United States of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 100th CONGRESS, FIRST SESSION

## SENATE—*Wednesday, July 1, 1987*

*(Legislative day of Tuesday, June 23, 1987)*

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Honorable JOHN D. ROCKEFELLER IV, a Senator from the State of West Virginia.

### PRAYER

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

Let us pray:

"One nation, under God, indivisible, with liberty and justice for all."

Eternal God, supreme Lord of history and the nations, we are unspeakably grateful for our incomparable land. Aware of its political realities, we invoke Your presence and blessing in this Chamber today.

Thank You Father for our two-party system with its inevitable competition, especially as elections approach. Thank You for a democracy designed to provide the greatest good for the largest number—while it protects the rights of each. Thank You for the fundamental reality that the rights of every citizen are the responsibility of every public servant and the fact that because these rights sometimes compete, compromise is inevitable. May public servants never forget that we are one Nation and that the U.S. Senate is a "living symbol of that union." Many—yet one—united in a beautiful tapestry of diversity.

Gracious God, move upon hearts and minds of the Senators that a crushing workload, the pressure of highly controversial issues and relentless time will not be allowed to fragment the Senate. Preserve these realities, dear God, that are our sacred trust. For the glory of Your name. 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. STENNIS].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
*Washington, DC, July 1, 1987.*

*To the Senate:*

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JOHN D. ROCKEFELLER IV, a Senator from the State of West Virginia, to perform the duties of the Chair.

JOHN C. STENNIS,
*President pro tempore.*

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

### OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1987

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the pending business, S. 1420, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1420) to authorize negotiations of reciprocal trade agreements, to strengthen United States trade laws, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Wilson Amendment No. 363, to express the sense of the Congress that Japan should liberalize the trade policies of Japan by lowering high tariffs and removing quotas on competitive agricultural exports of the United States, and to do so in a prompt and timely manner, to avoid any damage to the close relations between Japan and the United States.

### ORDER OF PROCEDURE

Mr. BYRD addressed the Chair.

The ACTING PRESIDENT pro tempore. The majority leader.

Mr. BYRD. Mr. President, I ask unanimous consent that the distinguished Republican leader may have 5 minutes, that I may have 5 minutes, and that the time not be charged against the pending amendment, and that both leaders may speak out of order.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BYRD. Mr. President, at such time as I am recognized, I will yield to the Senator from Wisconsin [Mr. PROXMIRE], but after the Republican leader.

Mr. DOLE. I thank the majority leader, and I would indicate that he indicated last evening perhaps we can clear the DOJ authorization bill. We are trying to do that now. Hopefully we can do it by unanimous consent. We might be able to get a time agreement so I will get in touch with the majority leader.

Mr. BYRD. Mr. President, I thank the distinguished Republican leader for that.

### JULY 1, 1935: SENATE PARLIAMENTARIAN ESTABLISHED

Mr. DOLE. Mr. President, 52 years ago today, on July 1, 1935, the Senate officially established the post of Parliamentarian. Today the Parliamentarian has become such an integral part of the functioning of this Chamber that it is hard to believe that the Senate went so long without one.

In the 19th century the average session of Congress lasted perhaps 6 months of the year, and the volume of legislation handled was minuscule by current standards. Vice Presidents presided daily in the Senate Chamber and took pride in knowing the Senate rules. In fact, Thomas Jefferson wrote a rules manual while he presided as Vice President. The Senators also had the time to debate the fine points of parliamentary procedures, and tended to be far better versed in the rules and precedents than today's busy legislators. Under these circumstances, the function of Parliamentarian could be carried on sporadically and unofficially by various clerks at the front desk.

While it is surprising that none of these clerks was designated as Parliamentarian before 1935, it is not surprising that the office was created in

the middle of the New Deal. This came at a time when the Senate's legislative load had increased dramatically. On July 1, 1935, the Senate promoted its journal clerk, Charles Watkins, to the new combined post of Parliamentarian and journal clerk. Two years later, the titles were divided and Watkins, on July 1, 1937—50 years ago today—became solely the Parliamentarian. He held the position until his retirement in 1964.

Under Charles Watkins, and his successors, Floyd Riddick, Murray Zweben, Robert Dove, and Alan Frumin, Senate Parliamentarians have played an ever expanding and essential role, advising the Presiding Officers, the leadership, committee chairmen, and other Senators, and helping us all to operate within the rules and precedents of this institution.

## DEFENSE NEWS CALLS FOR SDI SPENDING HELD AT $3.5 BILLION

Mr. PROXMIRE. Mr. President, when Defense News carries an editorial calling for a reduction in a major weapons program, the Congress should sit up and take notice. Here is a publication committed to a strong military force for our country. Defense News has consistently supported more effective weapons programs. It fully recognizes the necessity of bargaining with the Soviet Union from strength. So why did the Defense News carry an editorial on June 8 headlined: "An Immense SDI Budget Is Unwarranted"?

Defense News makes two main points. First, I quote verbatim from this publication:

> The top defense issue in the United States today is not SDI. It is the budget deficit.

And No. 2: And again I quote:

> There are other defense matters far more important than an additional $2 billion for SDI. The air defenses of land and sea forces should be improved, for example, and the infantry is in dire need of light antitank weapons.

Let us consider these propositions in turn. Why is the budget deficit the top defense issue in our country today? First because the strength of the United States will defend as long as our country exists on the strength of our economy. Why is this country the leader of the free world today? For one simple reason. We have the most productive economy of any country on Earth. We have an economy that can afford to train the most highly skilled scientists in the world. Those scientists can research and develop the world's most powerful weapons. We can afford to maintain and operate the best equipped and trained Army, Navy, and Air Force in the world. The Soviet Union and China both have more people than we have. But our greatly superior economy enables us to provide our soldiers, sailors, and airmen with better training and better equipment.

But our economy is in trouble. And that trouble is our own doing. The continuing deficit—the huge and exploding national debt is beginning to divert more and more of our resources to debt servicing. Just think of it—the most rapidly rising cost of government today is not education, it is not health, it is not any or even all social programs combined. And no, it is not the military buildup. Our biggest cost is interest on the national debt. The Congress has passed and made the law of the land the Gramm-Rudman-Hollings law. That law, for which this Senator voted, mandates a sharp reduction in the deficit. The Congress has realistically concluded that we cannot meet the goals of this law we have so recently enacted without holding down military spending as well as spending on social programs. And we must also raise taxes, for some reason this arithmetic is not as clear and simple as it should be to the administration. But to anyone thinking about this for more than 5 minutes. There isn't any other way we can obey the law we in the Congress enacted except to cut all Federal Government spending—spending for agriculture, spending for education, spending for health, spending for defense, and increasing taxes.

This Senator has been consistently critical of defense spending, but there is no question that we don't live in a Sunday school world. Gorbachev is not Mother Theresa. We do need a strong military force. And that brings us to the second point made by Defense News. With the limited funds we have for the military we cannot afford anything like the $5.8 billion budget that the administration has requested for SDI in 1988. Defense News calls that "unrealistic." Defense News is right. Defense News calls for funding SDI near the present level of $3.5 billion annually. It rightly calls that "sufficient for SDI to pursue its political, technological and defense goals." Defense News contends that it will be years before we know whether or not an effective missile defense system can be devised. They call SDI "not directly related to the present-day defense of the United States or its allies." And it concludes that "crash programs and huge allocations are not justified."

Mr. President, this Senator is convinced that the great weight of scientific judgment in this country is that SDI will never meet the NITZE criteria. It will never be cost effective at the margin. The adversary will always be able to penetrate SDI at a far lower cost than the cost of researching, developing, producing, deploying, maintaining, operating, and modernizing this star wars defense. But I am willing to concede that the great weight of competent scientific judgment may be wrong. So I would not object to the maintenance of "a substantial sum for continuing SDI research"—as Defense News puts it—near the present $3.5 billion level. With the horrendous deficits and national debt we face, we should spend no more than $3.5 billion on SDI in 1988.

Mr. President, I ask unanimous consent that the editorial to which I have referred from the June 8, 1987, issue of Defense News be printed in the RECORD.

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

AN IMMENSE SDI BUDGET IS UNWARRANTED

No one should be misled by the vigorous debate under way in the U.S. Senate over the goals and funding of the Strategic Defense Initiative (SDI).

The debate is important. It promises to affect the future of the SDI program in the United States, Germany, Great Britain, Israel and, perhaps, Japan. But it was not prompted by any decline in popular support for SDI. The American public's interest is not an issue.

There is no widespread support for this huge weapons program, aside from the public's visceral desire to give the president what he wants to conduct the nation's defense and foreign affairs. It is true that the nerve ends of a few space junkies have been set a-tingle by vivid dreams about galaxies of spy satellites and laser rays that might be placed in space. But SDI will not be a major factor next year in a single election in the United States.

The reservations by some of the Senate's most thoughtful members were sparked by the poor political tactics and voracity of the Defense Department. The request for an SDI budget next year of $5.8 billion—$2.3 billion over the 1987 figure—is unrealistic.

The top defense issue in the United States is not SDI. It is the budget deficit. Cutting it back would buttress the West's economic vitality and its long-term security. The Defense Department will be fortunate to emerge from the congressional deliberations this year without a budget reduction. Realists in Washington knew this in January before the 1988 request was issued. Those who defend the SDI spending plan are begging for the budget ax.

There are other defense matters far more important than an additional $2 billion for SDI. The air defenses of land and sea forces should be improved, for example, and the infantry is in dire need of light antitank weapons.

Funding near the present level of $3.5 billion annually is sufficient for SDI to pursue its political, technological and defense goals. It already has affected Soviet thinking about arms control. The money being sown into the program will bring forth at least a moderate harvest of innovative technologies. It will not be known for years whether an effective defensive system can be placed in space in this century.

SDI is not directly related to the present-day defense of the United States or its allies. Crash programs and huge allocations are not justified. SDI is an experimental effort that deserves public support. Stable funding and conservative management are fundamental to its bright promise.

## ORDER OF PROCEDURE

Mr. BYRD. Does any time remain?

The ACTING PRESIDENT pro tempore. Two minutes remain.

Mr. BYRD. I want to thank the distinguished Senator from California, Mr. WILSON, for his courtesy, without any objection, without any remonstrance whatsoever, allowing us to cut into his time, and I also want to thank him for being on the job when he was supposed to be on the job. It is not—perhaps it is a little—unusual for Senators not to be here and ready when they are supposed to go with their amendments, at the time, but it does not happen always.

I am pleased to note that Senator WILSON is ready to go. There is nobody holding up the Senate right now but me. Mr. President, I yield the floor.

## OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1987

The Senate continued with the consideration of S. 1420.

The ACTING PRESIDENT pro tempore. The Senator from California.

AMENDMENT NO. 363

(Purpose: To express the sense of Congress regarding the trade barriers and high tariffs Japan places on competitive agricultural exports from the United States)

Mr. WILSON. Mr. President, I thank the distinguished majority leader for his kind comments.

Mr. President, how much time have I remaining?

The ACTING PRESIDENT pro tempore. The Senator has 14 minutes 50 seconds.

Mr. WILSON. I thank the Chair.

Mr. President, I rise today to offer an amendment that expresses the sense of the Senate that Japan should eliminate its unfair trade barriers that deny access to American agricultural products. I am quite pleased to have the support of a number of Senators on both sides of the aisle: First, my colleague from Arkansas, Senator PRYOR; the Senator from California, Senator CRANSTON; the Senator from Mississippi, Senator COCHRAN; the Senator from Idaho, Senator MCCLURE; the Senator from Florida, Senator CHILES; the Senator from Oklahoma, Senator NICKLES; the Senator from Arizona, Senator MCCAIN; and the Senator from Louisiana, Senator JOHNSTON. They are all joining me in this effort.

Mr. President, we think it imperative that we send a very strong bipartisan message to the Japanese Government that we will no longer go gently into the night.

We frankly think that there is a time when there must be an end to patience, when continued uncomplaining suffering of a sort of denial of access that has characterized Japanese relations with this trading partner are no longer a virtue.

Mr. President, if the United States is going to regain its stature, a deserved stature, particularly for its agricultural produce, protectionist trading policies of Japan must be eliminated. After reviewing a list of tariff and tax schemes proposed by Pacific rim countries, including Japan, it is a wonder that any of our crops have managed to penetrate what some have called the bamboo curtain.

This year, American agricultural exports are expected to amount to only $27 billion. Considering that in 1981 our farmers exported a record-breaking $44 billion in agricultural products to the world, this figure is a painful indicator of U.S. vulnerability.

Of course, the prosperity of our farmers depends to a certain extent on macroeconomic forces. But U.S. agriculture is more often victimized by the blatantly unfair agricultural trade practices of our foreign competitors than by these macroeconomic factors.

As you well know, Mr. President, one of the major culprits in the game of protectionism has been Japan, which currently holds the largest trade deficit with the United States, totaling a record $58.6 billion last year alone. U.S. agricultural producers continue to struggle against numerous obstacles which have been erected in the path of fair access to the Japanese market.

The national protectionist trade policy practiced by Japan is an affront to U.S. exporters attempting to sell their highly regarded, high-quality products in Japan.

One important example of the kind of protectionism practiced by Japan concerns rice.

During the past 20 years, policies implemented by the Government of Japan have barred our exporters from selling American rice in Japan. Japan places quantitative limits on all rice imports and permits only its state trading enterprise, a creation of the Japanese Government called the Japan Food Agency, to buy rice, and they buy exclusively from Japanese producers, or almost exclusively. The Japanese Food Agency currently purchases the majority of its rice from Japanese producers at nearly 10 times the world market price. Ten times.

As a result, Japanese consumers and taxpayers are spending nearly $25 billion to prop up its rice growers, and to insulate them from the realities of the world marketplace.

Mr. President, spokesmen for the Japanese Ministry of Agriculture are quite sensitive on this point of their purchase of rice virtually exclusively from Japanese producers. They have tried to explain to those of us in the United States who do not seem to understand that there is something different about rice, something mystical.

Well, there is something mysterious to me about a trading practice that penalizes Japanese consumers, that requires them to pay 10 times what they would otherwise have to pay going into the Japanese marketplace.

What is going on, Mr. President, very plainly and simply, is that the Japan Food Agency, or to put it in other terms, the Japanese Government, is denying access to the Japanese marketplace of competitive rice and several other commodities. But for the moment we will focus upon that rice. As a result, the mystical experience of which the spokesmen speak is that of the producers. But what is happening is that Japanese producers are enjoying a bonanza. Japanese consumers are suffering an enormous penalty. And American as well as other exporters, be they rice growers from Arkansas or California, are simply denied the kind of access to which they are entitled to ask. They are not demanding any special privilege. They are asserting no guaranteed market share. But they have a product to sell that is competitive, certainly in quality and, from the marketplace, also in price. But they cannot get in.

Mr. President, in 1985, Japan allowed imports of only 20,000 tons of rice and what that represents is less than two-tenths of 1 percent of its domestic consumption—less than two-tenths of 1 percent. The small amount of imports are primarily specialty rices used for liquor production and for rice cakes, for other unique products, but not for the general consumption of a nation that depends upon rice as a very significant part of its diet.

And while world prices have plummeted since 1981, Japanese prices have consistently risen. So by refusing to play fairly, the Government of Japan has extorted even higher prices from its domestic consumers of rice and has inflicted economic injury upon Arkansas rice growers and upon California rice growers, upon United States rice growers generally and upon United States rice millers.

