35, strike "one member" and insert in lieu thereof "three members".

Line 22, page 35, strike "member" and insert in lieu thereof "members".

Lines 11-12, page 36, strike "a 6-year term" and insert in lieu thereof "6-year terms".

HUMPHREY AMENDMENT NO. 1743

Mr. HUMPHREY proposed an amendment to the bill, S. 1017, supra; as follows:

On page 24, line 13, strike out all through line 16 and insert in lieu thereof:

SHORT TITLE

SECTION 1. This Act may be cited as the "Metropolitan Washington Airports Sales Act of 1986".

TITLE I—SALE OF THE METROPOLITAN WASHINGTON AIRPORTS

DEFINITIONS

SEC. 101. As used in this title, the term—

(1) "employees" means all permanent Federal Aviation Administration personnel employed on the date of sale by Washington National Airport;

(2) "Metropolitan Washington Airports" means Washington-National Airport and Washington Dulles International Airport, and includes the Dulles Airport Access Highway and Right-of-Way, including the extension between the Interstate Routes I-495 and I-66;

(3) "Secretary" means the Secretary of Transportation:

(4) "Washington Dulles International Airport" means the airport constructed under the Act entitled "An Act to authorize the construction, protection, operation, and maintenance of a public airport in or in the vicinity of the District of Columbia", approved September 7, 1950 (64 Stat. 770); and

(5) "Washington National Airport" means the airport described in the Act entitled "An Act to provide for the administration of the Washington National Airport, and for other purposes", approved June 29, 1940 (54 Stat. 686).

PROCEDURE FOR SALE OF THE METROPOLITAN WASHINGTON AIRPORTS

SEC. 102. (a) Within sixty days after the date of enactment of this title, the Secretary shall issue a request for proposal to purchase Washington National Airport and a request for proposal to purchase Washington Dulles International Airport.

(b) Such requests shall provide for—

(1) closed offers for the purchase of each such airport in accordance with the provisions of section 103;

(2) such information as is necessary to determine whether the offers meet such provisions; and

(3) a period of one hundred and twenty days for submission of offers.

(c) Within sixty days after the one hundred and twenty-day period for submission of offers, the Secretary shall select the winning offers for the purchase of such airports, in accordance with the provisions of section 103.

(d)(1) The Secretary shall take such actions as necessary to negotiate the terms of sale and transfer of each such airport to the highest offeror in accordance with the provisions of this Act.

(2) Within sixty days after the date of selection of the purchasers of the Metropolitan Washington Airports, the Secretary shall complete the sale and transfer of such airports, unless any such sale is disapproved by the enactment of a joint resolution.

SELECTION OF PURCHASERS

SEC. 103. (a) Subject to the provisions of section 104, the Secretary shall select as the purchaser of each airport from the offers received pursuant to section 102—

(1) the offeror who offers the greatest cash amount for Washington National Airport; and

(2) the offeror who offers the greatest cash amount for Washington Dulles International Airport.

(b) Notwithstanding the provisions of subsection (a), Washington National Airport and Washington Dulles International Airport may not be sold to the same purchaser. If one person offers to pay the highest cash amount for each Metropolitan Washington Airport—

(1) such person shall be selected to purchase the airport for which he offers to pay the higher cash amount; and

(2) the other airport (which such person shall be disqualified from purchasing) shall be sold to the person who offers to pay the second highest cash amount for such airport.

TERMS OF SALE FOR THE WASHINGTON METROPOLITAN AIRPORTS

SEC. 104. The sales of Washington National Airport and Washington Dulles International Airport shall be subject to the following terms:

(1) All real and personal property sold and transferred shall be used for airport purposes, or for purposes that are complementary to use as an airport.

(2) The owner of each airport may not set landing fees higher than necessary to cover the costs of operating each airport each year.

(3) Each airport shall be subject to the environmental standards, noise standards, safety regulations, and other applicable standards and regulations in effect on the date of the sale and transfer of such airport.

(4) The purchaser of Washington National Airport shall pay a minimum of $100,000,000 in cash for the purchase of such airport and the purchaser of Washington Dulles International Airport shall pay a minimum of $50,000,000 in cash for purchase of such airport.

(5) In addition to the amount paid pursuant to paragraph (4), the purchaser for Washington National Airport shall pay $39,000,000 to the United States for settlement of retirement obligations relating to employees and former employees.

(6) A majority of the equity interest in each airport shall be owned by citizens of the United States or corporations of the United States.

(7) All rights to landing aircraft, including landing slots, shall be included in the property rights sold and transferred to purchasers pursuant to this Act.

TITLE II—TRANSFER OF THE METROPOLITAN WASHINGTON AIRPORTS

FINDINGS

SEC. 201. The Congress finds, for purposes of implementing this title, that—

On page 27, line 4, strike out "Sec. 3." and insert in lieu thereof "Sec. 202.".

On page 27, line 5, strike out "Act" and insert in lieu thereof "title".

On page 27, line 13, strike out "Act" and insert in lieu thereof "title".

On page 27, strike out line 21 and insert in lieu thereof:

SEC. 203. In this title, the term—

On page 27, line 26, strike out "section 7 of this Act" and insert in lieu thereof "section 206 of this title".

On page 28, line 3, strike out "Act" and insert in lieu thereof "title".

On page 28, line 6, strike out "section 5 of this Act" and insert in lieu thereof "section 204 of this title".

On page 29, line 8, strike out "Sec. 5." and insert in lieu thereof "Sec. 204.".

On page 29, line 14, strike out "section 7 of this Act" and insert in lieu thereof "section 206 of this title".

On page 29, strike out line 16 and insert in lieu thereof "effective date of this title".

On page 30, line 19, strike out "section 9(e) of this Act" and insert in lieu thereof "section 208(e) of this title".

On page 30, line 23, strike out "9(e) of this Act" and insert in lieu thereof "208(e) of this title".

On page 31, line 9, strike out "section 9 of this Act" and insert in lieu thereof "section 208 of this title".

On page 31, line 14, strike out "section 8 of this Act" and insert in lieu thereof "section 207 of this title".

On page 31, line 22, strike out "Act" and insert in lieu thereof "title".

On page 32, line 2, strike out "Act" and insert in lieu thereof "title".

On page 32, line 5, strike out "Sec. 6." and insert in lieu thereof "Sec. 205.".

On page 32, line 15, strike out "section 7 of this Act" and insert in lieu thereof "section 206 of this title".

On page 32, line 18, strike out "Sec. 7." and insert in lieu thereof "Sec. 206.".

On page 34, strike out line 11, and insert in lieu thereof "effective date of this title;".

On page 35, line 1, strike out "8 of this Act" and insert in lieu thereof "207 of this title".

On page 36, line 17, strike out "Sec. 8." and insert in lieu thereof "Sec. 207.".

On page 36, line 17, strike out "section 5 of this Act" and insert in lieu thereof "section 204 of this title".

On page 37, line 10, strike out "Act" and insert in lieu thereof "title".

On page 38, line 19, strike out "Act" and insert in lieu thereof "title".

On page 42, line 17, strike out "Sec. 9." and insert in lieu thereof "Sec. 208.".

On page 44, line 14, strike out "8 of this Act" and insert in lieu thereof "207 of this title".

On page 46, line 12, strike out "Sec. 10." and insert in lieu thereof "Sec. 209.".

On page 46, line 15, strike out "Act" and insert in lieu thereof "title".

On page 46, line 16, strike out "section 5 of this Act" and insert in lieu thereof "section 204 of this title".

On page 47, line 16, strike out "Act" and insert in lieu thereof "title".

On page 48, line 25, strike out "section 5(b) of this Act" and insert in lieu thereof "section 204(b) of this title".

On page 49, line 2, strike out "Sec. 11." and insert in lieu thereof "Sec. 210.".

On page 49, line 7, strike out "8(a)(1) of this Act" and insert in lieu thereof "207(a)(1) of this title".

On page 50, line 2, strike out "Sec. 12." and insert in lieu thereof "Sec. 211.".

On page 50, line 9, strike out "date of enactment of this Act" and insert in lieu thereof "effective date of this title".

On page 50, line 11, strike out "Sec. 13." and insert in lieu thereof "Sec. 212.".

On page 50, line 11, strike out "Act" and insert in lieu thereof "title".

On page 50, line 13, strike out "Act" and insert in lieu thereof "title".

On page 50, add after line 14, the following new section:

EFFECTIVE DATE

SEC. 213. The provisions of this title shall not take effect if both Metropolitan Washington Airports are sold pursuant to the terms of title I. The provisions of this title shall take effect and be applicable to either or both Metropolitan Washington Airports if no offer is received for either such airport—

(1) within the one hundred and twenty-day period pursuant to section 102(b)(3) of this Act; and

(2) which meets the terms of sale specified pursuant to section 104 of this Act.

SARBANES (AND MATHIAS) AMENDMENT NO. 1744

Mr. SARBANES (for himself and Mr. MATHIAS) proposed an amendment to the bill S. 1017, supra; as follows:

On page 39, line 9, insert before the period ", and that the nighttime noise limitation standards currently set out at 14 CFR 159.40 may not be amended, unless such standards are made more restrictive of nighttime noise".