These are people who are ready to export their commodity to Japan, and have stood ready for many years. They estimate that the Japanese import restraints on rice cost United States exporters as much as $1.7 billion per year.

The rice growers in my State, and their colleagues across the South, are efficient producers of rice. They are ready to compete in the Japanese market, if they are given the chance.

Simply stated, our rice farmers are requesting access to the same level playing field in Japan that the Japanese enjoy in the United States in terms of the openness of our markets to their exports of steel, automobiles, home electronics, and other consumer goods.

I am firmly committed to the idea, Mr. President, that changes in Japan's rice import policy will reflect Japan's

willingness to be a full partner in the free trading system, the world, the global trading system, that is the reality of today's marketplace.

I believe that opening the Japanese market to United States rice exports would significantly reduce the trade deficit between the United States and Japan, which has reached intolerable proportions and which occupies so much of our time on this floor. However, I am concerned that Japan will not initiate a reduction in its blatantly protectionist rice import policy without action on the part of the United States. In fact, on June 9 of this year Japanese Minister of Agriculture, Mr. Kato, said that he would refuse to discuss opening Japan's rice market to the United States. He said, "There is no official request for such talks by the United States, but even if there were I would refuse to join in."

Now, Mr. President, that goes beyond defending a legitimate Japanese interest. It is, in fact, an exercise in arrogance which, I repeat, is unfair not just to American exporters but to Japanese consumers.

The resolution before us today would call upon Japan to desist from that kind of protectionism, to liberalize its rice policy immediately in the interest of its own consumers as well as American exporters who are entitled to fair market access.

Mr. President, the concern that I have stated with respect to rice exists with regard to other U.S. agricultural exports. The United States citrus industry has been similarly oppressed by the kind of protectionist exclusionary policies in Japan but there has at least been progress there. The citrus industry has had to overcome many, many hurdles to sell even limited amounts of citrus products in the Japanese market. I believe that the citrus industry is representative of the sense of profound frustration that permeates so many United States industries which have unsuccessfully sought what is simply reasonable access to the Japanese market.

Our citrus producers gained modest access, which is to say very limited market access, in Japan for the first time in 1964 when a reluctant Japanese Government allowed limited access to its domestic market to United States lemon growers. This in turn led to some expansion with respect to grapefruit exports in 1971, and then after seemingly limitless meetings United States oranges gained the beginnings of access in 1972. Since that time, notwithstanding this progress, we have not realized anything like the full potential of possible citrus exports to Japan. In fact, if import quotas and duties on oranges and grapefruit were completely eliminated today, United States growers could increase exports to Japan by an additional $80 million.

Mr. President, I ask unanimous consent that a table showing the progress made by the citrus industry, the limited, modest progress, be included in the RECORD.

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

*Japanese import quotas*

| Fiscal year: | *Metric tons* |
|---|---|
| 1972 [1] | 12,000 |
| 1973 | 15,000 |
| 1979 | 45,000 |
| 1980 | 68,000 |
| 1981 | 72,500 |
| 1982 | 77,000 |
| 1983 | 82,000 |
| 1984 | 93,000 |
| 1985 | 104,000 |
| 1986 | 115,000 |
| 1987 | 126,000 |

[1] Prior to Japan's fiscal year 1972 there was no separate quota for fresh oranges, it was grouped in a category with fresh grapefruit.

Mr. WILSON. Mr. President, what the figures on this chart represent is the limited progress over the past 12 years gained by citrus producers, but it shows that they still face unreasonably high barriers and we are urging Japan to further expand its market to United States exporters by eliminating these discriminatory tariffs.

Mr. President, how much time remains?

The ACTING PRESIDENT pro tempore. The Senator has 2 minutes yet remaining.

Mr. WILSON. On a similar note, in 1984, the United States exported $356 million of beef to Japan. This was accomplished despite a number of unfair trade barriers erected to United States-Japan beef trade. A 25-percent tariff, state trading, lack of quarantine facilities, and import quotas all have stymied United States beef exports, resulting in higher beef prices in Japan. For example, a pound of tenderloin from California ranches can cost the Japanese consumer $16 or more.

While in 1988 market access for beef is expected to increase, resulting in an estimated $400 million in additional United States beef sales to Japan, the consistent failure of the Japanese Government to allow fair access to its markets for United States agricultural goods calls this agreement into question.

In addition, Mr. President, the Japanese Government has placed roadblock after roadblock in the path of United States efforts to form a panel under article 23 of the General Agreement on Tariffs and Trade [GATT] to discuss Japan's illegal import quotas with regard to 12 agricultural products. The "GATT 12 products" consist of peanuts, cheese, dried beans, noncitrus-fruit juice, preserved or prepared beef, and fruit purees and pastes. Reluctantly, earlier this year, Japan agreed to form the panel. Our resolution would urge Japan to remove import curbs on these products.

In April, our United States Trade Representative and Secretary of Agriculture met with officials of the Japanese Government in Tokyo to encourage Japan to open their market to competitively priced United States products, particularly rice. They also requested that Japan further open its market to American beef and citrus exports, as well as such other competitively priced products as the GATT 12 products. It is not surprising that our officials met outright opposition to a further expansion of the Japanese market.

The result of this obstructionist trade policy so amply demonstrated by Japan, if continued, will leave the Congress no alternative but to enact tough trade legislation intended to develop fair market access for all United States agricultural products to the Japanese market. We can no longer tolerate the continued failure by the Japanese Government to open its markets and the consequent inquiry caused to American agriculture.

Mr. President, the resolution before us today is an important first step indicating congressional opposition to Japan's unfair trade practices and policies. It sends a clear signal to Japan that we will no longer be Uncle Sap. Instead, we will insist that American agricultural producers be given the same market access that Japanese producers are afforded in this country. We ask no more, we will accept no less. I urge my colleagues to vote for the resolution.

I see my colleague from Arkansas on the floor and I know he has an intense interest on behalf of the rice industry in his State.

The ACTING PRESIDENT pro tempore. The Senator from Arkansas is recognized.

Mr. PRYOR. Mr. President, I thank the Chair for recognizing me.

Mr. President, today I join with my distinguished friend, the Senator from California [Mr. WILSON] in offering this sense-of-the-Senate resolution to the trade bill.

Mr. President, the rice industry is a very unique industry in our country. There are only five rice-producing States. I must say, with some degree of pride, that the State of Arkansas is the No. 1 producer of rice. We have Mississippi, Louisiana, we have Texas and California. We make up basically what we call the rice States. We have seen in the past several years, Mr. President, a very definite and a very conscious desire to exclude American-produced rice from Japanese markets. This case went before the ITC, and all of us know what happened. In that particular case, Ambassador Yeutter and other officials in our country recognized the plight of the American rice farmer in attempting to export American rice to Japan. However, ac-

cepting all the facts as facts, Mr. President, we found that the Japanese said flatly, "We will accept no American-produced rice in our country."

Mr. President, very recently, as my colleagues may be aware, our United States Trade Representative, Mr. Yeutter, and the Secretary of Agriculture, met with Government officials in Japan to encourage them to open their market to United States agriculture products—in particular, rice. Prior to their departure, I specifically asked them, along with the other rice-State Senators, to raise the rice-access issue and to emphasize to the Government of Japan the depth of our concerns and the importance of making progress by mid-1987. To their credit, Mr. President, Ambassador Yeutter and Secretary Lyng proposed to Japan's Agriculture Minister, Mr. Kato, that our two countries begin discussion on trade in rice.

They also proposed a modest system of quotas under which small, specific amounts of rice could be imported from the United States in the next several years.

Well, Mr. President, what was the response from Japan? Minister Kato rejected both requests flat out. He said that Japan would never permit the import of foreign rice to their country. I quote:

> There will be no bilevel talks at this stage, and we will stick to our stand.

He finally agreed to let Japanese rice policy be put on the agenda during the coming GATT discussions as long as everyone understands——

The ACTING PRESIDENT pro tempore. If the Senator from Arkansas will yield for a moment, the time in favor of the amendment has expired. The Senator would need unanimous consent to continue.

Mr. PRYOR. Mr. President, I ask unanimous consent to continue for 3 minutes.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. PRYOR. He finally agreed to let Japan's rice policy be put on the agenda during the GATT discussions as long as everyone understands that the ban on rice will remain.

Mr. President, for many months I have resisted the "Blame Japan" approach for explaining away our trade deficit. I believe that many of the attacks on the Japanese have been actually unjustified. We should not forget that the Japanese are very, very important and trusted allies of ours. But this is not the way allies are supposed to treat each other.

I am perfectly willing to admit that the Japanese have outstudied, outhustled, outwitted, and outperformed us in many economic areas. It should be made very clear to everyone that by now in many respects the Japanese especially in the situation regarding rice do not play fair. While using every conceivable means, fair or foul, to penetrate foreign markets, the Japanese have devised an ingenious and subtle system of important barriers that block out even highly competitive products from their own market.

Of course, there is nothing ingenious or subtle about a flat prohibition on rice imports. The most that can be said about the Japanese position on rice is that it is clear and honest.

I could understand the Japanese position better if there were a sound economic basis for it. But the Government's policy is having a harmful, and increasingly unpopular, effect on Japanese taxpayers and consumers. Some Japanese have even gone so far as to try to smuggle U.S. rice into the country.

The U.S. rice industry estimates that an open Japanese market could provide as much as $1.7 billion in sales to U.S. producers. To my way of thinking, there is no reason why we should give up on this issue and write off a significant potential market like that.

The unreasonable attitude of the Japanese Government on rice, supercomputers and other goods and services has at last begun to alienate many of us who had resisted the arguments of those calling for stiff sanctions against our ally. We have seen the administration's reaction on semiconductors. Does anyone expect the Congress to do less on other unfair trade practices?

I have proposed legislation that would take direct action against countries which refuse to allow any U.S. rice to enter their markets. That legislation is pending in the Agriculture Committee.

Moreover, Ambassador Yeutter is very sympathetic to the concerns of the U.S. rice producer and is taking a look at possible section 301 action this year.

I hope that today's vote on our resolution will be unanimous. As I have shown, this is not just a rice issue but an issue which could have a significant effect on all U.S. exports to Japan.

Mr. President, I ask unanimous consent to include in the RECORD the Economist article entitled "Action, Please."

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

[From the Economist, May 2, 1987]

ACTION, PLEASE

In a week that began with the Tokyo stockmarket losing 4% of its value in a day, and is ending with Mr. Yasuhiro Nakasone's anxious visit to Washington, some people have wondered whether the world is heading for a financial disaster or a trade war. Both are avoidable, provided political leaders will actually lead. What that means for the United States is tediously familiar: steady reductions in the budget deficit. For Japan, the issue is more difficult because the medium-term answers are less well-known—and politically much more challenging.

Part of America's (and Western Europe's) unhappiness with Japan's gigantic trade surplus—around $90 billion last year—comes from the success of the Japanese export machine. A bigger part comes from Japan's reluctance to buy foreign goods and services. Its imports last year were only 60% of the value of its exports; for West Germany, the other country with a large surplus, the ratio was nearly 80%. Japan's import anorexia has little to do with the trade barriers that westerners so love to criticise. Its two main causes have been the yen's low exchange rate, now a thing of the past, and the thriftiness-cum-enforced poverty of Japanese consumers. Freeing them to spend more would be the surest way to a lasting trade peace.

SLASH THE PRICES OF RICE AND LAND

The Japanese spend around a third of their disposable incomes on food, more than twice as much as Americans do and half as much again as West Germans. A tonne of Californian rice will cost $180 loaded on a ship in Los Angeles bound for Japan. It will never get there. Across the Pacific the Japanese government forbids anybody to import rice, and is meanwhile paying its inefficient farmers around $2,000 a tonne for the rice they grow on their postage-stamp paddies, and selling it to Japanese consumers for six or eight times the world retail price. Even when imports of food are allowed, the government makes sure there will be no undue competition for expensive rice: American wheat is landed in Japan for $130 a tonne, but then sold to millers for $525.

Japan's policy of protecting its rice farmers at all costs has contributed mightily to a second great nonsense: the astronomical price of land. The 122m Japanese live in a small mountainous country only a third of which is habitable. Almost half the habitable land is devoted to farming, and half of that to growing rice. In Japan last year, an acre of rice paddy cost the equivalent of $30,000; in California, it could have been bought for $1,600.

Such distortions have little to do with Japan's physical crowding. To the effects of the rice subsidy are added property-tax policies that reward holding land as "farmland" even when it is not: capital-gains taxes that discourage sales of land to developers; and zoning regulations—especially a rigid protection of the right to sunshine—which keep Tokyo absurdly low-rise. The result is that a square metre of residential land in metropolitan Tokyo costs an average of $2,400 at today's exchange rates, and business land an average of $26,000; land in downtown Tokyo costs more than nine times as much as land in midtown Manhattan. The average price of a house or flat in a middle-class district of Tokyo is between seven and ten times the annual pre-tax earnings of its owner; in most western cities, the multiple is only four or five, for a home that is at least twice the size. The difference in housing costs is one big reason why Japan's savings rate is much the highest of any OECD country.

The rice policy does not just block imports directly; it diverts money to the high-saving and conservative rural minority, away from the urban majority who would be most ready to experiment and western goods. One Japanese economist guesses that if consumer spending on food were reduced even to West Germany's level, extra spending on other things would equal about 2-3 percent of Japan's GNP—and around one-fifth of

that would go on imports. A removal of restrictions on land might have even bigger effects. The high yen will help spur some change; it is already making the Japanese restive about not seeing in their retail prices any of the benefit of the yen's greater purchasing power on world markets. The longer the discrepancies go on, the stronger the pressure will be for a change. But that, in itself, will not be enough.

Ask Mr. Nakasone. Last summer he won one of the biggest election victories in post-1945 Japan; he landed in Washington on Wednesday night a near-lame duck. What intervened was his proposal for a modest value-added tax to help shift Japan from direct to indirect taxes. He has been savaged for this; first by the small shopkeepers who are a mainstay of the ruling party (and who prefer income tax because they avoid paying it), and then by voters in local elections. Anybody seeking to reform the food and land oligarchies will have an even rougher time.

The reason is that politics in Japan is conducted by bargaining among special-interest groups—over none of which any central figure, including the prime minister, has much authority. Mr. Nakasone, with his special commissions to evade the bureaucrats and his direct appeals to the voters, has attacked this system more forthrightly than anyone. An assault on the farming interests, which are a powerful lobby, and on the property and construction interests, which lavishly grease the palm of the biggest faction in the ruling party, will require a big gulp and a lot of courage.

The man best suited to make such an assault is the lame duck visiting his friend Ron this week. Mr. Nakasone has rescued himself from other hopeless positions, so it would be foolish to write him off now. But he has never looked so weak. If he goes, all three of his possible successors look likely to return Japan to the interest-brokering ways that Mr. Nakasone was gradually eroding. Whoever leads Japan later this year, the Japanese cannot close their eyes to the choice they have to make. Twice before, in the Meiji restoration of the nineteenth century and after 1945, they dazzlingly reformed their society when they recognized the realities of the wider world. It is time they did so again. Cheaper food and cheaper land would be the way.