NOTICES OF HEARINGS

SUBCOMMITTEE ON NATURAL RESOURCES DEVELOPMENT AND PRODUCTION

Mr. WARNER. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Natural Resources Development and Production Subcommittee of the Senate Energy and Natural Resources Committee.

The hearing will take place on Thursday, May 1, 1986, beginning at 10 a.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC. Testimony is invited regarding the impacts of coal and electricity imports on the domestic coal industry.

For further information regarding this hearing, you may wish to contact Ms. Ellen Rowan on the subcommittee staff at (202) 224-5205. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Natural Resources Development and Production Subcommittee, Committee on Energy and Natural Resources, Dirksen Senate Office Building, Washington, DC. 20510.

Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Natural Resource Development and Production Subcommittee of the Senate Energy and Natural Resources Committee.

The hearing will take place on Thursday, May 15, 1986, beginning at 10 a.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC. Testimony is invited regarding the prospects for exporting American coal.

For further information regarding this hearing, you may wish to contact Ms. Ellen Rowan on the subcommittee staff at (292) 224-5205. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Natural Resources Development and Production Subcommittee, Committee on Energy and Natural Resources, Dirksen Senate Office Building, Washington, DC 20510.

COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, I would like to announce that the Senate Small Business Committee will hold a field hearing on the cost and availability of liability insurance for small business in Eau Claire, WI, on April 14, 1986. The hearing will be held at the city hall council chambers in Eau Claire, and will commence at 9 a.m. For further information, please call Erline Patrick of the committee staff at 224-5175, or Steve Loucks of Senator KASTEN's office at 224-4632.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MATHIAS. Mr. President, I wish to announce that the Committee on Rules and Administration will meet at 4:15 p.m., in SR-301, Russell Senate Office Building, on Wednesday, April 9, 1986, to receive testimony on S. 2059, to control franking costs; S. 2255, to prohibit the expenditure of Federal funding for congressional newsletters; and Senate Resolution 374, to limit the amount that may be expended by Senators for mass mailings during the remainder of fiscal year 1986.

Senators wishing to testify or to submit a statement for the hearing record are requested to contact John Childers, staff director of the Rules Committee, at 224-0299.

For further information regarding this hearing, please call Mr. Childers.

AUTHORITY FOR COMMITTEES TO MEET

SELECT COMMITTEE ON INTELLIGENCE

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, April 9, in closed session, to hold a hearing on the fiscal year 1987 intelligence authorization.

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

COMMITTEE ON ARMED SERVICES

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, April 9, 1986, in closed executive session, in order to conduct a hearing on the defense of NATO, in review of S. 2199.

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

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Wednesday, April 9, to conduct a hearing on the nomination of Patricia Diaz Dennis, to be a member of the Federal Communications Commission.

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

COMMITTEE ON ARMED SERVICES

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, April 9, in closed session, to mark up an original bill to reform the military retirement system, and consider pending military nominations.

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

COMMITTEE ON THE JUDICIARY

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, April 9, 1986, in order to receive testimony concerning the following nominaton:

U.S. DISTRICT JUDGE

Kenneth L. Ryskamp, of Florida, to be U.S. district judge for the southern district of Florida.

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

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, April 9, 1986, in order to receive testimony concerning S. 2160, the "Merger Modernization Act of 1986".

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

COMMITTEE ON RULES AND ADMINISTRATION

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Wednesday, April 9, 1986, in order to receive testimony on S. 2059, to control franking costs, S. 2255, to prohibit the expenditure of Federal funding for congressional newsletters; and Senate Resolution 374, to limit the amount that may be expended by Senators for mass mailings during the remainder of fiscal year 1986.

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

ADDITIONAL STATEMENTS

TIMBER COMES FIRST IN CANADIAN NEGOTIATIONS

● Mr. BUMPERS. Mr. President, on Friday, the Finance Committee will hold an important hearing on the question of the proposed negotiations about a United States-Canada free

trade zone. These negotiations potentially have a significant impact on the State of Arkansas so I have submitted a written statement to the Finance Committee making a series of points.

Let me be clear about my position: The United States should not begin negotiations about a free trade zone with Canada until Canada ceases providing an unfair subsidy for its timber producers. The only way in which the United States can make progress on the timber subsidy issue is hold off negotiations on the free trade zone until the subsidies are eliminated.

If the Finance Committee gives the President the green light to begin negotiations with Canada, Canada will have every incentive to postpone resolution of the subsidy issue until the very end of these negotiations, when the really hard bargaining will begin and when the Canadian subsidy practice will be valuable to Canada as a bargaining chip.

I have heard estimates that these negotiations may take 3 to 5 years to complete. If Canada can continue to avoid the timber subsidy issue throughout these negotiations, Canada may even drag out these negotiations longer than that. While there is talk, there will be no action.

The committee also should reject the President's request until he and his deputies show some understanding of the timber subsidy issue. Only then will I have some confidence that the interests of U.S. timber producers will be protected in these negotiations.

The current attitude of this administration on timber imports could not be less encouraging. Commerce Secretary Baldrige appeared before the Appropriations Committee a few weeks ago and I asked him whether the Department has reconsidered its position in the Softwood Lumber case in light of the decision of the U.S. Court of International Trade in the Carbon Black case, which held that the Department's legal rationale in both cases was nonsensical. He said the Department had not changed its position.

I then asked Secretary Baldrige how U.S. negotiators could have any credibility in arguing that the Canadian stumpage system constitutes a subsidy when the U.S. Government has explicitly rejected that finding and continues to reject this finding. He had no answer to this question.

As if this were not bad enough, the President has explicitly stated that he will veto any meaningful trade bill adopted by Congress, particularly any bill which contains any provision on the natural resource subsidy issue. In 1984 the President made this threat and, as a direct result, the natural resource subsidy provision in the trade remedies reform legislation was deleted.

If our Government agrees with Canada on the subsidy issue and if the President will prevent the Congress from taking any action against Canadian subsidies, why does Canada have any incentive to negotiate? Then, if the United States permits Canada to fold the natural resource subsidy issue into the larger free trade negotiations, Canada can ignore any protests it hears from United States timber producers at least until the final bargaining sessions 3 or 4 years from now. By then, U.S. timber producers will be so weak, they may not be able to mount an effective protest.

I am aware that there have been some meetings between United States and Canadian representatives on the timber subsidy issues, but it should come as no surprise that Canada would be willing to talk, especially now when Congress still could reject the negotiations on the free trade zone. A little talk now by Canada can prevent actions for years to come. The administration can huff and puff about the timber subsidy issue, but when it comes right down to it, Canada knows that this administration agrees with Canada on this issue.

Failing to reject the President's request for negotiating authority effectively endorses his and Canada's donothing approach to the timber subsidy issue. Until we get the President's attention on this issue and until he and his advisers come to see the Canadian stumpage system as a subsidy, I am hesitant about the President negotiating with Canada and, in any event, Canada will not listen if he does raise the issue. As it stands now our President does not represent the interests of U.S. timber producers. Until we get his attention he will continue to agree with Canada and protect its interests from any action by Congress.

I urge the Finance Committee to reject the President's request and put both our President and the Canadian Government on notice that this timber subsidy issue must be resolved now and it must be resolved first.●

PRIDE OF NEW JERSEY

● Mr. BRADLEY. Mr. President, I rise today to acknowledge the exceptional accomplishments of eight New Jersey citizens who serve as outstanding examples of determination and commitment to critical problems that face not only New Jersey, but the entire Nation. I am proud to join New Jersey Monthly magazine in saluting the recipients of the second annual New Jersey Pride Awards. These dedicated individuals exemplify the pride that New Jerseyites feel about our home State.

I would like to commend the following New Jerseyites for their diligence and hard work in their respective fields:

In the arts, Morris Pesin of Jersey City, known to many as the father of Liberty State Park, who has given over 25 years of service to the development of Liberty State Park, the preservation of the Statute of Liberty, and the cultural arts in Jersey City;

In community development, Lois M. Teer of Camden, who initiated a 3-year campaign to revitalize the residential communities of Camden and lure middle-income citizens to buy, rehabilitate, and move into abandoned homes;

In economic development, Leslie E. Smith, Jr., of Flanders, NJ, executive director of the International Trade Center, who conceived of the idea of a foreign trade zone in Morris County, an area that has since experienced substantial economic growth and financial stability;

In education, Saul Cooperman of Rocky Hill, New Jersey commissioner of education, under whose guidance the New Jersey Department of Education has launched programs to improve education in urban districts, raise standards for students in basic skills and in bilingual education programs, and improve the quality of teachers in the State;

In energy and environment, Jean Clark of Upper Montclair, founder of the Montclair Organization for Conservation and the current president of the New Jersey State Recycling Forum. Ms. Clark has responded to New Jersey's serious environmental and energy problems by organizing her community and others throughout the State to begin recycling;

In health, Eva Gottscho of Short Hills, founder of the Ruth Gottscho Kidney Foundation, which has been instrumental in sustaining the lives of hundreds of people by providing them with artificial kidney machines for home use;

In science and technology, Dr. David N. Goldenberg of Short Hills, founder of the Center for Molecular Medicine and Dentistry, and recent recipient of a $9.7 million grant from the National Cancer Institute, for his pioneering cancer research work;

In social services, Henry I. DeGeneste of Maplewood, superintendent of police for the Port Authority of New York and New Jersey, who has served over 17 years in law enforcement and had been involved in numerous community service projects.

All of these individuals deserve the recognition and gratitude of the people of New Jersey. Their contributions to solving problems should serve as an example for citizens and communities around the Nation.

Mr. President, New Jersey is indeed fortunate to have such outstanding and dedicated citizens as these eight individuals. I am proud to serve them as their Senator and ask that my colleagues join in my appreciation of their efforts. On behalf of the people

of New Jersey, I offer my sincere thanks and heartfelt congratulations to the 1986 New Jersey Pride Award winners.●

NO NEED TO SELL ARMS TO COMMUNIST CHINA

● Mr. GOLDWATER. Mr. President, I was pleased that the Washington Post reported in a recent article that opposition exits in Congress to the concept of strengthening Communist China's military forces. The thrust of the news item left the false impression, however, that opponents of arms help to Red China are concerned only with the threat these sales may pose to the defense of the Republic of China on Taiwan.

It is true that Taiwan's security is important to the United States, not only because we have given our word in the Taiwan Relations Act to support her self-defense capabilities, but because the availability of facilities on a friendly Taiwan is essential to a credible United States deterrence strategy in Northeast Asia.

The substantial modernization of the so-called Peoples' Liberation Army Air Force and Navy may create a situation in which the ROC Air Command is unable to maintain general air superiority over the Taiwan Strait. In this eventuality, Peking would be able to impose a blockade of Taiwan at its discretion.

Should the United States allow the Republic of China on Taiwan to be neutralized or to fall under the control of Peking, it would foreclose the use of facilities on Taiwan to the United States and to the non-Communist coalition of free nations in the region. The neutralization or loss of Taiwan to Communist China would considerably strengthen the Soviet strategic position in Northeast Asia and it could also render Japan hostage to Peking.

But Taiwan's independence and security are not the only grounds for not helping Peking's military buildup. Other reasons include:

First, Red China is an uncertain and unproven military partner whose Government leaders and policies can change erratically.

Second, Red China is fast warming its relations with the Soviet Union and cannot be depended on to support United States strategic interests.

Third, many non-Communist nations in East Asia fear Red China as the greater or nearer threat than the Soviet Union, even if Russia is our greatest adversary at the moment. It is not only Taiwan who is threatened.

Fourth, Red China is involved in the arms race up to its ears and has sold well over $4 billion of military arms to poor countries in Africa and South America since 1973. Why should we help Red China fuel the arms race by modernizing forces and releasing her current inventory for foreign sales often harmful to United States interests?

Fifth, Red China may lack sufficient foreign exchange to pay for United States arms help. With the drop in oil prices Communist China is in even worse shape since much of her foreign revenue comes from oil exports.

Mr. President, the reason why the United States should not pursue a policy of strengthening mainland China are clearly and succinctly discussed in a recent article by Dr. Ray S. Cline of the Georgetown University Center for Strategic and International Studies in a special commentary he wrote for the magazine, the World & I. Dr. Cline asks the disturbing question:

Can we possibly risk building up Communist China in the same way we built up Communist Russia at the end of World War II, only later to regret our folly?

I know my colleagues will find the article informative and to the point, and I submit it for the RECORD.

The article follows:

[From the World & I, January 1986]

CHINA'S CONVERSION CAUSE FOR CAUTION

(By Ray S. Cline)

President Ronald Reagan is right about the Soviet Union. It is, in its political structure, an empire tightly controlling a large number of non-Russian peoples. Its dictatorial rulers are hostile and, when circumstances permit, aggressive toward the outside world. The Soviet Communist Party's centralized totalitarian system is a cruel anachronism in modern society. Oppressing its own people, the Soviet Union sets itself up as the main strategic adversary of the United States.

Soviet leaders clamor for the empty detente of the early 1970s, which enabled Moscow to build up intimidating military power and extend its influence into Afghanistan, Syria, Yemen, Ethiopia, Angola, Nicaragua, and Vietnam. Soviet rulers react to the facts of power, not rhetoric, and this is why Mikhail Gorbachev, present chief executive of the Soviet Communist Party and State, met with Reagan in Geneva in November 1985.

The Strategic Defense Initiative (SDI), and the technological threat it represents, brought Gorbachev to the negotiating table to try to get the United States to relax tensions, as it did in the 1970s under the detente illusion.

TRAGIC ERRORS

Unfortunately, in another strategically important part of the international forest, the president appears to be allowing himself to slip into tragic errors, contrary to his own personal beliefs in his relations with the second giant communist state on the face of the globe, the People's Republic of China (PRC). The Reagan administration treats the government of a billion Chinese people, with immense potential for good or harm and how under the fist of a communist dictatorship, on the basis of sentimentality rather than realism. Bureaucrats in the U.S. State and Defense departments, who persuaded President Jimmy Carter to abandon American long-time alliance with the energetic 19 million freedom minded Chinese people of Taiwan and to pursue Peking as a strategic partner against the Soviet Union, have gone right on with this policy under Reagan. The president has gradually let the wishful thinkers about China commit the United States to continuing the humiliating restrictions on relations with the Republic of China (ROC), while offering high technology and military equipment, as well as economic assistance, to the impoverished totalitarian mainland.

This help to the PRC will never be used for American benefit. It is likely to be used against American interests in Asia, first and foremost against the U.S. strategic outpost island of Taiwan and subsequently against other friends of the United States in East Asia.

It appears that President Reagan has been hijacked by the pro-Peking clique in the U.S. Foreign Service. This group has never considered Chinese communists to be unfriendly even when Mao Zedong was murdering his own people by the millions and assisting in the murder of American soldiers in two regional Asian wars, one in Korea and the other in Vietnam.

This China policy may be good domestic politics with people who are always charitable and trusting toward communist regimes and harsh on free societies.

The question is, is wooing the PRC right for Asia and for the United States during the rest of the century? The answer is already clear in the recent Peking moves closer to Moscow, and the answer is no.

NONFRIENDLY NATION

Our appeasement of communist China in hopes of buying a friend to play off against the communist Soviet Union will not pay. It did not pay Americans to appease and enrich Hitler or Stalin. The PRC is not a friendly nation despite its wish to get our money, markets, and technology. It is an adversary, weaker than the Soviet Union but basically hostile to our form of government, our society, and our people.

It is critical to distinguish between peoples and governments. The Chinese people are products of an ancient and civilized culture, and they are friendly when they are treated well. On the mainland, the Chinese people have absolutely no influence on what the 20 million communist cadre bureaucrats or the 40 million communist party members do. This vast ruling structure follows orders from a handful of Politburo members (25) now dominated by one man 82-year-old Deng Xiaoping, just as it was dominated by one man, Mao Zedong, for 30 years. Deng is more reasonable than Mao, but he is committed to the communist system of totalitarian rule. He is not in any way friendly to democratic processes or democratic societies.

The PRC leaders are moderating their central economic controls, just as Lenin did in Russia in the 1920s, in order to milk the Americans of economic favors and use every benefit for leverage to gain strength for the future. Already, American help is building new Chinese communist bridges to the political system on which the Chinese state is modeled, the communist centralized dictatorship of the Soviet Union. If our China policy brings the two rival communist behemoths back close enough together to undermine the American position in Asia—or even to go so far as to join forces to fight Americans without declaring war, as they did in Korea and Vietnam—it will in the long run negate what President Reagan and all Americans stand for—freedom.

The headlong U.S. pursuit of the friendship of the PRC's feisty, crafty leader, Deng Xiaoping, is positively undignified. He knows how to use language soothing to American capitalist ears, but he has made no concessions whatsoever to freedom in China and has not relinquished state ownership or control of the instruments of economic production. The PRC has opposed almost every American foreign policy position adopted since he came to power. Deng recently sent Vice-premier Li Peng, educated in Moscow, to see Mikahil Gorbachev to urge improvement in Sino-Soviet relations, as he said, between "the two great neighbors and socialist countries."

Li assured Gorbachev that, contacts with the United States notwithstanding, Peking "is not aligned with, nor does it establish stategic relations with other countries." In other words, the Pentagon myth of strategic benefits from improving relations with Peking is just a fantasy.

SINO-SOVIET TIE

In the meantime a high ranking Soviet official visited Peking at the end of last year, signed a trade agreement, and arranged for pacts coordinating both countries' next five-year economic plans (1986-1990). The two countries agreed on establishing a joint commission on economic, scientific, and technological cooperation.

It is obviously easier for two centrally planned economies to mesh than for the United States to get major benefits from exchange with the state-owned enterprises of the PRC. So far, as the offshore oil industry amply demonstrates, the money has gone one way—from the market economies to the PRC—and all the United States has received is a flood of cheap textiles displacing other friendlier supply sources, including the American textile industry.

In pursuit of the presumed conclusion that the PRC will be helpful in opposing the Soviet Union, rather than using the American connection as a bargaining chip to draw closer to Moscow, a parade of U.S. notables to Peking has taken place in recent years. The list is all the more remarkable because the State Department, in response to Peking's demands, will not permit any senior United States official to visit Taipei.

June 1981: U.S. Secretary of State, Alexander Haig, visited China, concluding "U.S. will supply arms on a case by case basis."

September 1981: Former President Jimmy Carter.