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Mr. PRYOR. Mr. President, I yield the floor, and I thank the Chair.

Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time used in the quorum be charged against the opposition to the Wilson-Pryor sense-of-the-Senate resolution.

The ACTING PRESIDENT pro tempore. Without objection. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BENTSEN. 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. BENTSEN. Mr. President, are there any further requests for time on this side?

Mr. PRYOR. So far as I know, there are no further requests for those speaking in favor of the amendment.

Mr. BENTSEN. Mr. President, I yield back the remainder of our time.

The ACTING PRESIDENT pro tempore. All time having been yielded back, the question is on agreeing to 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. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from Connecticut [Mr. DODD], the Senator from Tennessee [Mr. GORE], the Senator from Hawaii [Mr. MATSUNAGA], and the Senator from Illinois [Mr. SIMON] are necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee [Mr. GORE] would vote "yea."

Mr. SIMPSON. I announce that the Senator from Alaska [Mr. MURKOWSKI] is necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. MURKOWSKI] would vote "yea."

The ACTING PRESIDENT pro tempore. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 94, nays 0, as follows:

[Rollcall Vote No. 174 Leg.]

YEAS—94

| | | |
|---|---|---|
| Adams | Glenn | Nickles |
| Armstrong | Graham | Nunn |
| Baucus | Gramm | Packwood |
| Bentsen | Grassley | Pell |
| Bingaman | Harkin | Pressler |
| Bond | Hatch | Proxmire |
| Boren | Hatfield | Pryor |
| Boschwitz | Hecht | Quayle |
| Bradley | Heflin | Reid |
| Breaux | Heinz | Riegle |
| Bumpers | Helms | Rockefeller |
| Burdick | Hollings | Roth |
| Byrd | Humphrey | Rudman |
| Chafee | Inouye | Sanford |
| Chiles | Johnston | Sarbanes |
| Cochran | Karnes | Sasser |
| Cohen | Kassebaum | Shelby |
| Conrad | Kasten | Simpson |
| Cranston | Kennedy | Specter |
| D'Amato | Kerry | Stafford |
| Danforth | Lautenberg | Stennis |
| Daschle | Leahy | Stevens |
| DeConcini | Levin | Symms |
| Dixon | Lugar | Thurmond |
| Dole | McCain | Trible |
| Domenici | McClure | Wallop |
| Durenberger | McConnell | Warner |
| Evans | Melcher | Weicker |
| Exon | Metzenbaum | Wilson |
| Ford | Mikulski | Wirth |
| Fowler | Mitchell | |
| Garn | Moynihan | |

NAYS—0

NOT VOTING—6

| | | |
|---|---|---|
| Biden | Gore | Murkowski |
| Dodd | Matsunaga | Simon |

So the amendment (No. 363) was agreed to.

Mr. PACKWOOD. 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.

Mr. DODD. Mr. President, S. 1420, the Omnibus Trade and Competitiveness Act of 1987, is an extraordinary piece of legislation. I must commend the committee chairmen and my colleagues on both sides of the aisle who have skillfully and expeditiously brought this legislation to the Senate floor.

Comprised of 45 titles from 9 Senate committees, numbering over 1,000 pages and standing a foot tall, it is the most comprehensive review of U.S. trade laws in over 12 years and arguably the first time in our history that we have written such far-reaching legislation designed to enhance our Nation's international competitiveness.

With such an imposing mandate, it is hardly a perfect document. I disagree with some provisions and hope we can seek bipartisan consensus to improve them. Nonetheless, I am proud to have been part of this timely and historic undertaking.

Realism about what trade policy can and cannot do leads us directly to conclusions about how our Government should handle it—and what we in Congress should do to define that role.

We want to redress our massive trade imbalance; we want to bolster our international competitiveness. But the reach of these goals clearly exceeds trade policy's grasp—particularly when the Reagan administration has not been doing what has for the last 50 years been the executive's job in the trade arena. The Reagan administration has failed to cope with the concerns of the American people and industry; and it has done so while racking up trade and budget deficits of historic proportions. It is our role to see to it that future Presidents are less indifferent to the executive's discretionary role to make responsible trade policy.

At the same time, it is my hope that we in Congress have grown in the knowledge that we cannot make the world over with trade legislation any more than we can create world peace by fiat—however great our desire. The Japanese and the Germans and the Koreans are here to stay—just as we are. No State in this Nation has grown more in that knowledge than my home State of Connecticut. And as Connecticut is meeting the challenge of international trade, so must our Nation. We must find the resources and ingenuity to look beyond our own shores—and prosper.

And so, we in Congress have inherited an historic task—to bolster the domestic foundations that have been ignored for the last 7 years but do so while ensuring that we promote free and fair trade without falling prey to punitive formulas for retaliation that only serve to divert us from addressing the real reasons for our current troubles. We must avoid actions that feel good and tough but which, in truth, only squander precious energy better

used in addressing what it is we really need to change.

S. 1420 takes giant strides toward meeting the historic challenge we face here in Congress.

The bill grants the President authority through January 3, 1994, to negotiate multilateral and bilateral trade agreements to reduce or eliminate tariffs and nontariff barriers. The bill adds the requirement that all negotiated agreements be submitted to Congress for approval. Most importantly, the bill requires close Presidential consultation with Congress by tying expedited, or "fast track," legislative approval of agreements to the President's submission of U.S. trade policy. This new reverse fast track provision is an important one in the process of sustaining a coordinated and workable U.S. trade policy.

I was pleased to see included in the Banking Committee sections of the trade bill a provision directing the President to initiate negotiations with countries which tie their currencies to the dollar and run current account surpluses with the United States. This provision is designed to ensure that they regularly and promptly adjust their exchange rates.

The Finance Committee has also crafted sound provisions relating to section 3301 of the trade law and has taken a balanced approach toward dealing with unfair trade practices. Section 301 of the 1974 act authorizes the President to address unjustifiable, unreasonable, and discriminatory foreign actions. The finance bill now requires the U.S. Trade Representative [USTR] to investigate possible violations of trade agreements and require the President, with some exceptions, to retaliate against those practices.

I was proud to have been one of seven original cosponsors of a provision in this bill which amends section 301. It defines as an "unreasonable" practice actionable under section 301 the denial of worker's rights through a persistent pattern of conduct that denies workers the right of association, denies workers the right to organize and bargain collectively, permits any form of forced or compulsory labor, fails to provide a minimum age for the employment of children, or fails to provide standards for minimum wages, hours of work, and occupational safety and health of workers. It would require the USTR to investigate allegations that a country has gained an unfair competitive advantage by denying these basic worker rights.

I strongly support the trade competitiveness assistance provisions of the bill which expand eligibility for benefits to include workers in industries indirectly injured by increased imports. The program would provide expanded cash benefits to workers but would make the receipt of those benefits contingent upon worker enrollment in training programs.

The critical issue of export control reform and the need to remove unnecessary burdens from U.S. exporters was addressed in the Banking Committee provisions of the trade bill. Included as part of those provisions was an amendment that I coauthored which seeks to achieve a workable balance between the joint objectives of military security, economic vitality, and technological advancement.

The current export licensing system is thwarting the ingenuity and genius of this country. As reported in the widely praised National Academy of Sciences report, "Balancing the National Interest: U.S. National Security Export Controls and Global Economic Competitiveness, the present system of U.S. national security controls is unpredictable and does not enjoy the confidence of those nations and commercial interests who want to rely on it and whose cooperation is necessary to sustain an effective export control system.

Export controls exist to deny the Soviet Union and Eastern bloc countries access to strategic technology that would further those countries' military capabilities. By overcontrolling goods, we are undermining this principle. By refocusing our control resources on higher levels of technology, technology that is truly critical, we will more efficiently prevent diversion of critical technology to our adversaries while critically promoting our exports.

The amendment included in the Banking Committee trade bill establishes a West/West foreign availability determination, updates the microprocessor decontrol language in section 5(m) and works toward the elimination of unilateral controls. These provisions remove many of the unnecessary impediments to our exporter's ability to compete. The amendment also attempts to resolve some of the interagency disputes which have bogged down the system. It clarifies Commerce's authority for formulating U.S. positions for Cocom list review and decontrol, provides that Commerce has final authority on foreign availability determinations, and establishes a mechanism to resolve control list disputes.

The Banking Committee provisions on export controls addressed the role of the Department of Defense in the export control system. The confusion and incessant in-fighting between agencies is the root cause of the problem in the export control system. The Department of Commerce is the lead agency on export controls. Institutional clarification of this fact and of the appropriate role of defense in the process are the most useful reforms we can make.

As written, the committee bill places strict time limits on the Department of Defense and reiterates that the President is to resolve a dispute within 20 days. The Banking Committee provisions also state that the Commander in Chief no longer has to inform Congress when he disagrees with his Secretary of Defense. The committee agreed that this was an astonishing requirement to impose upon the President and was used primarily as a tool of intimidation, leading to undue influence by the Department of Defense, causing gridlock throughout the export control system. In a decade in which exports have hardly budged, we can hardly afford this gridlock.

The $216 billion in U.S. exports in 1986 were less than the $223 billion scored in 1981 or the $217 billion in 1984. And while the reasons for our Nation's poor showing in the export arena rest in large measure with failings in macroeconomic policy over the last 7 years, there are other reasons.

It is my hope that a measure that I authored and which is included in the trade bill will contribute to the promotion of American exports.

This provision authorizes the Secretary of Commerce to designate eight U.S. missions abroad at which the senior U.S. and foreign commercial service officer would be able to use the title of Minister Counselor. This provision is intended to give those senior Commerce commercial officers charged with meeting the export needs of the U.S. business community the expanded access to foreign government officials that they need to effectively promote U.S. exports.

The international debt problem threatens the safety and soundness of the international financial system, the stability of the international trading system, and the economic development of the debtor countries. The Banking Committee included in the omnibus trade bill a provision directing the Secretary of the Treasury to initiate discussions with industrialized and developing countries to propose the establishment of a multilateral financial intermediary. That independent agency, if established, would buy, at a discount, loans owed by Third World nations, enter into negotiations with the debtor countries to restructure their debt and assist creditor banks in the voluntary disposition of their Third World portfolio.

In a legislative body designed to give uncommon opportunity for its members to express divergent views, it is rare that we see such unanimity of opinion—on one topic, anyway: competitiveness. No one in this body can deny that it is our overriding concern to increase our Nation's international competitiveness.

But, to do so cannot simply mean taking specific trade related steps. The

goal of international competitiveness is one that reaches far beyond trade policy's grasp.

Competitiveness must also mean investing now in our future—bolstering our own domestic foundations to improve our systems of education and training and enhancing our commitments to research and development. These are no longer investments that would be nice to do if we could afford them; they are investments that we must make because we cannot afford not to.

I come from a region that has learned this lesson well. New England flourishes because of our investments in education and training and our commitments to research and development. New England is the most knowledge-based and export dependent region in the Nation because of such investments. We have much to gain and much to lose depending on how we in Washington choose to achieve competitiveness.

That choice must include a long-range commitment to bolstering the domestic foundations of this Nation. That choice must include a willingness to pay something for our claim on competitiveness or else it becomes simply a word, devoid of any meaning.

We move toward making that choice with the Labor Committee title of the omnibus trade bill, which contains the International Education for a Competitive America Act of 1987, a bill I introduced in late March of this year. That measure would amend part B of title VI of the Higher Education Act to provide 3-year matching grants for the planning, establishment, and operation of centers for international business education at several major American universities. Each center would integrate and coordinate the university's business/management, foreign language, and international studies curriculums for advanced students in these subject areas. The language of trade is the language of the customer and the economic competitiveness of the United States depends substantially on increasing knowledge of foreign languages and international affairs in the business and educational communities.

The Labor Committee's title also recognizes that the fate of America's competitive future rests with our children. We must be committed to enhancing the language and international education our children receive at an early age, so that when they come of age, they are prepared for a world that will not slow down for them to catch up.

Thus, another provision of the act establishes grants to State educational agencies for model foreign language programs in local elementary and secondary schools. A final provision would establish Presidential awards for teaching excellence in foreign languages—100 awards would be made each year to focus national attention on the critical need for foreign language teachers.

S. 1420 does indeed take giant strides toward enhancing our Nation's international competitiveness. However, it is my hope that we remove from this far-reaching legislation provisions that run counter to its mandate. We must also seek to avoid adding such provisions.

For example, the so-called oil security provision of the Finance Committee title to the trade bill is a well-intended but misguided attempt to protect the domestic oil industry. As stated in a letter written by myself and 28 of my Senate colleagues, the amendment channels our policy efforts in the wrong direction, upsets the traditional division of powers between Congress and the President, and is, we believe, unconstitutional. The provision included would establish a celing on oil imports which could not exceed 50 percent of the domestic consumption. If the President projected that the ceiling would be exceeded within 3 years, he would be required to use any in a broad array of powers to reduce the level of imports below the ceiling level. Those powers could well include the imposition of an oil import fee.

Responsible energy policies are critical to the Nation. The proposed oil security provision is not responsible policy. As long as the United States consumes any oil, we will be affected by oil supply disruptions no matter where they occur. The U.S. price for domestically produced oil is the same as the world price. If supplies are disrupted and the world price of oil jumps, so will the price of domestic oil. Regardless of whether oil is from OPEC, our friends in the Western Hemisphere, or from domestic sources, high oil prices hurt our economy and the economies of our allies and trading partners.

The goal of responsible trade policy is to increase U.S. competitiveness, encourage economic growth, and safeguard the interests of the consumer. We should discourage protectionist measures that are nothing less than bad policy and bad economics. As we deliberate the trade bill here on the Senate floor, it is my hope that we oppose amendments that fall prey to simplistic formulas for retaliation that are punitive and bombastic. The trade bill before us already takes an aggressive stance against unfair trade practices; it expands the criteria for threat of serious injury due to imports; it makes it more difficult for foreign countries to evade dumping laws; and it makes it imperative that the President consult with Congress and use the trade policy tools already at his disposal. Formulaic responses to unfair trade practices threaten to mar this carefully constructed piece of legislation and to return us to protectionist practices—quite apart from any recognition of the interdependent, multilateral trade regime of which we are a central part.

I will also be looking carefully at provisions in this bill which seek to circumscribe Presidential discretion, particularly as they relate to import relief. Doubtless the Reagan record in the area of import relief has been a frustrating one. Spotty at best and indifferent at worst, there is no question that a perpetual state of Presidential inaction in the area of import relief is unacceptable to the American people and to Congress.

However, we must not let the unpredictable and frustrating Reagan record of inaction in this area move us to accept provisions in this bill that are based more on frustration than a sense of what is sound trade policy. Presidential discretion in central to the making of sound trade policy. It is my hope that we will achieve a workable balance between the need to sustain that discretion and the need to secure appropriate executive action.

As I stated earlier, realism about what trade policy can and cannot do leads us directly to conclusions about how our Government should have it—and what we in Congress should do to define that role.

In defining that role we must remember that the best trade legislation in the world will not benefit us unless the Federal budget deficit is brought down. To delink our Federal deficit from the daunting trade deficit is to follow the Reagan administration in its trek down the path of fiscal irresponsibility.

In 1986, the U.S. budget deficit ballooned to a record $221 billion, increasing threefold since 1981 when the Reagan administration took office. Nothing—not fair trade or protectionism or futher devaluation or foreign expansion—will eliminate the trade imbalance unless we drastically reduce our Federal deficit.