January 12, 1982: Assistant Secretary of State for East Asian and Pacific Affairs, John H. Holdridge.

June 12, 1982: Senate Majority Leader Howard Baker, Jr., (R-Tenn.).

February 1983: Secretary of State George P. Shultz.

September 1983: Defense Secretary Caspar Weinberger.

April 1984: President Ronald Reagan.

August 1984: Navy Secretary John F. Lehman, Jr.

January 1985: Chairman of the Joint Chiefs of Staff John W. Vessey, Jr., and Commander-in-Chief, Pacific Forces, Admiral William Crowe.

March 1985: Undersecretary of State for political affairs, Michael Armacost.

October 13, 1985: Vice President Bush.

What has happened as a result of all these visits? All the PRC has done is scold Washington about selling arms for "sufficient self-defense" of Taiwan, as mandated in law by the Taiwan Relations Act of 1979, while demanding high technology for the mainland. What Washington has done is restrict advanced weapons for Taipei and release them for Peking. Mainframe computer sales to the PRC are ballooning. Trade in all U.S. high-technology items doubled in 1984, and the backlog of requests is swamping the control system.

The U.S. Navy wants to provide turbine engines and anti-submarine weapons for the PRC destroyers, while the Chief of Staff of the U.S. Armed Forces and the Commander-in-Chief, Pacific, spoke enthusiastically of close "military ties." Nuclear energy reactors and components have been promised for sale, although the PRC has been unwilling to make formal nonproliferation pledges.

TAIWAN TAKEOVER

Chinese communist officials furthermore have resolutely refused to renounce the use of military force to recover Taiwan. Recently Deng Xiaoping himself spoke of possible need to use "military power" to impose a "blockade" of the island to bring it into the communist fold. Presumably the destroyers enforcing a blockade, something expressly forbidden in the congressional language introduced in the Taiwan Relations Act, will have superior American missiles to face the ROC destroyers restricted to older United States equipment.

To look at China these days is confusing to most Americans because of the attempts of Deng Xiaoping's ruling clique to have their communist political cake and eat it too in the form of private incentive reforms. The ensuing semantic obfuscation is extraordinary. Close study of the facts reveals only a Chinese gamble on benefiting from American gullibility about a benign new kind of "socialism with Chinese characteristics."

Many Americans believe "reforms" will cause the PRC to emulate capitalism instead of Soviet totalitarianism. Ronald Reagan himself was persuaded to describe China as "so-called communist."

What a close examination of policies on the mainland reveals is that the Stalinist-Leninist-Maoist style of socialism has indeed proved to be an economic failure and is thoroughly discredited from the point of view of most of the Chinese populace. Peking authorities, nonetheless, have no intentions of giving up the communist party dictatorship. Deng is simply scrambling for a new economic formula that preserves tight totalitarian political control but raises standards of living so his group can stay in power.

The odds against success in the maneuver are high. In more than three decades of rule, the communist leaders have made one adjustment after another to overcome political instability, economic crises, and ideological disillusionment. All this time they have been initiating successive reforms, mostly thereby creating new problems, and never yet attaining their objectives.

Deng's post-1977 goals of modernizing agriculture, industry, national defense, and science and technology by the year 2000 seem almost as far away today as ever.

Increases in agricultural output have been achieved by giving peasants the chance to farm the land as family units—a kind of sharecropping arrangement—and to keep some surplus crops if they work hard and exceed state norms. These incentives have produced higher yields, but they do not change land ownership from what is basically a landless tenant system. The state still owns the farms and can adjust policies whenever Peking bureaucrats decide to curtail the privileges peasants have always wanted. China's rural families have always known how to raise crops if given the opportunity.

All these measures, Premier Zhao Ziyang asserted, are designed to boost the nation's gross output and to lessen the nation's financial difficulties in carrying the heavy burdens of large-scale construction for "socialist," modernization.

Peking's Communist Party Central Committee formally and with fanfare announced a drastic decision on October 20, 1984. It committed the nation to alter the economic structure of light industry and consumer services by adopting controversial quasi-capitalist market mechanisms.

This great lunge forward is designed to create a new kind of "socialism with Chinese characteristics," something different from the Soviet model, more like the Hungarian state.

UNCERTAIN OUTCOME

The task is formidable, and the ultimate results are far from certain. Freedom of small urban industry from direct and complete state control is much more complex and susceptible to individual abuse or failure than the 1978 experiment in letting peasants farm their land and keep excess profits. Already there have been massive scandals of misuse of public funds, notably in Hainan Island where the whole bureaucracy was found guilty of profit-taking and non-Marxist thinking.

The hope in the minds of the communist party leaders is to avoid competition under the capitalist system, "where the law of the jungle prevails." they say, but to derive a rational set of prices that will not create inflation and will expand the availability of foreign exchange.

Deng is staking everything on the concept that a little economic freedom plus outside money and technology will finally begin to modernize communist China's long-stagnant economy. He is betting on American financing and technology to get the process started. When he does, he or his successors are very likely to bargain for a better relationship with Moscow.

Meanwhile, Peking's leaders for 35 years have been unwilling to renounce the use of force as a way of bringing Taiwan under the flag of communist China, and their present attempt to merge the "two systems" in "one nation"—the communist nation—is a veiled threat to Taiwan.

During this period from 1949 to 1984, while the mainland struggled from one disaster to another, the government in Taipei developed a much more open society. It has marched wholeheartedly down the freedom road and brought its per capita income for its people up to ten times that of the mainland.

The Chinese people of Taiwan know their accomplishments and do not intend to retrogress in terms of standard of living or representative government.

UNIVERSAL TRUTH?

When Deng set China on its present policy course, he made it clear he was promoting his own updated version of Mao's ideology, integrating the "universal truth of Marxism with the concrete realities of China." He claimed he could blaze a new path to bring prosperity to the party and the socialist cause. "We do not want capitalism," he said. "We want a socialist society with a prosperous economy." History does not give much encouragement for success in this combination.

In fact, the odds are strongly against economic success in the PRC so long as the leadership demands, as it does, loyalty to the "Four Basic Principles" of communist propriety. These principles are the socialist road, dictatorship of the proletariat, leadership of the communist party, and Marxist-Leninist Mao Zedon Thought.

Deng has no intention of abandoning these principles, and his successors are even less likely to do so in the foreseeable future. Under this rigid political system, economic incentives, and even so-called market socialism cannot really flourish.

In these circumstances, the United States and other democracies should hold out encouragement and help toward greater freedom to the long-suffering Chinese people rather than strengthening the present communist regime. The fate of future China is at stake, with the people admiring the Taiwan economic miracle and the regime on the contrary strengthening ties to Moscow.

It would be tragic if the pro-Peking romantics in Washington undermine the stability of Taiwan by the present Carteresque restrictions on full implementation of the Taiwan Relations Act, just as Taiwan is serving as a magnet to pull mainland China toward interchanges with capitalist economies and away from cooperation with the Soviet Union.

The place in history of President Reagan may depend on the steadfastness of his own views on dealing with Taipei and Peking, concerning which the United States stands to win or lose a great deal, geopolitically. The protracted struggle with Moscow seems destined to continue inevitably, for a still longer time, but there is no need to strengthen China as a second powerful totalitarian adversary.

Undercutting the defense capability of the government in Taiwan and building up a strong military communist state on the mainland is the wrong move at this time in history. It would change the world balance of power in one of the few regions where in non-communist nations market economies and imitation of the American model of society are creating a favorable strategic trend.

Can we possibly risk building up communist China in the same way we built up communist Russia at the end of World War II, only later to regret our folly? Not if the values of a free society prevail over a naive trust in cooperation with communist dictatorships—against all the evidence of the past 65 years.●

S. 2269—TO OVERTURN SUPREME COURT DECISION IN GOLDMAN VERSUS WEINBERGER

● Mr. LAUTENBERG. Mr. President, I join with Senator D'AMATO in introducing legislation to overturn the Supreme Court's 5 to 4 decision in Goldman versus Weinberger.

In Goldman, the Supreme Court held that the military's perceived need for uniformity of dress and discipline overrode the first amendment right of a male Orthodox Jewish serviceman, on duty inside a military hospital, to fulfill his traditional Jewish obligation by wearing a yarmulke.

Capt. S. Simcha Goldman is an Orthodox Jew and an ordained rabbi. He joined the Air Force as a commissioned officer, and worked as a clinical psychologist at the mental health clinic on the March Air Force Base in Riverside, CA. Until 1981, he was permitted to wear his yarmulke on the base. But in 1981, after testifying for the defense at a court-martial, the opposing attorney registered a complaint arguing that Dr. Goldman's practice of wearing a yarmulke violated Air Force regulations.

Our citizens in uniform should not be deprived of their basic constitutional rights, such as the free exercise of religion, simply because they have joined the military. There must be a compelling and supportable argument justifying such a prohibition. As the dissenting justices in Goldman versus Weinberger point out, there was no evidence in the record that the discipline of the Armed Forces would be subverted if Orthodox Jews are allowed to wear yarmulkes with their uniforms, nor did the Air Force offer any basis for such a contention as a general proposition.

This legislation is not confined to the wearing of yarmulkes, but addresses the wearing of any item of apparel that is part of the member's religious observance. The legislation states:

In order to preserve constitutional rights to the free exercise of religion, a member of the Army, Navy, Air Force or Marine Corps may wear any neat, conservative, and unobstrusive item of apparel if the wearing of such apparel is part of the religious observance of the member, unless the wearing of such apparel interferes with the performance of the member's military duties.

I urge my colleagues to pass this legislation swiftly so that the ability of members of the armed services to freely exercise their religious beliefs by wearing apparel that is part of their religious observance will be preserved.●

ADHERENCE TO SALT NUCLEAR ARMS LIMITS

● Mr. CHAFEE. Mr. President, the Reagan administration is approaching a decision on an issue which is vital to our national security: adherence to the SALT nuclear arms limits.

The sea trials of the eighth Trident submarine, the U.S.S. *Nevada*, this May will push the United States over the MIRV'ed missile sublimit of the SALT II Treaty. To remain within the SALT II limits, a similar number of older MIRV'ed missile systems must be dismantled.

Senator JOHN HEINZ recently wrote an op-ed piece for the Philadelphia Inquirer on SALT II restraint which I think is worth the careful attention of my colleagues. I ask that the editorial by Senator HEINZ be printed in the RECORD.

The editorial follows:

[From the Philadelphia Inquirer, Apr. 7, 1986]

UNITED STATES SHOULD KEEP SALT II LIMITS

(By Senator John Heinz)

Attention is focused on the next summit between President Reagan and Soviet party Secretary Mikhail S. Gorbachev. Yet the future of any nuclear arms reduction agreement will be decided by a critical decision the President must make before any summit takes place.

At issue is the superpowers' common interest in restraining the nuclear arms race by adhering to ceilings in the second Strategic Arms Limitation Treaty that limit the quantity and type of nuclear missile launchers on each side. Before May, President Reagan must decide whether to continue to abide by these limits. Some favoring a more confrontational approach, argue that Reagan should ignore the limits.

A presidential decision is necessary because the May sea trials of the eighth Trident submarine, the USS Nevada, will push the United States over the MIRVed (multiple independently targeted re-entry vehicles) ballistic missile (ICBM) sublimits of SALT II. He must decide if the United States is to dismantle a number of older MIRVed systems in order to stay within these limits. His alternative is to abrogate the ceilings now observed by both sides.

If the limits are broken and a new arms race develops, it is virtually inconceivable that the military on either side would be willing to discard weapons bought today in order to implement tomorrow's substantial reductions in nuclear arsenals, reductions that both Reagan and Gorbachev set as a goal at last year's summit.

For the last seven years, SALT II has been the sole framework for restraining the nuclear arms race because it has effectively limited the number of strategic launchers and, indirectly, warheads that each side can deploy.

Independent assessments have concluded that without the SALT II constraints, both superpowers could increase the size of their nuclear arsenals to about 27,000 strategic weapons by 1994—up dramatically from today's levels of around 10,000. More importantly, the Soviet Union could increase its strategic weapons levels by almost 7,000 during the next four years, whereas the United States could only increase its strategic weapons by about 3,700. Reagan has stated the Soviet Union has "a capacity to increase weaponry much faster than the treaty permitted" and that the United States does not.

Both Reagan and the Joint Chiefs of Staff have concluded that the United States is more secure with the SALT II limits than without them. Nothing in the strategic situation has changed from last June when the President endorsed interim restraint. Now is clearly not the time to move in the opposite direction, toward an unconstrained arms race, by discarding the SALT II limits.

Critics of this policy argue, with some justification, that the Soviets have violated other provisons of the unratified treaty. There is no dispute, however, that the Soviets are complying with the key provisions of the SALT agreement limiting both sides' offensive arsenals: the numerical ceiling of 1,320 MIRVed ICBMs, SLBMs (submarine-launched ballistic missiles) and ALCM-carrying (air-launched cruise missiles) bombers. Until now, both sides have dismantled older

systems as newer systems are deployed in order to comply with these SALT II ceilings.

The President has indicated, correctly in my view, that the resolution of compliance issues must be incorporated into any new arms control treaty.

A strong and meaningful response to Soviet violations, however, does not require abandoning the numerical limits imposed by SALT II, as long as the Soviets continue to comply with them. Other avenues of proportionate response are available.

The adminsitration, however, is reportedly considering a decision that would abandon proportionate response and bring bout only partial compliance with the MIRVed-launcher limits by temporarily dry-docking two Poseidon subs instead of dismantling them as SALT II requires. Such a decision would be a violation of the mutually accepted dismantling procedures if the dismantling is not carried out within six months.

The question we must ask, therefore, is will such a MIRV-related violation by the United States bring the Soviets into compliance with the non-MIRV provisions of SALT II? Few think it will, and I fear that it may lead both sides down a slippery, dangerous slope of noncompliance with the important MIRVed-launched subceilings.

Continued observance of the MIRV limits does not prevent a forceful response to other Soviet violations. An example of an appropriate, proportionate response would be accelerating the deployment of the Midgetman missile in response to the Soviet flight testing and deployment of the single warhead SS-25 missile, which is in violation of the SALT II provisions prohibiting the deployment of a second type of new ICBM.

In my view, a policy of proportionate response is preferable to scrapping adherence to SALT II. Mutual adherence at today's limits is essential to negotiating mutual reductions tomorrow.

Last June, President Reagan said, "Despite the Soviet record over the last years, it remains in our interest to establish an interim framework of truly mutual restraint on strategic offensive arms as we pursue . . . the ongoing negotiations in Geneva."

Reagan was correct in announcing that the United States was more secure with SALT II than without it. Nine months later, that is still the case. Until a comprehensive arms-reduction package is reached, it would be unwise to discard SALT II's pragmatic restraints on the nuclear arms race.●

AMERICAN SALUTE TO CABANATUAN PRISONER OF WAR MEMORIAL DAY

● Mr. WILSON. Mr. President, through a joint resolution of the Congress and a Presidential proclamation, April 12, 1982, was designated "American Salute to Cabanatuan Prisoner of War Memorial Day." The Cabanatuan Memorial is located in the central valley of Luzon, Philippine Islands, at the site of the infamous Cabanatuan Prisoner of War Camp. Here, nearly 3,000 American servicemen—veterans of Bataan, Corregidor, and other fiercely contested areas throughout the Philippine archipelago—died of disease, starvation, execution, and other brutality and neglect at the hands of their captors.

The 10,300 battle-weary, starved, disheartened survivors of the rigors of combat in Bataan's jungles, all "Battling Bastards of Bataan," died on the 85-mile march enroute to their first POW camp, Camp O'Donnell. In June 1942, following the surrender of the Corregidor garrison, most of the American servicemen who had survived the hell of the Bataan Death March and the horror of the O'Donnell POW Camp were joined with those captured on Corregidor and elsewhere throughout the Philippines at the Cabanatuan POW Camp. This camp was the principal camp in which the Americans were held during the war.

In the fall of 1944, the Japanese transferred more than 1,600 Cabanatuan prisoners to "hell ships" destined for Japan, where they were to be used as slave laborers working the mines, dock areas, and factories. Because these ships were unmarked, they were attacked by U.S. aircraft and submarines. The casualties resulting from those attacks which destroyed two of the three ships on which the POW's were being transported, together with the deaths which resulted from starvation, disease, and exposure during the 49-day trip between Manila and Japan, accounted for 90 percent of those prisoners having perished during that indescribably gruesome voyage.

The 500 American prisoners who had not been moved from the camp because of illnesses were liberated in January 1945 by a team of American Rangers, Alamo Scouts, and Filipino guerrillas. These units overcame a Japanese force of 1,000 to lead the American prisoners on foot and in water buffalo drawn carts to freedom.

Of the 25,000 American servicemen who were in the Philippines at the outbreak of World War II, only some 5,000 are living today. Battle deaths and the depredations and cruelty they suffered while prisoners account for the major loss among those most unfortunate men.

I ask that we remember today the bravery of these men who fought and suffered for the freedom we enjoy. It is especially important that we regard the Cabanatuan Memorial as a combined Filipino and American effort which pays tribute to the dedication of both our people to the cause of freedom. It is an important and enduring testimonial to the historic friendship and cooperation of the two nations and to the gallantry and sacrifice of the individuals who participated in a joint quest for honor, freedom, and peace.

STATE AND LOCAL TAX DEDUCTIONS

● Mr. HUMPHREY. Mr. President, I would like to bring to the attention of my colleagues an editorial which recently appeared in the largest daily newspaper in my home State of New Hampshire. The editorial, which was in the March 28 issue of the Manchester Union Leader, focuses on the issue of tax reform.

As this editorial points out, Mr. President, "any worthwhile tax reform proposal would of necessity require elimination of the deduction for State and local taxes." There is just no good reason to retain this deduction. It benefits the rich at the expense of the poor. In addition, as the editorial states, "The Federal levy, then, is being used to subsidize irresponsible State and local spending." Such spending is being paid for not by the residents of those States, but by all taxpayers through higher rates. This situation, Mr. President, is neither fair nor equitable. It is for this reason that the Union Leader's comment about worthwhile tax reform could not be more true.

Mr. President, I would urge my colleagues to consider the issues of tax reform and deductibility with this editorial in mind.

Mr. President, I ask that the editorial mentioned above appear in the RECORD at this time.