If the trade debate is to result in responsible and concrete proposals that increase our international competitiveness, then, we must not engage in flights of fancy that lead us to believe that trade policy exists in a vacuum—somehow apart from the stark reality of our budget deficit. Similarly, we must not engage in flights of fancy that lead us to believe that our budget deficit exists in a vacuum—apart from the reality of our new tax law. The new tax law is anathema to our need to reduce the budget deficit and our consequent need to reduce the trade deficit. With its insistence on simplicity, decreased marginal rates, revenue neutrality, how is it that we propose to pay for our claim on competitiveness quite apart from our stated desire to achieve it?

Edmund Burke, the great 18th century Irish statesman, orator, and writer once said that "public life is a situation of power and energy * * * he trespasses against his duty who sleeps upon his watch * * *."

S. 1420, the Omnibus Trade and Competitive Act of 1987, is the product of hours and weeks and months of bipartisan effort. It is comprised of provisions that will affect the lives of every American. It is held together by the energy of every member of this body.

We threaten every line of this trade legislation as long as we turn a blind eye to contradictory policies that ignore the Federal budget deficit. We trespass against our duty as public officials if, upon our watch, the Federal budget deficit continues to grow.

The history of our Nation is in many ways the history of our Nation's trade.

In my home State of Connecticut, in late December of 1814 and early January of 1815, the New England members of the Federalist Party met as delegates to the secretive Hartford Convention to express their objection to the ruin of New England's shipping trade by the War of 1812. The delegates issued a report proposing amendment to the U.S. Constitution to make it harder for the Government to make war or restrict trade. The Treaty of Ghent, which ended the War of 1812, was signed while the Hartford Convention met. Nevertheless, the opposition to restrictions on trade shown in Hartford led to the decline of the Federalist Party, the expansion of our Nation westward, the entrance of new States to the Union, and opened what historians call the era of good feeling in which the U.S. economy flourished.

As we proceed in considering this far-reaching trade legislation, I hope we bear in mind the lesson of my forbears in Connecticut. They well understood that policies which attempt to thwart trade serve only to thwart a nation's energy and innovation. They were determined to see to it that their young nation be linked by its trade to the world of nations. They understood that their future prosperity depended on it.

Above all, they understood that the world beyond their shores presented not obstacles but opportunities. They had faith that their energy and innovation, matched by the great resources of their Nation, would confer on them the ability to excel in the international marketplace.

### UNANIMOUS-CONSENT AGREEMENT—OIL SECURITY

Mr. PACKWOOD. Mr. President, it is the hope of Senator BENTSEN and myself that, if the majority leader wants to, we are going to try to get a unanimous consent on oil security. Here is what I am going to suggest, I say to the leader.

In consultation with Senator BRADLEY, he and I will offer a motion to strike section 502 of the bill, with 3 hours of debate, equally divided, that no other amendments or motions with respect to the language proposed to be stricken are in order, and no other motions, appeals, or points of order are in order, and that at the conclusion of the debate the vote would occur on the motion to strike without any intervening action unless—and I have not checked with him—Senator BENTSEN wants to make a motion to table.

Mr. BENTSEN. Mr. Leader, I have no desire to table. I am pleased to give the Senator an up or down vote on it.

Mr. BRADLEY. Mr. President, may we have order in the Senate?

The ACTING PRESIDENT pro tempore. The Senator from New Jersey is correct. The Senate will be in order.

The Senator from Texas.

Mr. BENTSEN. I am in agreement on that.

The ACTING PRESIDENT pro tempore. The majority leader.

Mr. BYRD. Mr. President, I have conferred with the management on this side. I will not enter any objection to the request. The ranking manager may put his request as stated.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that there be 3 hours of debate equally divided on a motion to strike to be presented by Senator BRADLEY and myself and 20 other cosponsors to strike section 502; That there be no amendments or other motions with respect to language proposed to be stricken and no other motions, appeals, or points of order in order and at the conclusion of the debate vote is to occur on the motion to strike without intervening action.

The ACTING PRESIDENT pro tempore. Is there objection to the request?

Mr. BENTSEN. Not from the opposition on that particular motion. There is no objection.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BYRD. Mr. President, will the minority manager read that request once more?

Mr. PACKWOOD. There will be a motion offered by Senator BRADLEY and myself to strike section 502. Only that is to be in order. There will be 3 hours of debate equally divided between Senator BENTSEN and myself; there will be no other amendments or other motions with respect to the language proposed to be stricken in order, and no other motions, appeals, or points of order are in order; and at the conclusion of the debate voting is to occur on the motion to strike without intervening action.

Mr. BYRD. Will the Senator change that to read at the conclusion of the time or at the expiration of the time or the yielding back thereof?

Mr. PACKWOOD. At the conclusion of the time or the——

Mr. BYRD. Or the yielding back thereof.

Mr. PACKWOOD. Yes. I so amend my unanimous-consent request.

The ACTING PRESIDENT pro tempore. Is there objection to the consent? If not, it is so ordered.

### AMENDMENT NO. 364

(Purpose: To strike section 502 of the bill)

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER (Mr. SANFORD). The Senator from New Jersey.

Mr. BRADLEY. Mr. President, without objection, I send an amendment to the desk and ask it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Jersey [Mr. BRADLEY], for himself, Mr. PACKWOOD, Mr. METZENBAUM, Mr. CHAFEE, Mr. LUGAR, Mr. D'AMATO, Mr. DURENBERGER, Mr. EVANS, Mr. LAUTENBERG, Ms. MIKULSKI, Mr. PELL, Mr. PROXMIRE, Mr. HEINZ, Mr. RUDMAN, Mr. DODD, Mr. KENNEDY, Mr. COHEN, Mr. SPECTER, Mr. MITCHELL, Mr. WEICKER, Mr. STAFFORD, Mr. QUAYLE, Mr. HUMPHREY, Mr. KERRY, Mr. ROTH, Mr. BOSCHWITZ, Mr. LEAHY, and Mr. KASTEN proposes an amendment numbered 364.

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

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

Mr. BRADLEY. Mr. President, I offer this amendment on behalf of Senator PACKWOOD, Senator METZENBAUM, and 25 other Senators.

Mr. President, this is an issue that has had wide attention. Senator METZENBAUM distributed a "Dear Colleague" on this several weeks ago. Senator PACKWOOD and I have sent a "Dear Colleague" letter on it as well.

As I said, it is cosponsored by 28 Senators.

The amendment will strike the provisions on oil policy which were added to the trade bill just prior to the closing of the Finance Committee's deliberations. The Senators that are supporting this effort are Democrats and Republicans, westerners and easterners. In addition, we have grassroots support from farm organizations, labor, industry, consumer groups, environmental organizations. Those who are supporting this effort are the U.S Chamber of Commerce, the National Grange, the Sierra Club, National Association of Manufacturers, Citizens for a Sound Economy, Environmental Action, UAW, the Farm Bureau, Chemical Manufacturers' Association, National Taxpayers Union, and many, many more groups.

Mr. President, why does such a broad array of people and groups agree that the oil and gas provision of this bill is unwise?

Simply put, the provision expands Presidential authority in ways that are inappropriate and unnecessary. Existing trade law gives the President broad emergency powers concerning imports which affect national security. In true emergencies, the powers are appropriate.

This new provision takes these emergency powers and forces their use in situations that may be neither critical nor threatening. This signals, I think, a gross abdication of legislative responsibility, and the sponsors of this amendment do not believe that this is wise.

The provision adopted in the trade bill calls for the President to come up with a policy—in other words—take steps for reducing oil imports if oil imports exceed or are projected to exceed in any part of a 3-year period, 50 percent.

As Deputy Secretary of Energy Martin's testimony to the Energy Committee makes clear, responsible experts and projections, given the right assumptions, could show imports to exceed the 50-percent level by 1990 or 1991.

The trigger, in fact, could already be in effect. Yet it is hard to see the need for immediate and drastic action and the circumvention of Congress.

Mr. President, why is the 50 percent a magic number? Oil imports were 34 percent in 1973, and that was no shelter. Import dependence is but one of many indicators of possible energy vulnerability. Others are clearly: sources and diversity of oil imports, level of global dependence on insecure suppliers, the flexibility and security of oil supply systems, global surplus production capacity, and the level of worldwide emergency oil stocks.

The provision in the bill calls for the President's policy to be based on the authority contained in section 232(b) of the Trade Expansion Act of 1962. Unfortunately, the powers under 232(b) are vague enough to lead to a lot of options.

Under 232(b) the President is authorized "to take such action and for such time as he deems necessary to adjust the imports of such article and its derivatives so that such imports will not threaten to impair the national security." But what does such a broad grant of authority mean? How might it be interpreted?

At a minimum, this means import fees or quotas. But it could also mean the President decreeing changes in tax policy. It could mean changes to allow oil drilling in wilderness areas. It could mean decontrol of natural gas prices. It could mean any of number of things.

At the limits, who knows what it means? This provision has been around for 30 years but has only been used very infrequently and will be modified by this new language in the trade bill.

The provision goes on to state that after the President takes his action decreeing changes in the tax law, decontrolling natural gas, invading wilderness areas for oil drilling, oil import fee, or whatever, if Congress does not act to disapprove or modify the policy by joint resolution within 90 days, his policy becomes law.

Mr. President, it would be a very simple matter for a joint resolution to be tied up indefinitely in committee or be tied up on this floor by filibuster. Even if Congress acted and managed to disapprove the President's policy, the President could veto the resolution. That would mean only one-third of the Senate would have to approve of the action and sustain the President's veto, and the changes would take place.

In other words, if one-third of the Senate chose to support changes in tax law, if one-third of the Senate chose to support decontrol of natural gas prices or the invasion of wilderness areas for oil and gas drilling, these actions could be put into effect.

Mr. President, is this really how we want to resolve issues such as an oil import fee, oil and gas quotas, rationing or gas price decontrol, tax incentives for oil fields development or changes in royalty and leasing requirements off the coast of California, Florida, the east coast, or Alaska?

Mr. President, I would certainly hope not.

Perhaps the proponents of this provision, however, see it as a way of getting a back-door oil import fee. Maybe. But I can point out an alternative scenario, that the result would be quotas and price controls. Domestic production of crude oil peaked in 1970 and it has declined ever since. This is in spite of a quadrupling of oil prices in 1973 and a tripling again in 1979. It is quite possible that a President might not see the virtue of expensive subsidy for domestic producers who are unable to expand production significantly.

So I would simply say: Be forewarned. With this provision we transfer much of this decisionmaking to the President, who may be a Democrat or a Republican, or may or may not be friendly to the industry. So the provision offered with a possible hope of getting an oil import fee could instead result in price controls.

Mr. President, clearly, sending subsidies to domestic producers is not the only way to address the issue of U.S. vulnerability. For example, we need policies to allow for new oil capacity in an emergency. Tax breaks for depletion or whatever just will not do the job. We need a bigger strategic petroleum reserve and effective management planning. We need an economy that has flexibility with respect to fuel use and supply.

I must say it is somewhat ironic that many of the proponents of this provision were instrumental in the recent repeal of the Fuel Use Act. When we repealed the Fuel Use Act, the talk was about glut. Now the debate is over shortage.

Next, Mr. President, we need strong relations with our allies. Both Venezuela and Mexico have abundant opportunities to expand production at low cost. Venezuela has almost 1 million barrels per day of excess capacity. They have proven reserves equal to our own, yet are producing only 20 percent of what we do.

In contrast to the United States with our mature oil fields, that new capacity in Latin America, Venezuela, and Mexico could be brought on stream quickly to supplement the strategic petroleum reserve, prevent market panic and reduce the risk of worldwide recession.

Mr. President, I have heard proponents of this provision describe it as the only response to an emergency, an only alternative to "gunboat diplomacy."

Mr. President, this is simply nonsense. With respect to our involvement in the Middle East, our interests go far beyond defense of our own access to oil. Proponents of this provision are suggesting that adopting it will lead to a reduction in our commitment to our allies and our presence in the area. I cannot believe it.

Mr. President, it is time to dispel once and for all the illusions that we would be all right if we just did not import any oil. Unless the proponents of this provision are advocating a return to price controls and Government-directed supply allocations, the price in the United States for oil is the same as everywhere else in the world. If we did not import a drop of oil from the Persian Gulf, we would still face the full fury of a price spiral in world prices caused by disruption in the Persian Gulf. We are no island and our producers will never sell their product for less than the market price which is the world price. Why should they? To be effective, our energy prices must acknowledge this worldwide interdependence and not deny the facts.

Mr. President, if the Senators are concerned that there is no responsible energy policy now, I say let us see the proposals for an energy policy. Let us see an effort to develop a consensus to pass legislation. Let us not abdicate our role in energy policy to the President and then say, "Well, we have done a lot."

Mr. President, in summary, I will simply make the following points:

This provision gives the President—in fact requires the President—if imports go above 50 percent, to take action to reduce imports below that level. This could mean a tax policy,

the invasion of wilderness areas, or decontrol of natural gas prices.

Mr. President, it is such a surprising move that one might want to wonder what was behind it.

Shortly before we acted in the Finance Committee I clipped an article from the Washington Post that I think offers a clue. The article headline says, "Reagan Seeks Oil Industry Tax Relief."

It goes on to state that in March, Secretary of Energy Herrington urged President Reagan to seek a 27.5-percent annual depletion allowance for new wells or those producing oil through enhanced recovery methods, thus restoring a tax break that was phased out for major oil companies more than a decade ago.

The article goes on to say there are other things being considered such as letting independent producers who are allowed to claim a percentage depletion to use it to write off against as much as 100 percent of the well's taxable income rather than 50 percent. Another item discussed is to let independent producers apply percentage depletion to wells purchased from major oil companies.

So, Mr. President, if this procedure stayed in the trade bill, the President could unilaterally decree these changes in tax policy as well as many others.

Mr. President, this is a grant of much bigger authority than current law. It is clearly part of an effort to bolster the industry in a variety of ways. Section 232 does not prevent that. This provision, however, requires action. Tax policy could be one; other actions could be invading wilderness areas or decontrol of natural gas prices, while leaving the Congress with only the ability to disapprove by a joint resolution which could be vetoed. One-third of the Senate could assure special tax benefits to the oil industry or the invasion of wilderness areas or the decontrol of natural gas prices.

A second point, in short, is that there is a difference between who we import oil from. This provision assumes that all imports are the same. Fact is an import from the Persian Gulf is the same as an import from Venezuela or Mexico.

Mr. President, I fundamentally disagree with that. We only get 10 percent of our imports now from the Persian Gulf, not 50 percent. Are we saying that oil from Venezuela or oil from Mexico that is purchased, the money, much of which is returned to the United States in the form of investment or payment on interest and debt, is something we want to discourage? Do we want to make it less likely that Venezuela or Mexico will make their payments on debt?

Mr. President, there is something to be encouraged about a hemispheric energy policy. This amendment would essentially say to our friends in Mexico and Venezuela, "Forget it. Forget it. We consider you and the vulnerability of your supply and our relationship the same way we consider Persian Gulf oil in the middle of a war between Iran and Iraq."

Mr. President, this is a big mistake.

Third, this provision has an assumption underlying it that if we did not import any oil whatsoever we would have no problem.