The editorial follows:

TAX REFORM FORGOTTEN?

President Reagan's drive for a meaningful reform of the federal tax code must not be forgotten in the press of other news. Tax reform is long overdue. It is critically needed.

The present tax system is virtually incomprehensible, weighed heavily toward the special interests, and encourages excessive state and local taxation.

Congress, highly susceptible to the pressures of special interest lobbies, obviously would prefer not to be forced to deal with tax reform, and most especially would prefer not to be forced to deal with a meaningful tax reform that might shift the balance in favor of the beleaguered wage-earning taxpayer.

To enact real tax reform would require increasing the burden on the special interests, and any worthwhile tax reform proposal would of necessity require elimination of the current deduction for state and local taxes.

That component of the present system discourages taxpayers from exercising any control over excessive spending by state or local governments, since that excessiveness can be written off in full against the federal income tax. The federal levy, then, is being used to subsidize irresponsible state and local spending—and taxpayers in low tax states, such as New Hampshire, shoulder a higher burden as a result.

Tax reform deserves a higher priority than it has received in Congress, but without greater public pressure, without a public outcry, there is little indication it will receive more attention than it already has been given. After all it is the special interests who provide the bulk of the money senators and representatives need to finance expensive reelection campaigns, and they treasure those funds far more than they do equity for beleaguered wage-earning taxpayers.

Don't let the drive toward meaningful reform of the U.S. Tax Code falter and die.

Demand positive congressional action, particularly now with all members of the U.S. House facing reelection and a third of the members of the Senate also on the campaign trail. Demand that they cast a vote for equity now, this year, before the election in November.●

THE MEDICAL MALPRACTICE PROBLEM

● Mr. DURENBERGER. Mr. President, I have stood before this esteemed body before in an effort to alert my colleagues to the growing medical malpractice problem in this country and the need to define whether there is an appropriate Federal role in this as all 50 States desparately look for solutions to the escalating crisis.

As legislators at both the State and Federal levels examine possible changes in laws, the legal and medical professions are also turning within and searching for solutions among their colleagues. A recent article in the New York Times, written by Morris Abram, a lawyer who was the chairman of the President's Commission for the Study of Ethical Problems in Medicine and Biomedical and Behavioral Research, describes one solution to the problem that I believe has even more far-reaching potential than any changes in any laws anywhere.

If we want to see a downturn in the number of malpractice lawsuits and a decrease in the cost of malpractice insurance premiums, Mr. Abram suggests a doctor-patient relationship in which information is shared and decisions jointly made. I can't help but point out that he also calls this a new kind of relationship. What does that suggest? It suggests that a healthy give and take of information and respect for each others needs is now lacking in many doctor-patient relationships and that this is one thing at the root of the malpractice problem.

In the high technology, highly specialized world of modern medicine, this kind of shared relationship has more than likely suffered, resulting in patients feeling uninvolved and not taking responsibility for their own care, and physicians giving the orders as technical experts. Not only that, but modern medicine has an aura about it that has led to a doctor-can-cure-all syndrome. A shared partnership has the advantages of creating a sense of respect, trust, and mutual participation in decisionmaking. When patients feel they are part of this team, they may be more willing to accept their responsibility in the shared enterprise and realize that medicine has limitations and cannot cure all ills. The payoff of this relationship would be that it could help decrease lawsuits while encouraging better medical outcomes as well.

Mr. President, I suggest to my colleagues that they read the article by Morris Abram, and I ask that it be printed in the RECORD. He offers us an important statement on a fundamental issue that is at the heart of the medical malpractice situation in our country.

The article follows:

[From the New York Times, Mar. 31, 1986]

TO CURB MEDICAL SUITS

(By Morris B. Abram)

In all the talk about how to deal with the medical malpractice crisis, a simple yet potent idea is being ignored: creation of a new kind of doctor-patient relationship in which information is fully shared and decisions jointly reached.

This approach to treatment, known as the "shared relationship," and recommended by the President's Commission for the Study of Ethical Problems in Medicine, is beneficial both for doctors and patients. It would help curb escalating insurance premiums and malpractice verdicts, which inescapably are reflected in higher fees and hospital charges. It would stanch the exodus from certain high-risk specialties. It would stanch the unwarranted diagnostic and treatment procedures known as "defensive medicine."

As envisioned, the shared relationship does more than diminish conditions that breed litigation and reduce a patient's disposition to sue. It enhances the prospect of better medical outcomes. It assuages anxiety about complications and diminishes the number of patient days in the hospital and the amount of pain-killing medicines required. It is thus a part of good care. Moreover, it includes the legal requirement of informed consent—the patient's permission for a medical procedure—but treats it as an ethical imperative as well. This implies hospitably inviting the patient to ask questions.

Unfortunately, this preferred relationship is not commonly found. Surveys by Louis Harris Associates tell us that 79 percent of patients interviewed believe that the informed consent document primarily protects the doctor; astonishingly, 55 percent of doctors agree. Moreover, only 14 percent of physicians surveyed thought informed consent included the mentioning of alternative treatment. The Presidential commission's studies found that in hospitals often little or nothing is discussed with patients about either the recommended treatment or alternatives.

As medicine is able to do more and more, treatment is divided into increasing numbers of specialties and subspecialties, administered in larger, more complex facilities, using more advanced equipment and delivered by an ever-changing cast of characters. The patient's body and its ailments are parsed into components and assigned to teams of personnel who do not know the patient and whom the patient does not know. This system offers too many opportunities for slippage in carrying out doctors' orders and observing side-effects.

Today's patient, surrounded by science, feels bereft of care; entangled in technology, he is bewildered; enveloped by a team of physicians, he feels he is without a doctor. Little wonder that when the outcome is adverse many strike out in anger through the courts. To prevent such suits and to increase the chances of positive results from all the scientific expertise provided to patients, every hospital patient should have one physician through whom health-care teams relate. This physician should coordinate orders for tests, feedings and nursing, and should convey in understandable words information the patient needs to know about his condition and treatment.

This is not to say various specialists should not also work to establish shared relationship with the patient. But there must be one responsible for making sure the patient understand what is happening, and why.

This cooperative relationship would diminish the patient's resistence to needed diagnostic and therapeutic procedures. In a spirit of mutuality, he would be better able to monitor his treatment, to be sure that prescribed orders are carried out and the many opportunities for slippage are avoided. The patient would have a practiced ability to detect and report side-effects. Having participated in the choice of treatment, he would have a deeper appreciation of what he has undergone, the reasons for having done so and the risks involved. Finally, the patient—less surprised in the outcome is unfavorable—would be more inclined to accept his responsibility in the shared enterprise.

The worth of this approach may appear obvious; it is. It may seem easy to introduce; it is not. There are very few American medical institutions including the best, where medicine is practiced so as to create this partnership. But is is the best prescription for improving medical care and quickly reducing medical malpractice claims and expensive verdicts.●

OLDER AMERICANS MONTH

● Mr. D'AMATO. Mr. President, the month of May traditionally has been designated as "Older Americans Month." As I have in the past, I rise again this year to lend this effort my full support. I urge my colleagues to do the same by lending their support to legislation, Senate Joint Resolution 315, to designate May 1986 as "Older Americans Month," introduced today by Senators GRASSLEY, HAWKINS, GLENN, HEINZ, and MATSUNAGA.

This has become an important tradition for the month of May, as we take time to reflect upon the innumerable contributions made to society by older Americans. These commendable Americans have been through it all, from the Great Depression and times of war, to a point in life, which we hopefully will all reach, when days are consumed with the richness of reflection and the education of others.

"Older Americans Month" is established to pay tribute to those who sustain our past by passing memories and experiences on to our youth, enabling future generations to maintain the spirit of patriotism and devotion to a nation that has remained strong for more than 200 years. The purpose of "Older Americans Month" is to honor the many contributions older Americans have made to the greatness of this country.

Unfortunately, many people harbor a negative attitude toward old age, and they expect it to be worse than it turns out to be. Such a view is nonsense—most older people are alert, active, and open-minded. In many countries, especially in nonindustrial

societies, the longevity and experience of the elderly gives them a respected position in society. Older Americans certainly have my respect, as well as my support for programs which serve to meet their needs.

As the older population in the United States grows, we must meet the demand for adequate health care, decent housing, and other services for them to actualize the American dream. Nationwide, the percentage of individuals who are 65 or older has increased from 4 percent in 1900 to 11 percent today. In other words, there were 3 million such individuals in 1900; in 1980, there were 25.5 million. By the year 2000, this figure will jump to 30 million. The demand for services for the elderly has increased. So, too, has the amount of money needed to fund them.

In the State of New York alone, there are 2,799,000 eligible recipients of Social Security benefits. The dollar amount withdrawn each year from the Social Security Trust Fund for these benefits is $15,120,000,000. The number of Medicare recipients in New York is roughly 2,420,000. The total amount of Medicare dollars spent on these recipients is $6 billion per year.

Mr. President, we, as a nation, will continue to benefit from our older Americans. In particular, we will continue to enjoy the richness of life given to us by the elderly among us, and we will continue to protect programs which meet their needs. During "Older Americans Month," let us all reflect upon all that older adults contribute to our lives, as well as to the life of this great Nation.●

NATIONAL CARPET AND FLOORCOVERING WEEK

● Mr. D'AMATO. Mr. President, I rise today to join my distinguished colleague from Georgia in cosponsoring a joint resolution designating the week of April 18, 1986, through April 27, 1986, as "National Carpet and Floorcovering Week."