Let us think that through for a minute. Let us say that we had a $10 increase in the price of oil for whatever reason. We consume about 15 million barrels a day, so every day American consumers would pay $150 million more for their oil. On an annual basis, American consumers would pay over $45 billion more per year for oil because of that $10 price increase. Would any other country in the world be hit as hard by a supply disruption or price increase? No.

Why is that, Mr. President? That is because we are the biggest consumer of oil. Because we consume 15 million barrels per day, a $10 price increase means our consumers pay $45 billion more for oil, whether we imported one barrel of oil or not. We would still have a $45 billion increase in costs, unless, of course, the proponents of this provision are arguing for price controls.

I do not think they are arguing for price controls, but a disruption leads to an enormous cost to our consumers and we have to admit that, whether we import any oil or not.

Mr. President, I would hope that we would support the amendment to strike this provision from the bill for institutional reasons, it is a big grant of authority to the President to do any number of things; for the discriminatory treatment it provides to our secure sources of oil in Mexico, Venezuela, and other friends; and for a fundamental misconception that is embodied in it relative to our energy security.

The PRESIDING OFFICER. Who yields time?

Mr. BENTSEN. Mr. President, I yield myself 15 minutes.

Mr. President, in listening to that argument of the distinguished Senator from New Jersey when he talked about if we did not import any oil at all, if we did not import any oil at all, that means 6 million barrels a day of additional oil import. You would have a tremendous excess capacity and the pressure would be off insofar as raising the price of oil.

I think that is a fallacious argument, indeed. The interesting thing here is what we are trying to do is plan ahead. One of the normal failures of a democracy is not to do anything until you have a crisis, waiting until the last minute to get a consensus. Jack Kennedy used to say the time to repair the roof is when the Sun is shining. Well, the Sun is shining but over there in Kuwait and the Persian Gulf you see an enormous dark cloud, punctuated by gunfire. I saw the leaders of the Senate and the House going down to meet at the White House to talk about what we ought to do in the Persian Gulf. They ought to take along the Emir of Kuwait. He is the one who is helping jerk the American foreign policy around.

I think this issue is probably the last complicated issue in the trade bill. It is a straightforward response to one of the most urgent, one of the most important problems facing America today, and that is overdependence on foreign oil. It also plays a very important part in our trade policy.

What is happening on our trade deficit? Last year we imported $37 billion worth of oil and petroleum products. But dollars do not tell the full story. When you strip away the rhetoric, when you strip away the statistics, you are left with the fact that oil is the plasma of the American economy. I can think of no other commodity, no other product that plays such an essential role in our economic and our military security.

I heard one of my friends in opposition the other night talking about he was against domestic content, except for ships. He could understand why we had to have ships to protect our national security and why we had to have a number of them built here. The average ship burns 21 barrels of oil an hour, 21 barrels of oil an hour. The average airplane burns over 14 barrels of oil an hour. What good does it do to have those ships, what good does it do to have those airplanes if you do not have the fuel to run them?

Twice during the decade of the seventies we saw dramatic evidence of what happens when we lose control, when we have a major interruption in our access to oil. If we were to confront another OPEC embargo or if the other industrialized nations of the world were denied Middle Eastern oil, gas lines and higher prices would be the least of our problems.

I saw a study of the Congressional Research Service estimating that a 1973 style embargo in this country would cost us over $700 billion in GNP, 2 million jobs, and would double the inflation rate. Why can we not plan ahead? Did we not learn anything from that?

But in late 1985, when Saudi Arabia decided to crank up production, glut the world with cheap oil and prices collapsed, demand increased, and domestic production dropped off dramatically as thousands of marginal and stripper wells were shut down.

I was talking to a Member of the Cabinet. He said, "Oh, why are you so concerned?" He said, "All you have to

do is go back out there and turn them on again."

You do not turn them back on again. They are lost.

I heard the comment that we are a mature oil society. Therefore, our production has to do down. Not the case. We have over 100 billion barrels of recoverable reserves that the U.S. Geological Survey says have not yet been discovered but are waiting there is be discovered. We have further advances in tertiary recovery. It is estimated by them that we would have 35 years of additional production at these levels given stability in price.

Our domestic production decreased by almost 800,000 barrels per day last year. Demand increased by 3 percent and this year it is increasing by another 2 percent. In less than 2 years, imports have risen from 27 percent of demand to some months as high as 40 percent. Much of that increase came from the Middle East and the Persian Gulf.

Now, that is the combination of factors—decreased domestic production, increased reliance on Middle East oil—that has enormous implications on our economy and our national security.

Our Government has responded to that in a number of ways. Former Secretary of the Navy John Lehman says that we are spending as much as $40 billion a year to keep the Persian Gulf lanes open. Frankly, I think that is an exaggeration. But if it was half that, it is an enormous amount. We are about to provide the Kuwaits with American flags. We are naming their ships after New Jersey beach resorts. We had 37 Americans who were recently lost in a tragic unprovoked attack in the gulf. So we are spending the money. We are taking the risks. We are devoting our resources and our prestige to the effort for 6.4 million barrels of oil flowing through the Strait of Hormuz, and we question buying some insurance here at home and trying to protect our future.

The basic purpose of the Energy Security Act is to produce a national energy policy that will keep our level of dependence below 50 percent. It requires the President to project each year what our dependence will be for the next 3 years. He would do that in January of each year. If in any one of those 3 years it was projected it was going to exceed 50 percent, then he would have to send that projection to us and we would have a right to reject it or modify it. Then he has 90 days to send us a plan and we have the right to turn it down.

What it really does, it draws a line in the sand. A response to the national security threat recently documented in a comprehensive study in the Department of Energy says to the world that a level of energy dependence greater than 50 percent presents a real danger to America's national security and requires an effective, certain policy response. It is going to happen. It is just a matter of time. The Secretary of the Interior, Secretary Hodel, states it is going to happen to us, that those lines at the gas pump are coming back again. But it provides us with a powerful incentive to do the planning now, to avoid those unacceptable levels of vulnerability and even tougher policy choices in the future.

It does not tie the President's hands, commit him to any particular course of action, and it does keep Congress involved in the process. Mr. President, it is important to know that the President already has the power in section 232 of the Trade Act to adjust oil or any other imports if national security is at stake. I heard the Senator say we would expand the powers of the Presidency. Not correct. We have taken a law that has been on the books for over 25 years and we have just drawn a line in the sand and said, now act when it reaches this point, send us a plan to cut our dependence on foreign oil. And this has been exercised. It has been tested in the past in the courts on several occasions.

I saw in one of the early drafts of a letter sent around here that it was probably unconstitutional. The Supreme Court ruled unanimously that it is constitutional.

There has probably never been a time in our history when the dangers of dependence on oil from the Persian Gulf are more apparent. There is a war in the gulf, ships are being attacked, mines are being layed, the superpowers are bidding for influence, Silkworm missiles are being set up on the Strait of Hormuz, and there is talk of a "preemptive strike" against those missiles. Kuwaiti tankers have suddenly sprouted American flags and the names of New Jersey beach resorts. Congress is clearly concerned about this turn of events.

If Senators are concerned about energy dependence and the Persian Gulf, here is their opportunity to do something about it. Here is their chance to help limit that dependence and make us less vulnerable to events beyond our control. Here is an opportunity to demonstrate that the aircraft carrier in hostile water is not the sum total of American energy policy.

During this debate, you will hear Members of the Senate suggest that there is no analytical basis for the 50-percent threshold. They suggest we should consider where those imports are coming from. Presumably, they think high levels of dependence are acceptable, as long as OPEC is not the source of our oil.

Mr. President, there is nothing magic about the 50-percent figure. In fact, many people have suggested that we should have set the threshold much lower. As far as I am concerned, we are already at unacceptable levels of import dependence. Forty percent is too high. But we set the level at 50 percent to remove any reasonable doubt.

If we imported more than half of our energy requirements from OPEC nations, from the Persian Gulf, I assume we could get almost unanimous agreement that our national security would be in danger.

But let us assume for the moment that we import more than half the energy we consume—but none of it comes from OPEC. It all comes from friendly nations like Canada and Mexico. That is not a realistic possibility, but let us make that assumption just to test the argument that the source of supply is important.

If we took all our energy imports from friendly nations, other industrialized democracies in Europe and Asia would be highly dependent on OPEC—and the gulf. If there were another embargo, or if the Strait of Hormuz were closed for even a short period of time, could anyone seriously suggest that we would escape the economic chaos that would follow?

Oil is a fungible commodity. The price would be bid up overnight. There would be incredible competition for available sources of supply. We would have an obligation to share our supplies with our allies. The fact that our oil did not come from OPEC would not lessen our jeopardy in the case of an embargo.

When you look at the world oil supply picture, it is obvious that as we become more dependent on imports, we fall further into the grip of Persian Gulf suppliers. In 1985, we imported about 300,000 barrels per day from the Perisan Gulf. Today, with imports on the rise, we are importing 1 million barrels a day.

More than 70 percent of the new oil imported into the United States now and in the foreseeable future will come from the Persian Gulf. According to the Congressional Research Service, there is an excellent chance we will be importing 3 million barrels per day from the Persian Gulf in the mid-1990's.

Mr. President, if we fail to pass the Energy Security Act, the clear prospect is for America to become increasingly dependent on imported oil. And those who suggest that the source of that dependence will be other than the Persian Gulf are running from reality.

Opponents of the Energy Security Act have invented a series of reasons to oppose a national energy policy. At first they suggested that the section 232 power was unconstitutional. But when they read the Algonquin decision and discovered that the Supreme Court had ruled unanimously that 232 was constitutional, we heard no more of that argument.

Opponents have also tried to arouse fears that the President could somehow use this legislation to waive environmental regulations offshore in the Arctic National Wildlife Refuge. We have demonstrated conclusively that this is not the case. In the Algonquin case the Supreme Court ruled that actions having only a remote impact on imports may not be lawful under section 232. Anyway, the leadtimes on ANWR and offshore would preclude any production response in the 3-year timeframe in which the President must act.

To those who say Congress should not involve itself in the exercise of Presidential authority to control oil imports under a broad national security statute like section 232, I respond that we have already addressed the issue. In 1980, Congress reviewed section 232 and determined that when the President exercised those powers in connection with oil, but not any other imports, Congress would reserve unto itself the ability to disapprove his action. So we have already concluded that Congress has a special role to play in the oil-related exercise of section 232 power. If Congress is competent to say when the President should not act under section 232, we are also competent to say when he should act.

Finally, opponents of the Energy Security Act claim that Congress is giving the President an unfair advantage in determining energy policy. They point out that a joint resolution disapproving any future President's energy plan could be vetoed and would require a two-thirds vote to be effective.

Mr. President, that is already the case with existing 232 powers. We have not changed a thing. In fact we have given Congress a second bite at the apple: We provide for a 10-day period in which to disapprove the President's projections, and then for a 90-day period to disapprove his recommendations. It should also be noted that the congressional disapproval process under section 232 has a proven track record of success. In 1980, when President Carter attempted to use 232 powers to impose a gasoline conservation fee, Congress objected by joint resolution and the proposal was defeated.

So I do not think Congress is surrending any power or initiative to the President. If anything, we are strengthening the hand of Congress as we nudge the administration in the direction of national energy policy to prevent unacceptable levels of dependence on imported oil.

Mr. President, it is always tempting to think of reasons not to act, even when action is clearly called for.

I have noticed that opponents of the Energy Security Act often preface their comments with a statement acknowledging the dangers of energy dependence and the need for a national energy policy. But they offer no alternative to renewed dependence.

The Energy Security Act is a measured, moderate response to the coming crisis of increasing American dependence on rising imported energy. It has broad, bipartisan support. It is clearly constitutional. It offers no new powers to the President and does not detract from the role of Congress. It insures that we will have a national energy policy before the threat of dependence becomes the reality of an OPEC hammerlock on American national security.

We can station ships in the Persian Gulf. We can reflag Kuwaiti tankers. We can accept substantial risks and devote enormous resources to our security position in the Persian Gulf. But, Mr. President, unless we act now to limit our dependence on oil from that region, we will hand OPEC a golden opportunity to refinance its mortgage on America's energy security.

I urge my colleagues to join me and my 25 cosponsors in approving the Energy Security Act.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. BRADLEY. Mr. President, how much time does the Senator from Oregon desire? Twenty minutes?

Mr. PACKWOOD. Mr. President, who has control of the time?

The PRESIDING OFFICER. The Senator from Oregon and the Senator from New Jersey are sharing 90 minutes.

Mr. PACKWOOD. I will yield myself 15 minutes.

Mr. President, first I want to clear up something about section 232 in the so-called emergency powers of the President under the Trade Expansion Act of 1962. This was the act that gave the President discretionary powers—I want to emphasize discretionary powers—to impose tariffs or quotas on oil, and there have been no court decisions on many of the other powers that he might try or not try to exercise. But they are discretionary, and he can only do it if after a year's findings that he makes a determination that oil imports are jeopardizing our national security, and I emphasize "his powers are discretionary."

Under the amendment that is now in the bill and originally I think the amendment as Senator BENTSEN had offered, it would have been unconstitutional to delegate to the President the power to impose gasoline taxes. He could have imposed rationing. He could have invaded our wilderness areas as was originally introduced. The Senator from Texas has narrowed his amendment considerably, and I think it probably does now try to delegate to the President the powers that exist under the 1962 act.

Mr. President, no one knows what those powers are. Clearly, they include the powers to impose quotas or tariffs. There is no question about that.

President Carter attempted to impose a gasoline tax under that act. A Federal district court struck that down, saying that was not within his powers. That is about the limit of what has been tested to date.

No one really knows exactly what powers the President has under that act but just because we do not know does not mean we ought to delegate them to him and hope the courts will decide. Whether we are wise or not, you have to come to one or two conclusions in terms of delegation of powers to the President. Either he has extraordinary powers to impose rationing, invade the wilderness areas, allow the oil companies to have oil depletion allowance, or not. In fact, he has an important, great, absolute panoply of those powers, in which case I regard it as either an unconstitutional or unwise delegation of authority, or he does not have those powers. And that really is pretty much limited to imposing quotas or tariffs.

And if that is what he is limited to and it is very clear that that is what the amendment intends to do as a preferred option, then for those who support oil import fees or quotas, they should vote against Senator BRADLEY and myself in our effort to strike and hope that they get oil import quotas.

For those who do not like oil import quotas, who think they are bad for the country, they should support Senator BRADLEY and myself in striking out this provision.

There is an important difference, however, between the President's powers in the 1962 act and the present amendment of Senator BENTSEN.

In 1962 the powers are discretionary and the President may or may not choose to impose tariffs, quotas or whatever other powers he might have.

Under this amendment, the President is mandated to take action if he projects that oil imports will exceed an arbitrary ceiling at any time during the next 3 years.

So, first, he must project forward and guess and, Mr. President, it is a guess, guess what the imports are going to be. Then if they exceed an arbitrary ceiling, he must take action, must, no discretion, and clearly the preferred action is tariffs or quotas.

I think that is bad enough in and of itself because I do not like oil import fees; I do not like oil quotas. We had them in this country until 1973. They were designed specifically to protect the major industries. They wanted quotas and wanted them off in the 1970's. They were running out of domestic oil and they wanted to bring in

foreign oil. Then the foreign oil raised the prices when they found they had us in a vise, and now big oil wants the quotas back, and I understand all that.