Carpet and floorcovering manufacturers have been an important part of the American business community since the first carpet mill was established in 1791. Today, carpet manufacturers are located in 23 States including my State of New York.

Mr. President, during a time when the textile industry is experiencing keen competition from increased imports, the carpet and floorcovering industry is keeping pace. Investing in technologically advanced equipment and maintaining its competitive spirit are the primary reasons for this industry's success. Incredibly, the price of domestic carpet has increased by only 52 percent during the past 30 years.

Mr. President, I commend the carpet and floorcovering manufacturers for their diligence and hard work, and I urge my colleagues to pass this important legislation expeditiously.●

NAUM AND INNA MEIMAN: TWO PERSONAL FRIENDS

● Mr. SIMON. Mr. President, for almost 1 month, I have spoken out on the critical situation facing my friends, Naum and Inna Meiman. I will continue to remind my colleagues and the public of the Meimans' plight every day until they are given permission to emigrate to Israel.

Much has been said about the merits and drawbacks of both quiet diplomacy and public outcry when dealing with human rights and the Soviet Union. I happen to believe in both methods. The Soviet Union is acutely aware of public opinion. They have no appetite for condemnation on such obvious issues as human rights. The release of the famous cases, like Shcharansky and Essas, is a welcome and heartwarming development. In addition, prominent releases offer the Soviets good public relations.

The fact remains, however, that thousands of Jews in the Soviet Union continue to be harassed for expressing their desire to emigrate. The Meimans are such a couple. They are not terribly well-known. They simply want to go to Israel to live out their remaining days.

Speaking out against the injustice which the Soviets perpetrate is a must when the injustice is directed at a couple like the Meimans who are elderly, sick and retired.

I strongly urge the Soviet Government to allow the Meimans to emigrate to Israel.●

ORDERS FOR THURSDAY

Mr. SIMPSON. Mr. President, after cenferring with the Democratic leader, I ask unanimous consent that once the Senate completes its business today it stand in recess until the hour of 9 a.m. on Thursday, April 10, 1986.

I further ask unanimous consent that following the recognition of the two leaders under the standing order there be special orders in favor of the following Senators for not to exceed 5 minutes each: Senators HAWKINS, PROXMIRE, DOMENICI, CHILES, QUAYLE, CRANSTON, WILSON, MELCHER, and LAUTENBERG.

Following the special orders just identified, I ask unanimous consent that there be a period for the consideration of routine morning business not to extend beyond the hour of 10 a.m. with Senators permitted to speak therein for not more than 5 minutes each.

Mr. BYRD. Mr. President, reserving the right to object, would the distinguished assistant Republican leader provide that morning business extend until the hour of 10 a.m.?

Mr. SIMPSON. I ask, Mr. President, that the request be so modified and without objection.

Mr. BYRD. I thank the distinguished majority whip.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? If not, without objection, it is so ordered.

THE AIRPORTS AUTHORITY BILL

Mr. SIMPSON. At the conclusion of routine morning business, the Senate will resume the unfinished business, S. 1017, the regional airport bill. Votes can be expected throughout the day on Thursday, and it is the intention of the majority leader to complete action on the regional airport bill by the close of business tomorrow. Therefore, the Senate could be in session late into the evening on Thursday. I so inform my colleagues.

Pending is amendment No. 1744 offered by the Senator from Maryland, Senator SARBANES.

I ask unanimous consent that there be 40 minutes of debate on Senator SARBANES' amendment to be equally divided and no amendments be in order to the Sarbanes amendment.

Mr. SARBANES. Would we have a vote on the amendment?

Mr. SIMPSON. And, therefore, a vote will be expected prior to 11 a.m. tomorrow.

Mr. BYRD. Mr. President, would the distinguished assistant Republican leader provide that the vote on the amendment by Mr. SARBANES occur at 10:40 a.m., following the 40 minutes. I am concerned that some of the time might be yielded back and certain Senators are going to be away and will need to be assured that the vote will not occur earlier than when it would occur if time were all used and not yielded back.

Mr. SIMPSON. Mr. President, may I amend my unanimous-consent request that the vote would be no earlier than 10:40 a.m. tomorrow and the vote be on or in relation to the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. No objection.

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

RECESS UNTIL 9 A.M. TOMORROW

Mr. SIMPSON. Therefore, in accordance with the previous order, I move that the Senate stand in recess until the hour of 9 a.m. on Thursday, April 10, 1986.

The motion was agreed to; and at 9:04 p.m., the Senate recessed until Thursday, April 10, 1986, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate April 9, 1986:

DEPARTMENT OF STATE

Paul H. Nitze, of the District of Columbia, to be Ambassador at Large.

THE JUDICIARY

Patricia C. Fawsett, of Florida, to be U.S. district judge for the Middle District of Florida vice John A. Reed, Jr., resigned.

FEDERAL LABOR RELATIONS AUTHORITY

Jean McKee, of the District of Columiba, to be a member of the Federal Labor Relations Authority for the remainder of the term expiring July 1, 1989, vice William J. McGinnis, Jr.

IN THE ARMY

The following-named officers for permanent promotion in the U.S. Army in accordance with the appropriate provisions of title 10, United States Code, sections 624 and 628:

JUDGE ADVOCATE GENERAL'S CORPS

To be lieutenant colonel

Geroge C. Baxley, xxx-xx-xxxx
Charles W. Beardall, xxx-xx-xxxx
Robert J. Boonstoppel, xxx-xx-xxxx
John T. Burton, xxx-xx-xxxx
Brian X. Bush, xxx-xx-xxxx
Richard W. Cairns, xxx-xx-xxxx
Robert W. Curtis, xxx-xx-xxxx
Thomas J. Duffy, III, xxx-xx-xxxx
Sanford W. Faulkner, xxx-xx-xxxx
William G. Fischer, xxx-xx-xxxx
Warren D. Hall III, xxx-xx-xxxx
James W. Hewitt, Jr., xxx-xx-xxxx
Jacob J. Holeman, xxx-xx-xxxx
Gene G. Hood, xxx-xx-xxxx
William S. Key III, xxx-xx-xxxx
Glen D. Lause, xxx-xx-xxxx
Steven B. Lundberg, xxx-xx-xxxx
Michael J. Marchand, xxx-xx-xxxx
Joel D. Miller, xxx-xx-xxxx
Timothy E. Naccarato, xxx-xx-xxxx
Joseph A. Neurauter, xxx-xx-xxxx
Stephen V. Saynisch, xxx-xx-xxxx
Paul G. Thomson, xxx-xx-xxxx
James B. Thwing, xxx-xx-xxxx
Everett M. Urech, xxx-xx-xxxx

IN THE ARMY

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, section 3383:

ARMY PROMOTION LIST

To be colonel

Blechl, Henry E., xxx-xx-xxxx
Chase, Jack S., xxx-xx-xxxx
Haworth, David S., III, xxx-xx-xxxx
Hillard, George O., xxx-xx-xxxx
Kilfoil, John J., xxx-xx-xxxx
Koshan, John L., xxx-xx-xxxx
Mahoney, James M., xxx-xx-xxxx
Mayo, Michael R., xxx-xx-xxxx
Seiber, Elvert H., xxx-xx-xxxx
Sellers, William D., xxx-xx-xxxx
Suemori, Peter T., xxx-xx-xxxx
Tabaka, Leonard J., xxx-xx-xxxx
Vanderhoff, Gary L., xxx-xx-xxxx
Yost, David R., xxx-xx-xxxx

MEDICAL CORPS

To be colonel

Kennard, John W., xxx-xx-xxxx
May, Duane L., xxx-xx-xxxx
Umhey, Charles E. Jr., xxx-xx-xxxx

MEDICAL SERVICE CORPS

To be colonel

Woodyard, Timothy C., xxx-xx-xxxx

ARMY PROMOTION LIST

To be lieutenant colonel

Barber, Melvin D., xxx-xx-xxxx
Bishop, Ronald E., xxx-xx-xxxx
Black, James C., xxx-xx-xxxx
Budacz, Ronald M., xxx-xx-xxxx
Bushart, Robert D., xxx-xx-xxxx
Caffey, Eldred Y., Jr., xxx-xx-xxxx
Chun, Charles, Jr., xxx-xx-xxxx
Ciccolini, Thomas A., xxx-xx-xxxx
Colley, Rob D., xxx-xx-xxxx
Connolly, Stephen J., xxx-xx-xxxx
Cork, Tommy D., xxx-xx-xxxx
Courville, Thomas, xxx-xx-xxxx
Driver, Russell W., xxx-xx-xxxx
Dull, Daniel F., xxx-xx-xxxx
Fielding, Michael R., xxx-xx-xxxx
Fitzgerald, Stephen, xxx-xx-xxxx
Geizentanner, Jan A., xxx-xx-xxxx
Hartman, William V., xxx-xx-xxxx
Henricks, Robert A., xxx-xx-xxxx
Holley, James D., xxx-xx-xxxx
Iverson, Gregory K., xxx-xx-xxxx
Jacoby, Theodore C., xxx-xx-xxxx
Kino, Jensen Y., xxx-xx-xxxx
Livingston, Dannis, xxx-xx-xxxx
Lolley, John L., xxx-xx-xxxx
MacGregor, Bruce P., xxx-xx-xxxx
McCool, Lynn E., xxx-xx-xxxx
McMinn, Robert K., xxx-xx-xxxx
Morrell, Lance A., xxx-xx-xxxx
Morris, Thomas A., Jr., xxx-xx-xxxx
Morrison, Jerry W., xxx-xx-xxxx
Morrow, James W., xxx-xx-xxxx
Reneau, Marvin B., xxx-xx-xxxx
Roth, Robert W., xxx-xx-xxxx
Runyon, Damon L., xxx-xx-xxxx
Salvatore, Ronald A., xxx-xx-xxxx
Siemens, John L., xxx-xx-xxxx
Steffen, Howard W., xxx-xx-xxxx
Steger, William J., xxx-xx-xxxx
Worsely, Peter T., xxx-xx-xxxx
Yuskiewicz, Vincent., xxx-xx-xxxx

CHAPLAIN

To be lieutenant colonel

Allen, Delmar, xxx-xx-xxxx

MEDICAL CORPS

To be lieutenant colonel

Amster, Steven M., xxx-xx-xxxx

VETERINARY CORPS

To be lieutenant colonel

Trask, David R., xxx-xx-xxxx

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, section 3370:

ARMY PROMOTION LIST

To be colonel

Ackerman, Thomas A., xxx-xx-xxxx
Allen, Gerald S., xxx-xx-xxxx
Alvarez, Abraham P., xxx-xx-xxxx
Ambrose, William P., xxx-xx-xxxx
Anduss, Lynn E., xxx-xx-xxxx
Armistead, Bobby H., xxx-xx-xxxx
Armstrong, Alan L., xxx-xx-xxxx
Armstrong, Henry A., xxx-xx-xxxx
Armstrong, Robert C., xxx-xx-xxxx
Baker, Darrel P., xxx-xx-xxxx
Ballard, Terry O., xxx-xx-xxxx
Bambrough, Craig, xxx-xx-xxxx
Barker, Larry C., xxx-xx-xxxx
Barton, Kenneth P., xxx-xx-xxxx
Beatty, Norman G., xxx-xx-xxxx
Bell, Harvey L., xxx-xx-xxxx
Bellis, Edward A., II, xxx-xx-xxxx
Bennette, Jerry C., xxx-xx-xxxx
Benson, Sumner, xxx-xx-xxxx
Bergquist, William, xxx-xx-xxxx
Blank, Gerald L., xxx-xx-xxxx
Boatright, Spessard, xxx-xx-xxxx
Bohannon, Robert L., xxx-xx-xxxx
Boleware, Garland, xxx-xx-xxxx
Borcher, Dale H., xxx-xx-xxxx
Bowden, Jackson R., xxx-xx-xxxx
Bowman, Charles L., xxx-xx-xxxx
Brandt, Robert J., xxx-xx-xxxx
Brantley, Shelby K., xxx-xx-xxxx
Brewster, Olin F., Jr., xxx-xx-xxxx
Broadway, Buddy S., xxx-xx-xxxx
Brown, Guy C., xxx-xx-xxxx
Brown, John L., xxx-xx-xxxx
Brown, Raymond A., xxx-xx-xxxx
Bryan, Alan J., xxx-xx-xxxx
Buch, Floyd H., Jr., xxx-xx-xxxx
Bunker, Edward A., xxx-xx-xxxx
Butterworth, Billy, xxx-xx-xxxx
Byrdsong, Vallie D., xxx-xx-xxxx
Byrne, Michael E., xxx-xx-xxxx
Byrne, Robert J., xxx-xx-xxxx
Cacciola, Philip P., xxx-xx-xxxx
Cahill, Bernard J., xxx-xx-xxxx
Caldwell, James E., xxx-xx-xxxx
Camp, Joseph W., xxx-xx-xxxx
Campbell, Franklin, xxx-xx-xxxx
Capps, Richard G., xxx-xx-xxxx
Carlan, Carl R., xxx-xx-xxxx
Carragher, John P., xxx-xx-xxxx
Casellasjovet, Rafa, xxx-xx-xxxx
Catlett, Thomas T., xxx-xx-xxxx
Chandler, James H., xxx-xx-xxxx
Charles, Craig E., xxx-xx-xxxx
Cheesman, George A., xxx-xx-xxxx
Childress, Russell, xxx-xx-xxxx
Chladek, Richard M., xxx-xx-xxxx
Clark, William B., xxx-xx-xxxx
Clifton, Charles E., xxx-xx-xxxx
Cluck, Gary D., xxx-xx-xxxx
Cobb, Stephen H., xxx-xx-xxxx
Coleman, Bestor W., xxx-xx-xxxx
Collins, William J., xxx-xx-xxxx
Colvin, Kenneth H., xxx-xx-xxxx
Cooper, Carl B., xxx-xx-xxxx
Cox, John G., xxx-xx-xxxx
Cross, Ronald W., xxx-xx-xxxx
Cunha, Herbert J., xxx-xx-xxxx
Curl, Robert L., xxx-xx-xxxx
Daddona, Richard A., xxx-xx-xxxx
Dampier, William E., xxx-xx-xxxx
Dancer, Charles R., xxx-xx-xxxx
Davis, Eddie J., xxx-xx-xxxx
Davis, John C., xxx-xx-xxxx
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Barkley, Thomas B., xxx-xx-xxxx
Carlson, Bryn A., xxx-xx-xxxx
Forrester, Jester S., xxx-xx-xxxx
Green, Jesse C., xxx-xx-xxxx
Hall, Robert B., xxx-xx-xxxx
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Lantz, Donald L., xxx-xx-xxxx
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Turley, Donald L., xxx-xx-xxxx
Vedeler, Donald G., xxx-xx-xxxx
Watson, William B., xxx-xx-xxxx

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, section 3366:

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To be lieutenant colonel

Anderson, Craig B., xxx-xx-xxxx
Anderson, Ronald C., xxx-xx-xxxx
Beck, William H., xxx-xx-xxxx
Boyd, William J., III, xxx-xx-xxxx
Diegel, Ronald L., xxx-xx-xxxx
Fleming, Michael G., xxx-xx-xxxx
Fox, Leroy xxx-xx-xxxx
Goldsmith, Sheldon xxx-xx-xxxx
Goudreau, Joseph L., xxx-xx-xxxx
Graham, William C., xxx-xx-xxxx
Hamm, Dennis G., Jr., xxx-xx-xxxx
Henke, James T., xxx-xx-xxxx
Hollis, Anthony W., xxx-xx-xxxx
Jackson, John E., xxx-xx-xxxx
Johnson, John A., xxx-xx-xxxx
Key, James B., xxx-xx-xxxx
Koch, John G., xxx-xx-xxxx
Luedeman, Craig D., xxx-xx-xxxx
Mack, Arthur R., xxx-xx-xxxx
Madus, Peter P., xxx-xx-xxxx
McDonald, James L., xxx-xx-xxxx
Mullen, Owen J., xxx-xx-xxxx
Needham, James P., xxx-xx-xxxx
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Singleton, James E., xxx-xx-xxxx
Switz, Robert W., xxx-xx-xxxx
Thomas, David I., xxx-xx-xxxx
Welton, Arthur T., xxx-xx-xxxx

The following-named officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, section 3359:

MEDICAL CORPS

To be colonel

Morgan, Andrew M. xxx-xx-xxxx

MEDICAL CORPS

To be lieutenant colonel

Brinkman, Larry K., xxx-xx-xxxx
Marshall, William, xxx-xx-xxxx
Mootz, John R., xxx-xx-xxxx
Nase, Harold W., xxx-xx-xxxx

IN THE NAVY

The following-named Naval Reserve Officer's Training Corps candidates to be appointed permanent ensign in the Line or Staff Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Lori P. Anderson
Matthew E. Bannon
Mark A. Barnao
Michael S. Briddell
Timothy T. Burr
Josh Canchola
Tami H. Chandler
Carrington L. Chatham
Michael W. Degraw
Alan J. Dudziak
Dennis P. Durocher
Victor M. Engel
Sidney Foster III
Robert D. Ghim
Glennon T. Gingo
Philip B. Green
Harold H. Gunji
Stephen C. Hamilton,
Walter S. Harders
Thomas E. Hatke
Larry W. Hellemn
Andrew W. Hietala
Frank L. Husted
James M. Ingalls
Owen D. Keck
Raymond F. Keledie
John D. Klas
John T. McClelland
Benjamin C. McMillan
Jefferson C. McNair
Robert L. McPhail, Jr.
Robert A. McSwain
Edward A. Molchany
Steven E. Muir
Per E. Provencher
Peter M. Ryan
Jeff S. Salsieder
Craig M. Schilling
Corey S. Shearn
Mark A. Smith
Gregory L. Steinberger
Michael R. Stewart
Michael A. Tormenti
Bart A. Vinskey
Tony L. Yoder

The following-named Navy Enlisted Commissioning Program candidate to be appointed permanent ensign in the Line or Staff Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:Q02

Richard P. White