I understand all the desires of all industries, be it oil, textiles, or timber or anything else, to want to protect themselves. It is a natural understanding. It does not mean it is good for the Nation, but it is a natural understanding.

I want to correct one thing that the Senator from Texas has said about the 50 percent ceiling. This is not in this bill an arbitrary 50 percent ceiling, and the President makes a projection and if imports are above 50 percent, he exercises this power. He gets to set the ceiling where he wants it, and let me quote the provision:

The President shall establish a national petroleum product import ceiling beyond which imports shall not rise for each of the years for which forecasts are made. The ceiling levels established under paragraph 1 for each forecast year shall not exceed 50 percent.

Shall not exceed 50 percent.

Mr. President, the President of the United States can set that ceiling at 40, 30, or 20 percent. And Congress has no right to review the finding about the ceiling.

We have the right to estimate, to second-guess him on the projections as to imports. We have the right to second-guess him on the plan he puts in effect. But it has to be by a joint resolution in both Houses of Congress passed by them and agreed to by the President.

We have no right in this bill to second guess where he sets the ceiling, and any power hungry President can set that ceiling where he wants to set it and then attempt to impose whatever he chooses to do in the way of an oil policy plan.

This amendment may allow powers and we could not know and there is no one who can say for sure what the powers are. They are either expansive and therefore quite dangerous, or they are relatively narrow which means imports or quotas and will drive us toward imports or quotas to the detriment of this Nation.

There is no question about what will happen. Every time we had an increase in prices domestic prices go up. It has nothing to do with what the cost of oil is in this country. During the 1970's, prior to the increase in 1973-74, the U.S. price and the world price were the same. Then the Arab OPEC countries raised their prices in 1973-74 and domestic prices went right up with them. And the OPEC countries raised their prices in the late 1970's, and our prices went right up with them.

It has nothing to do with what the cost of oil had been here to begin with.

So what we did was impose a windfall profit tax because this was a windfall. If the oil companies had reserves that they paid $5 a barrel for and the world price was suddenly $35 a barrel they sold it for $35. We imposed a windfall profit tax. If this amendment goes in and quotas are imposed we will have to impose a windfall profit tax again—the current one runs out in 1992—because otherwise the major oil companies would receive an extraordinary windfall.

The argument of the Senator from Texas that bothers me the most, however, is the argument that we are so dependent on oil that we have not learned our lesson. And he cites Jack Kennedy that the time to fix the roof is when the sun is shining. With all of that I agree.

Mr. President, what bothers me is the presumption of my good friend from Texas that the only source of energy and maybe the be all and end all of all energy should be oil. This country is an absolute cornucopia of energy—tar sands, oil shale, hydro, nuclear, conservation, superconductivity, and perhaps, most of all, coal.

We have over a 400-year supply of coal in this country.

Mr. President, we are not Japan. Japan is an energy-poor country. They import 90 percent of all of their energy, not just 90 percent of their oil.

It is unfortunate that we did not follow the policy of President Nixon when he suggested moving toward energy independence in a decade and we could have. We could get by if we wanted without the import of any oil at all in this country.

South Africa today, and they have for decades, makes gasoline out of coal. It is an expensive process. But if you want to be free of the blackmail threats of the OPEC countries, that is an alternative that we should not only just be considering but developing.

Oil shale is an expensive process and has some environmental problems, but we know how to extract oil from the rocks in the Midwest that contain the oil. It is not as easy to get as OPEC oil that is 50 or 40 feet below the surface out in the sand, but it is there.

Mr. President, the policy decision this country ought to be making is indeed one concerning energy and, Mr. President, the decision this country ought to be making in my judgment is moving toward less and less imported energy dependence.

We should be developing this cornucopia of resources that we have in this country, and it may take 10 to 15 years. You do not open new coal mines and build the railway lines and build the generating facilities to use coal. You do not build tremendous synthetic fuel plants, oil shale plants, tar, sand plants, dams, because heaven knows nuclear plants take 10, 15, 20 years because of a variety of problems, most of which Government has imposed on them. But we should do this rather than debating should we put import limitations on oil, quotas on oil, raise the price of the oil, allow the domestic oil prices to go up, put a windfall profit tax on the oil companies, and pray an plead and hope that somehow we muddle through, because the Senator from New Jersey is correct that as best we can tell oil is a finite resource in this country.

Senator BENTSEN says 35 years. I hope it is 35 years. Unfortunately, that is not a long time in the history of the world. It is not even really a long time in the history of this Republic.

So, rather than continuing to try to preserve, protect, finance the domestic oil industry, we ought to be moving in the direction of developing the alternative sources of energy that we have. And the amendment of the Senator from Texas moves exactly in the opposite direction. That is why I hope that this Senate will support the motion to strike presented by Senator BRADLEY and myself so that we might move in the direction that this country should truly move in in terms of energy independence.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Will the Senator from Texas yield time to the Senator from New Mexico?

Mr. BENTSEN. Mr. President, I yield 15 minutes to the Senator from New Mexico.

Mr. DOMENICI. I thank my good friend from Texas.

Mr. President, fellow Senators, it is most interesting, the distinguished Senator from Oregon makes the case for this amendment. He says this country has a veritable cornucopia of alternative energy sources. He is right. The fact is we do not use them. The fact is we grow more and more dependent upon oil. The fact is we are here today because some of us know that those who cannot remember the past are condemned to repeat it.

We are going to hear a lot of speculation about what will happen if we enact the energy security provisions of this bill. But we really do not have to speculate. We do not have to speculate at all. We have experienced what happens when the United States becomes overly dependent on foreign oil. We get $2 a gallon gasoline. We get people shooting each other in gas lines in New York City. We get gas rationing. We get double-digit inflation. We get bureaucratic nightmares such as the Energy Regulatory Administration.

In order to understand what we face in the future, all we have to do is look at our past. I was new in the Senate—I had been here 1 year—in 1973. Only 24 of my colleagues were Senators then. The 1973 Arab oil embargo was a

learning experience for me and it should have been a learning experience for the entire country. But it was not. Those of us were around, we stood on the floor and I remember over and over people saying, "We should never let this happen again."

We got a refresher course, Mr. President, in 1979, with the second oil disruption during the Iranian revolution. Only 47 of my colleagues were Senators then. The second time around, we learned it was time to take action. What we are talking about here today is whether we are ever going to take action. That is the essence of this amendment; that sooner or later somebody has to take action.

The energy crisis dominated the public opinion polls and the Congressional agenda in the late 1970's. And Congress enacted the Energy Security Act and the National Energy Act of 1979.

We learned, Mr. President, how difficult it is to try to immediately resolve an energy crisis. I was involved for months on end on both pieces of legislation. The conference on the National Energy Act alone was one of the longest and toughest conference negotiations in the history of the U.S. Congress.

The reason we had to rush to pass legislation and that the conference negotiations were so difficult was because the United States as a nation had provided absolutely nothing by way of a game plan for energy security.

In 1979, I can vividly remember saying on the floor of the Senate that the greatest danger of the 1980's would be complacency. And here we are. Unfortunately, we are approaching our energy policy with complacency. We are complacent to let OPEC take actions to destroy our domestic industry; complacent in letting our domestic industry be dismantled by artificially low prices; complacent to watch our import levels return to the dangerously high levels of the 1970's.

I remember Senator Scoop Jackson made the case that it is not only dangerous for us to depend on imports, but it is also dangerous for the United States to take an isolated view when it comes to energy, because our complacent actions not only weaken ourselves but weaken the world.

It is true that we are only 7-percent dependent on the Persian Gulf oil at this time, while Japan, France, Italy, and Germany are much more dependent. However, there is a world market in oil. A disruption in the Persian Gulf will bid up the price of oil all over the world. So it seems to me that we must assume that we are tremendously dependent upon that world market regardless of where it comes from, the Persian Gulf or otherwise.

The 1973 embargo and the 1979 disruption had an enormous cost to our country. From 1973 to 1981, oil prices skyrocketed from $4 a barrel to $35—a ninefold increase. It is estimated that the oil shocks of the 1970's led to a total loss of $1.1 trillion in the GNP, the gross national product, between 1974 and 1983.

The recession, the last major recession we had, cost us about $2.4 trillion in gross national product loss. And the oil dilemma alone cost $1.1 trillion in gross national product loss.

One would think we would learn from our mistakes and prepare for the future. But instead it appears that we are content to let OPEC regain control of our energy security. And make no bones about it, they clearly understand. They are clearly bent on a new path to gather back their share of the world market, which they lost as a result of some of the activities in their part of the world and because of new production that came on at the extremely high prices. They are controlling prices in a fashion so that they can get back their share of the world market. Why? Because they want to maintain the stranglehold of dependence.

My friend from Oregon says we have tar sands, we have coal, we have oil shale. He forgot to mention that we have nuclear energy. And what we are doing without a game plan is moving in exactly the wrong direction on all of those. Tar sands is going nowhere. Oil shale, instead of doing something serious with it, we have gotten into all kinds of battles about the Synthetic Fuel Corporation. We created it, then we threw it out.

And we stand here on the floor and say we have all the energy we need. The problem is, Mr. President, we cannot use it. We cannot use it.

The dependence is on liquid petroleum products and we have no way of changing that dependence. It will be here. Unless we change our ways, we will not be able to use the alternatives that my good friend from Oregon mentioned.

If nothing else, this debate is pointing out, and the arguments of my good friend from Oregon are pointing out, that when the crisis comes, it is too late to develop that vast array of energy resources because we are right back in the muddle and everybody here knows what will happen. I am thankful that the Senator from Texas has found a way to force someone at a point in time to develop an energy policy.

If somebody wants to come down here and say the 50-percent threshold is wrong, make it 55 or make it 60. There are many who say it ought to be 45. There are many who say it ought to be 40. He chose 50 and all he is saying is: Congress, in our system of legislating, will never put an energy plan in place. We are not even sure as a Congress, at least legislatively, that we want to enhance our capability in nuclear energy. We are not even sure that we want to refine that process so that we can have more of it. We are not sure at all that we want to entice and excite the development of tar sands. We are not at all sure in the Congress that we want to move ahead as the South Africans have and turn coal into liquid fuels. In fact, we stutter and stammer around about that, saying it will happen some day.

Yes, Mr. President. Do you know when it will happen? It will happen when the crisis hits and when oil prices skyrocket, and then we will say the marketplace will do it. It may take them 2, 3, 4, 5, or 10 years.

In the meantime, there will be a clamor on the floor of the U.S. Senate and the House of Representatives, and out there in America: Why did we not do something about it?

As I perceive this proposal, at least it says to the President of the United States, who we have to assume is rational and has the American citizens' well-being in mind: When you have reasonable assurance that we will get to the 50-percent level, you do something about it. You produce this plan. You put into place ways and means reducing our oil import dependence.

I understand that the authority given to him by this provision is no broader than he has under current law. The discretionary part of the power allows him, under current law, not to use it. It is not that we have changed the discretionary components of his game plan. In this provision, we say he has to use his authority to reduce oil imports when they exceed 50 percent of our demand.

We say he has to develop the best plan he can and he has to send us this plan before it is implemented. Then we in the Congress have certain prerogatives. I believe we are more apt to produce a rational solution to our dependence if the President is forced to send us a plan. Otherwise, we will sit around and debate it, getting into arguments about import fees or rationing, none of which anyone seems to want, or changing rules and regulations with reference to the production of some of these alternatives. We will not do anything about reducing our dependence, about developing alternatives.

We have stuttered and stammered and complained on reasons why we should not develop an energy policy.

Mr. President, it seems to me that at the bare minimum the Senator from Texas has done a service to the American people to bring the debate back again to front and center, about America's growing dependence and about there being no plan whatsoever except for the strategic petroleum reserve. I have heard so many times that we just ought to keep increasing the reserve

and that is the solution to these problems.

Frankly, I hope somebody is finding out whether we can use the oil in the strategic petroleum reserve in a reasonable manner in the American marketplace. I am not even convinced we can do that.

The strategic petroleum reserve has millions of barrels in the ground but, if the past has anything to do with the future, we will probably mess that up before we get it out of there. We probably will not know how to put it into the system. But at least it will be there and, hopefully, you can get that oil out and get the wrinkles out with problems in distributing this oil in 5 or 6 months.

Mr. President, this is a very simple but profound proposition: Do we want to sit around and do nothing when everyone is telling us something ought to be done? Do we want to deny mandating the President to go ahead and prepare and send to the Congress an implementable plan with reference to diminishing our dependence once we get to 50-percent dependency or not?

We have not expanded his authority in this provision. Perhaps we should take a serious look at that and maybe we should expand it, but we have not.

His authorities are there now. The problem is that nobody is going to exercise any authority and if we wait around for Congress to pass something, we will be in the middle of the crisis just as sure as we are sitting here and standing here in the U.S. Senate.

If somebody wants to perfect this amendment in some way on the target for dependence, on the authorities, have at it.

But when it comes to whether or not we ought to charge somebody in this great democracy with producing something or not, it seems clear to the Senator from New Mexico that this is the best approach. Frankly, I wish we could rely on the Congress to sit down and do it.

I am just as convinced as anything that I have ever been convinced of as a Senator that the Congress alone will not produce an energy policy. We are going to wait around until the American people and our economy are not only hostage, but on our knees. Then we will have all kinds of emergency actions. We might even begin to lay blame. Why are we not using the tar sands? Why are we not doing anything more about coal? What about liquefaction? Why are we not doing anything to increase our nuclear component for civilian energy use? It will be too late. None of those alternatives come on quickly. None.

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

Mr. DOMENICI. I would be pleased to yield to my friend from Oklahoma.

Mr. NICKLES. I appreciate my friend's comments and would like to associate myself with those comments. But the Senator has been on the Energy Committee—I do not know how much time the Senator has left—the Senator has been on the Energy Committee. He has shown great leadership in the committee.

We have had hearings—and I see the chairman, former chairman of the Energy Committee, Senator McCLURE—on energy independence and the fact that dependency is rising and rising substantially. During the shortage, which was in the 1970's which the Senator alluded to, and our memories sometimes seem to forget, what percentage were we importing, in the shortages of 1973 or 1978? Does the Senator recall?

Mr. DOMENICI. I think it was somewhere between 26 and 35.

Mr. NICKLES. Was it not 23 percent in 1973 and about 44 percent in 1978, 1979?

Mr. DOMENICI. The Senator is correct.

Mr. NICKLES. The Senator from Texas says 50 percent, but the costs to the economy of those shortages in the 1970's was astronomical. The costs to consumers, the costs of shutdowns, the cost of curtailments were awfully expensive and I appreciate the Senator's comment on what that costs the American consumers. I think too many of us have forgotten. I appreciate the Senator's comments and also the Senator from Texas' amendment.

Mr. DOMENICI. I submit a chart that shows annual dependence on foreign oil, 1973 was 39 percent, the low point was 34 percent in 1985. Now it is going up dramatically. I submit the chart for the RECORD.

I thank the Senator from Texas for yielding the time.

Mr. President, I ask unanimous consent that the chart be printed in the RECORD.

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

PETROLEUM CONSUMPTION AND IMPORTS

[In quadrillion Btu's]

| | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| U.S. petroleum consumption | 34.8 | 33.5 | 32.7 | 35.2 | 37.1 | 38.0 | 37.1 | 34.2 | 31.9 | 30.2 | 30.1 | 31.1 | 30.9 | 31.9 |
| Total imports | 13.5 | 13.1 | 13.0 | 15.7 | 18.8 | 17.8 | 17.9 | 14.7 | 12.6 | 10.8 | 10.7 | 11.4 | 10.6 | 12.8 |
| Imports as a percent of consumption | 39 | 39 | 40 | 45 | 51 | 47 | 48 | 43 | 40 | 36 | 35 | 37 | 34 | 40 |

Mr. DOMENICI. Mr. President, this past March, the Department of Energy released a study entitled "Energy Security." That study concluded that an oil import fee was costly and an unwise policy option.

I believe DOE intentionally constructed its import fee analysis so that it could conclude it is an unwise policy option. This has unfairly poisoned an import fee as an option for the Congress which must develop an energy policy for this country.

I released a critique prepared by the Republican staff of the Senate Budget Committee that demonstrates that DOE's analysis of an oil import fee has serious economic flaws and biased assumptions.

The critique concludes: The economic analysis is flawed because it double counts the marcoeconomic costs associated with an oil import fee.

DOE's estimates of the impact on the budget deficit are wrong. The DOE report even contradicts itself on this point, stating that an oil import fee will not reduce the deficit. One page later it states an oil import fee will reduce the deficit by $58.9 billion.

The assumptions are biased against an oil import fee. DOE's assumptions on import levels, discount rates, import fee rates, and the timing and length of a disruption are all biased against an oil import fee.

The macroeconomic estimates used to calculate GNP losses are based on an outdated analysis.

In addition, the staff critique shows that using DOE's own models and assumptions, and simply correcting for DOE's methodological errors, a $5 per barrel import fee will lead to a $23.8 billion net benefit to the U.S. economy.

We do not have an energy policy in this country. Unless we put together some policies and programs to address our growing dependence on oil imports, we will surely experience the gas lines, the price escalations, and the economic dislocations that occurred in the 1970's.

SUMMARY

In its report entitled, "Energy Security" (DOE/S-0057, March 1987), the Department of Energy [DOE] analyzed the impact of an oil import fee on the U.S. economy. Unfortunately, the DOE report contains serious flaws in its economic analysis of oil import fees, flaws that are compounded

through the use of biased assumptions.

Based on its inappropriate analysis, DOE concluded that an oil import fee was costly and unwise. The following critique will examine those DOE calculations and assumptions, and will demonstrate that the economic impact of an oil import fee will be positive.

The key error in the DOE study is its combination of the results of the macroeconomic analysis and microeconomic analysis in measuring the costs and benefits of an oil import fee on the U.S. economy. This is an improper application of economic method. It produces double counting and over counting of the costs to the economy. In addition, the macroeconomic model used by DOE was developed based on pre-1976 data when world oil conditions were far different from now, leading to the use in the DOE study of out-of-date assumptions.

A correct cost-benefit analysis would be limited to a microeconomic assessment of the impacts of an oil import fee on the U.S. economy. Such an assessment already includes the macroeconomic impacts of a fee. DOE double counts the macroeconomic costs by mistakenly adding GNP losses to its cost-benefit analysis of an import fee.

Using DOE's own assumptions and estimates in a valid cost-benefit analysis, a $5 per barrel oil import fee would produce a minimum of $23.8 billion in net benefits to the economy. This calculation is based on the sum of three components calculated by DOE which may prove to be undervalued.

First, the DOE study found that over the next 8 years, the oil import fee would cause losses of $2.9 billion as a result of increased prices to consumers and the higher costs of domestic oil production.

Second, the DOE study found economywide benefits totaling $22.5 billion as result of a drop in the preimport-fee price of oil. Since any import fee will push up prices, overall world demand for oil will be depressed somewhat, driving down the world oil price by 51 cents per barrel, according to DOE estimates. Since the proceeds of an import fee itself will be retained wholly within the U.S. economy, the 51-cents-a-barrel reduction translates into a savings to the U.S. economy of $22.5 billion.

Third, DOE estimates the security benefits produce a savings of $4.2 billion. Because the DOE study underestimates oil import levels, uses high discount rates, and assumes a very optimistic date and span for an oil supply disruption, the real security benefits to the economy are more likely to be much higher.

Further, the DOE study states that an oil import fee will not reduce the Federal budget deficit. Its own analysis later shows that an oil import fee will reduce the deficit by a total of $58.9 billion over the 8-year span of the study. Federal Reserve Board, Congressional Budget Office, and a number of private forecasting models support the fact that an oil import fee will reduce the deficit.

Using the quantitative analysis contained in the DOE report, simply corrected for the methodological errors noted, one can with confidence reverse the conclusions in the study on two key policy issues:

An oil import fee would contribute to enhanced economic welfare and Federal deficit reduction. Further, if more realistic assumptions are used, the benefits of an import fee would be far greater.

Mr. BRADLEY. Mr. President, this has been an interesting debate so far, and I am sure it will continue to be. We have just heard from the last several speakers about the nightmares of 1974 and 1979, and whether will we learn from our mistakes? Why did we not do something about it? Well, I would simply say in this amendment, we are not doing anything about this. We are saying: Mr. President, you do something about this. Whatever you want. You do something about this.

Mr. President, if we could look a little more closely at what the nightmares of 1974 and 1979 were, it seems to me there are two kinds of nightmares that the Senators so far in this debate have alluded to.

One of the nightmares was the economic nightmare caused by the dramatic increase in price. A $10 increase in price today would cost American consumers over $45 billion; $150 million a day.

The Senator from Texas says: But it is not just the cost to consumers; it is the cost of inflation to the economy, unemployment and lost growth. That is true. But what causes slower growth and unemployment and higher inflation simultaneously is the increase in the price of oil.

Mr. President, the first nightmare is an economic nightmare, and this amendment does nothing about the economic nightmare. This provision in the bill does nothing about the economic nightmare that would be occasioned from a huge price increase.

Why is that, Mr. President? That is because we have a world market price for oil, as the Senator from New Mexico has stated, as the Senator from Texas has stated, and whether we import one barrel of oil or not, we would have to deal with this economic nightmare of higher prices. In a disruption, the price would go up worldwide. We are the world's biggest consumer. We would therefore pay the biggest increase in new costs.

So, Mr. President, it is an illusion to argue that this provision in this bill would stop us from having to deal with the economic nightmare.

There are other nightmares that Senators have referred to. Those were the gasoline lines, those were the angry people coming to battle in the lines, the inconvenience.

Mr. President, those lines were largely occasioned by price controls and allocations by giant bureaucracies established to shift around oil supplies.

Mr. President, if the proponents of this provision are going to get any economic benefit from it, they will have to argue for a reinstitution of price controls and allocations. That is the only way the United States would end up paying less for oil than the world market price.

Mr. President, the proponents of this provision are hoisted on the horns of a dilemma. They either cannot give any assurance that we can be protected from an increase in the price of oil, or they are directly arguing for price controls and quotas.

Mr. President, the fact of the matter is that this is not 1979. There are some very real difficulties in the structure of the world oil market, in the source of our imports, in the amount of excess capacity in the world, and in the amount of oil in stockpile.

In 1979, 28 percent of our oil came from the Persian Gulf. Today it is 8 percent.

In 1979, we had 10 days of imports in stockpile in the strategic petroleum reserve. Today we have over 100 days of stockpile in the strategic petroleum reserve.

Excess capacity? In 1979, worldwide there were 2.8 billion barrels of excess capacity. Today there are over 10 billion barrels of excess capacity in the world market.

We are operating in a fundamentally different world environment. We have a much bigger cushion in stockpiles and excess capacity. We are not nearly as dependent on an insecure source of foreign oil, the Persian Gulf. We are importing much more from secure sources of foreign oil—Venezuela, Canada, and Mexico, which represent 39 percent of our imports. Thirty-nine percent comes from Venezuela, Mexico, and Canada.

Mr. President, this is a fundamentally different world oil market.

If I could, I would like to deal with the specter of the problems in the Persian Gulf today. We talk about flagging Kuwaiti oil tankers. We talk about the war in the Persian Gulf. We talk about this provision somehow or another addressing that problem. This provision in this bill will not address that problem. There is no way it will address that problem. We still will have the economic nightmare and the only way out of the economic nightmare is a system of price control. If we do that, we will still have the second nightmare of long lines, et cetera.

So, Mr. President, this provision does nothing to protect us against the problems that emanate from the Persian Gulf today. We are less dependent today on the Persian Gulf than we were in 1979. We only have 10 percent of our imports coming from the Persian Gulf. As I said, we get the bulk of our imports from secure suppliers of oil.

The Senator from Texas says, "How can we be so sure that Mexico is a secure supply or Canada is a secure supply?" I will only say if we cannot be sure of that, we have larger foreign policy problems than this provision addresses.

One answer is that we need a hemisphere policy. Fundamental to that is developing and cultivating those relationships with our neighbors, not slapping them in the face with some kind of arbitrary import lid.

So, Mr. President, I would hope that we will look carefully at the arguments about these nightmares. As I stated, the nightmares are economic. They come from price increases and the economic effect of those price increases. This provision does nothing to prevent those adverse economic effects. No, indeed. The sum of at least $45 billion more would have to be paid by American consumers with a $10 increase in the price of oil. The only way out of that would be a return to the price controls and allocations of the late 1970's, which is the other inconvenience and nightmare the proponents of this provision talk about.

Mr. President, I would hope that we would be able to address the true problems here. We do have more oil in the stockpile. We have a lot more oil in the stockpile. I see the Senator from Idaho and the Senator from Louisiana on the floor. Both have been major supporters of efforts to increase the strategic petroleum reserve. I think that is very important. We are better prepared today.

Mr. President, this provision does nothing to protect us against the economic nightmares that everyone has alluded to.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. KERRY). Who yields time?

Mr. BENTSEN. I yield 4 minutes to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 4 minutes.

Mr. WIRTH. Mr. President, I have listened to the proponents of this legislation and I find myself asking, "Therefore, what in the world do they believe we are moving into if we do not take action and take action now as suggested by the Senator from Texas?"

The recent discussions talked about the economic nightmare. In fact, yes, indeed, there is an economic nightmare here. The economic nightmare is whether we are going to pay now or pay later. Are we going to pay now and realistically see prices go up as they are doing all around the world, see prices go up to a realistic level and, in fact, pay ourselves by developing alternatives, developing incentives for conservation, developing solar energy, moving in the whole balanced program described so well by the Senator from New Mexico in his earlier remarks?

Are we going to do that now and pay ourselves, or are we going to wait for the real nightmare which is down the line, which is waiting to pay the OPEC countries, to pay them in dramatically disastrous fashion economically as it was in 1974 or 1979?

That is the nightmare we face, as to where that payment is going to go.

We face today a situation where there is a geographic imperative and that, I think was suggested by the Senator from Texas. The Strait of Hormuz is just as narrow today as in 1979, just as narrow today as in 1974. The nightmare is a geographic imperative nightmare. There is nothing we can do about the strait and the availability there except to take the kind of action suggested by the Senator from Texas.

We ought to learn from our history not to go through the economic nightmare of paying them as we paid that piper so grievously and disastrously in the early 1970's and 1980. Let us pay ourselves and pay ourselves in the fashion suggested by the Senator from Texas.

The balancing program described by the Senator from New Mexico we learned how to do in the 1970's. We went through that experience. We learned about developing exactly the kind of program the President is required to come back to us with, and say, what are you going to do if we get imports up to a certain level?

This is not requiring the implementation of that. The courts said very clearly to President Carter in 1970 when the President tried to step beyond 232 and put certain requirements in, as I remember it, related to gas rationing, no, he could not do it. All the Senator from Texas is doing is saying, "Let us focus again on the severity of the particular problem that, as sure as can be, will come down the line.

Let us not reinvent the wheel. Let us not go through the disastrous situation that we had before. Let us go back to a balanced program, not only of pricing but the pricing that is going to lead to good solar, good conservation, alternative energy programs, the whole package that we learned how about in the 1970's. Let us not allow ourselves once again to go through the real economic nightmare that we had in the 1970's.

I thank the Senator from Texas for yielding me a short period of time, and I look forward to listening to further debate. I certainly hope that we have the sense not to go through the history that we made in the 1970's in that real nightmare fashion but, rather, anticipate a little bit better and do so by supporting the provisions in the legislation written by the Senator from Texas. I yield the floor.

The PRESIDING OFFICER. Who yields time? Who yields time?

Mr. WALLOP. Mr. President, absent somebody from the supporting side of the amendment, will the Senator from Texas yield me a couple minutes?

Mr. BENTSEN. I would be happy to yield to Senator WALLOP——

Mr. WALLOP. Ten minutes.

Mr. BENTSEN. Ten minutes.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 10 minutes.

Mr. WALLOP. Mr. President, as a cosponsor of this amendment, I am dazzled by the scope and dimension of it as described by the Senator from New Jersey. It had not been my intention at least to claim that this amendment solves every problem, foreign and domestic, that faces the United States. It is relatively narrow in its scope and its purpose.

The economic nightmare of which the Senator from New Jersey spoke comes not from a measured increase in price but from a sudden overnight escalation, far more than the $10 of which he was talking, but that ninefold increase that took place over the course of fewer than 18 months.

Now, Mr. President, not speaking facetiously but genuinely, when it comes to energy, in a real government, this is probably not the best solution but in the Government as it is structured in America at this moment in time for energy it is a solution at least.

Now, why do I say that? Well, first of all, to recite alternatives as the Senator from Oregon has done is not to offer alternatives. To recite them is to tell us yes, there are some things out there, but they do not do anything. This amendment does in fact try to do something. This Government is congenitally incapable of dealing with energy policy. First of all, there is never a good time. Second of all, there are too many players in the option. There are 42 committees of Congress, subcommittees of Congress, Cabinet offices, and agencies of Government which have some say in the production of, in the price of, in the distribution of, in the exploration for, and the ability to use oil. And they do not agree in any perspective as to what any solution might be. There is the quirkishness of Congress and there is of course the supply of alternatives.

Let me say there is never a good time. I came to Congress at a time

when there were modest prices for oil and reasonable stability. And, prudent people then were suggesting, on the basis of 1973's experience, that we ought to begin developing an energy policy. My own State of Wyoming was beginning to have enormous development of coal and uranium, causing great stress, and energy policy was on the minds of people who were forward-looking. There was however, no effort in Congress of any consequence and no effort by Government of any consequence.

Now, along came 1979 and the only thing that we saw in those days was the avid pursuit of revenge. America's press daily pointed out the escalation in profits of the oil companies. Daily they pointed out the hardships people were suffering. But was Congress or the press ever inward looking as to what actually had created the ability of OPEC to do this to our economy? Absolutely not. It is a conspiracy amongst big oil.

The claim of the Senator from Oregon that this is an amendment which big oil likes is crazy. They do not like it. Their profits and their potential come from the ability of others to control the availability of the price and supply of oil to this economy.

After 1979, in 1982 there was once again a moment of relatively quite high prices, indeed, but relative stability in supplies and, frankly, the energy producing States were not all that interested in energy policy, partly because other energy forms came into play because of the economics of oil. Oil is the gold standard of the Btu business, and absent a certain price level the economics of the alternatives of which the Senator from Oregon and the Senator from New Jersey spoke do not come into play short of a major Government subsidy of some kind. The market forces relate to the price of oil. So these alternatives are not economically in play during those periods of time. So there was no interest then in energy policy.

Then subsequent to that we saw at the end of 1985 the rapid decline in the price of oil, still in the period of enormous supplies and abundance, and we are seeing today yet again a lack of desire and a lack of commitment on the part of Congress, on the part of the President, on the part of the Government generally to come to grips with energy policy. So you have seen it low and stable, high and short supply and unstable, you have seen it high and stable, you have seen it again down low and stable.

During all of these times people have been unable to focus. You cannot even get the Energy Committee or the Finance Committee to put one hat on long enough to come to grips with some of the questions that affect them each. So I would say, Mr. President, that does not work.

Last, there is this thing called the quirkishness of Congress, and we pass moratoria—without having hearings on them in the Energy Committees—on drilling off shore, off of Florida, off of California, in wilderness areas, out of wilderness areas, in proposed wilderness areas, in Alaska, all kinds of places. We just pass them, most often without having any committee consideration of those provisions. They just become political.

So here we are not asking any magic figure of a $10 increase. I do not see anywhere in the amendment that there is a precise economic figure. There is a call to action when a certain peril point is reached. The peril point is arbitrary, I grant the Senator from Texas and everybody else. But if not 50 percent, is it 70 percent? At what moment in time does it get the attention of Government long enough to put aside its turf battles, to put aside its own introspective criteria?

Mr. BRADLEY. Will the Senator yield for a question on that?

Mr. WALLOP. I will be happy to yield.

Mr. BRADLEY. What is the peril? How would the Senator describe the peril?

Mr. WALLOP. I would describe the peril as the overdependence upon sources of energy outside this country which when exercised by those who supply us can create the economic havoc that we once saw.

Mr. BRADLEY. The economic havoc being the price increase?

Mr. WALLOP. Partly the price increase, partly the simple ability to drive the engine of an industrial society.

Mr. BRADLEY. How does this provision prevent a price increase?

Mr. WALLOP. It does not prevent it.

Mr. BRADLEY. I thank the Senator.

Mr. WALLOP. And I do not know anybody who claims it does prevent a price increase, but it does prevent the threat of a sudden, dramatic, uncontrolled, unpredictable price increase. Maybe it does not even prevent that, but it calls on the President to at least consider this. One thing is absolutely certain in the mind of the Senator from Wyoming, that this Congress is not going to sit around and say, "Hmmm," and stroke its long gray beard and say, "We are approaching a peril point." This Congress does not behave so prudently.

Mr. President, I yield back the remainder of the time to the Senator from Texas.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, I yield 8 minutes to the Senator from Delaware.

Mr. ROTH. Mr. President, I rise to support the amendment to strike provisions in the trade bill regarding oil imports.

These provisions clearly increase the pressures for imposition of an oil import fee. Such a result, I believe, would be bad economic policy.

The main criterion for judging economic policy is whether or not it enhances economic growth. Economic growth is essential for our rising American standard of living and for improving the lot of the disadvantaged. Measures which harm economic growth harm all Americans in the long run. Antigrowth legislation means a lower standard of living, higher unemployment, and more social problems.

During the 55 months of the current expansion, much economic progress has indeed been made. Economic growth has created 13 million jobs and has driven the employment rate down to 6.3 percent. Unlike previous postwar recoveries, these strong job gains were accompanied by a collapse of inflation.

The chief objective of current economic policy should be to further extend this economic growth. However, in recent months, various proposals have been advanced which would undercut the health of the economy. These include several tax increases. At this time, I should like to focus on one of them—the oil import fee.

The trade bill now before us includes provisions which would lead to an oil import fee. As far as one can see, the fee's main appeal to supporters is that it would greatly increase taxes while protecting domestic oil producers. However, those concerned about the welfare of the average American must reject this provision of the trade bill. It could trigger imposition of an oil import tax, without the usual congressional action, a procedure which raises grave constitutional questions.

Furthermore, this tax will directly reduce the American standard of living by boosting prices of home heating oil, gasoline, petrochemicals, and petroleum byproducts, including consumer goods made of plastics. Consumers will pay more for cars, household appliances, chemicals, and a myriad of other products. And to what purpose? So that domestic oil companies make more money, and so that Congress has more money to spend. This tax would really amount to a welfare payment from the average American to the oil companies. Ironically, many of its supporters claim to be concerned about the welfare of workers and consumers, even as they promote this measure.

Of greatest importance, however, is the fact that the oil import fee would exert very negative effects on economic growth. These tremendous economic costs were recently analyzed in a study I requested from the Congressional Research Service. According to the evidence contained in this study, a $5 per barrel oil import fee would cut the rate of economic growth by about one-third in each of the years following its

adoption. Slowed growth would result in the loss of many jobs throughout the country. The study estimates that by 1990, an estimated 1 million jobs could be lost because of the fee. States in and near the northeast part of the country will be among those hardest hit.

Delaware, for example, consumes petroleum for heating oil, gasoline, and of course for manufacturing. In addition, the Delaware Valley refineries are heavily dependent upon imported oil. Consequently, the economy and the citizens of Delaware will be very seriously harmed by an oil import fee.

This kind of proposal shows what happens when policymakers lose sight of the goal of economic growth. While supporters of this fee include those apparently concerned about the middle class, these groups will be among those most seriously affected by a loss of job opportunities. Moreover, billions of their hard-earned dollars would be transferred to the oil companies.

The tax would also contribute to inflationary pressure, with a ripple effect throughout the entire economy. Not only would such a tax negatively affect our economy, but also, I believe it is irresponsible fiscally as well.

Congress needs to look for ways to reduce spending, not raise taxes. Those who support the fee argue that it is needed to reduce the deficit. In the long run, according to evidence in the Congressional Research Service study, the fee may very well suppress economic growth and actually increase the deficit.

However, a more fundamental problem with this tax is that new revenue will not be devoted to deficit reduction, but to more congressional spending.

As another report I released demonstrates, each dollar of new revenue actually stimulates spending, thereby increasing the deficit by 58 cents. In other words, this study shows that for every dollar of additional revenue, spending will increase $1.58.

Mr. President, we cannot tax ourselves into prosperity or into a balanced budget. Adoption of an oil import fee would be a colossal mistake. An oil import fee would undermine economic growth, reduce American living standards, while doing nothing to reduce the budget deficit. For this reason, I urge my colleagues to support the Packwood-Bradley amendment.

Mr. President, I yield back the remainder of my time.

Mr. JOHNSTON. Mr. President, will the Senator yield me 5 minutes?

Mr. BENTSEN. Mr. President, I yield 5 minutes to the distinguished Senator from Louisiana, the chairman of the Energy Committee, who is so knowledgeable on this particular issue and played a leading role in trying to find a resolution of the problem.

Mr. JOHNSTON. I thank my distinguished colleague from Texas.

Mr. President, as I sat in the Chamber this morning, I heard a unanimous consent request granted on this matter for 3 hours. For the life of me, I could not understand why this measure should merit 3 hours of the Senate's time.

Does it grant the President any new powers? No. It grants him not one single additional power that he does not have right now. What it actually does is limit his powers, because, under section 232, the President can take such measures to limit imports immediately. Under this bill, it requires a 90-day delay.

Why, then, does the Senate become so upset about a measure which simply tells the President to take some action? I can tell you that no action is being taken—not by Congress, not by the President, not by anybody. We are fiddling, in effect, while Rome burns.

Last week, a representative of one of our magazines came in for an interview on national energy policy, and she asked the question, "Senator, do we have a national energy policy?"

What is the answer to that question?

Every Senator here knows the answer to that question. There is no national energy policy.

Is there a policy on conservation? Well, I guess so. Let the free market work. Do away with the CAFE standards on automobiles. Do not do anything that would really restrict the use and the profligate use of energy. No, we do not have a conservation policy.

Do we have a policy on coal? We proposed a clean coal measure and the administration opposes it.

About the only thing we can do on the use of coal is to talk about acid rain, and that is a problem, but it is not an energy policy. It is not a way to get more energy. It is a way to get less energy.

Do we have a nuclear policy? Well, we cannot decide on what to do on nuclear waste. All we can do is talk about giving local government authorities a veto power over opening up a new nuclear plant. All we can do is put regulation after regulation, some necessary, some related to safety and some not, the net effect of which is to foreclose the nuclear option.

Do we have a synfuels policy? Sure, abolish the Synfuels Corporation. Maybe it was not perfect.

So what do we have, Mr. President? Our policy is either to do nothing or stop what we have.

Oil and gas is the one area that is here and now immediate, essential, that without which we do not have a transportation policy in the country. Without oil and gas, particularly without oil we do not fly, we do not drive, we do not operate a lot of our factories.

Here we are at 36 or 37 percent of imports and it is getting ready to climb, we think, we fear, to 50 percent, and all we are telling the President is you have some powers now, now if we are going to go to 50 percent, use the powers because 50 percent, Mr. President, is a tragedy to this country. It was not nearly 50 percent when we had the gas lines, and the people getting literally cut and stabbed and fights in the gas lines.

Who was it telling me not too long ago that he had to get up at 4 o'clock in the morning to go down and wait in the gas line to get to work on time? He used to have to do it all the time because he could not fill up. He could only get a gallon or two.

How quickly we forget that, Mr. President. Oh, do you not remember we were referring to ourselves as helpless giants, bound down by all these Lilliputians of Arab sheiks who had control over our policy? Do you not remember? I remember sitting right in the room with the Secretary of Energy of the United States, the greatest superpower in the world and have him tell us, well, we are not going to fill SPRO because the Saudi Arabians do not want us to and if they do not want us to, then we cannot do it because they are the ones who are giving us oil.

Our whole foreign policy was held hostage to people in the Middle East.

Here we are, Mr. President, getting ready, I guess, to flag the Kuwaiti tankers in the Persian Gulf, to put American boys in great peril. There is a difference of opinion as to whether we ought to do that, but there is no difference of opinion as to the vital nature of the Middle East and of Persian Gulf oil and of our dependence.

May I have 2 additional minutes?

Mr. BENTSEN. I do not have the time.

Mr. JOHNSTON. I thank the distinguished Senator from Texas and I hope we will table this motion to strike.

Who yields time?

Mr. PACKWOOD. I yield 8 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 8 minutes.

Mr. D'AMATO. Mr. President, I rise with many of my colleagues to voice my opposition to the Energy Security Act as added to the trade bill by my distinguished colleague from Texas, Senator BENTSEN.

I believe this provision certainly will bring about our developing and implementing policies to prevent crude oil and oil product imports from exceeding a 50-percent ceiling.

I believe this amendment is seriously flawed for several reasons:

The bill could easily result in an oil import fee, which could have devastating effects on our domestic economy. It requires the President to take action to reduce imports, and the most obvious way to do this would be to impose an oil import fee. This could go into effect without congressional approval. In a State like New York, which uses over 300 million barrels of oil per year, even a small oil import fee would have devastating effects to our economy.

Oil import fees are a tremendously inefficient revenue raiser. The Energy Information Administration estimates that oil import fees will generate only 7 cents in net revenue for every $1 in cost to the economy—an efficiency of only 7 percent.

I cannot believe for the life of me that there are those who still like to say let us raise revenue for deficit reduction, or, under the guise of oil independence, that we should use this method. If we want to talk about oil subsidies to the major oil companies here in the country this is the most effective measure by which to bring that about. But if we are talking about reducing our dependency on foreign oil, if we are talking about raising revenue to reduce the deficit, this is the most ineffective, inefficient way, and it will result in a downturn in our economy. It will result in a loss of revenues. It will result in consumers paying billions and billions and billions of dollars over and above what they should be, slowing down this economy, throwing people out of work and every reasonable serious effort to study this area, including this administration, has come up with those results.

The bill is a bill to bail out, to help, the energy producers of this Nation, simply and clearly, and that is what it will do.

I respect and understand those who have concerns about the economic well-being of those oil companies and energy producers.

Slap a $5 fee on a barrel of oil and we will see all of the oil and all of the energy products in this Nation will go up correspondingly. And what will the Treasury raise? It is lucky if it raises 50 percent on the imported oil that comes in. And what will it cost the consumers in New York State alone? It is estimated that the $5 fee would result in a $1.4 billion increase.

A major private economic forecaster, Data Resources, Inc., projects that a $5 oil import fee, in effect for 5 years, would slow the economy and increase Federal expenditures so dramatically that it would actually increase the deficit by about $6 billion.

A $5 per barrel import tariff would shift a net $8 billion out of the economies of the eight largest oil consuming States, which are New York, Florida, New Jersey, Pennsylvania, Ohio, Illinois, Georgia, and California.

Mr. President, I would like to outline just what one of the recent studies on energy security found that a $10 fee, and this again was made by our Energy Department, would reduce the U.S. gross national product by $30 billion to $45 billion a year.

Such a fee would have repercussions throughout the economy. A recent study on energy security found that a $10 per barrel fee on oil imports would:

Reduce the U.S. GNP by $30 billion to $45 billion per year.

Cause inflation to increase by 2 or 3 percentage points.

Cause the loss of 400,000 jobs.

And these costs will hit consumers directly. The Citizen/Labor Energy Coalition estimates that a $10 fee would:

Increase total U.S. petroleum costs by $53 billion per year, raising gasoline costs by $24.5 billion, heating oil by $1.7 billion, and diesel fuel by $4.2 billion.

Add another $408 in costs average to families who heat with oil, due to heating oil costs and increased gasoline prices.

Raise natural gas costs by $27 billion, since prices would rise to meet higher levels, increasing total costs to the average family with natural gas heat by $414.

An oil import fee would be devastating to many domestic industries. Right now, the Congress is considering trade legislation to help our industries become more competitive in world markets. However, an oil import fee would increase not only oil costs, but would force up prices on all energy sources.

For example, Bethlehem Steel Corp. recently testified that a $4-per-barrel tax would increase their plant operation costs by $8 million per year. Further, it would lead to at least a $3 per barrel equivalent increase in natural gas prices. The combined impact would cost them $30 million annually. Tinkering with the price structure of one single energy source, puts into motion a whole complex, linked price structure.

Let us not forget the effect on our farmers. An oil import fee would cause severe damage to the Nation's agriculture and rural economy. On a 300-acre farm, a $10 barrel fee would raise the cost of production for wheat by $690, for corn by $1,080, for rice by $3,000, for soybeans by $660, and for cotton by $2,160.

Such a fee would have an impact on our economy far greater than the Federal revenues raised by the tax.

In addition to my concerns with an oil import fee, I believe the bill is seriously flawed for several other reasons:

The bill is an abdication of Congress' responsibility. It allows, even encourages, the President to propose changes to tax laws regarding oil production, or even a gasoline tax.

The bill is a threat to the environment. It could result in the opening of environmentally sensitive areas to oil and gas exploration without the approval of Congress.

The bill is questionable from a constitutional standpoint. the authority delegated to the President appears limitless. Courts have traditionally required that such delegated powers be clearly limited.

The bill does not allow the President to consider the source of the imports. For example, a dependence on Canadian or Mexican petroleum imports does not carry the same national security risk as dependence on Libyian oil.

The bill does not allow the President to consider the existence of a strategic reserve or other programs designed to reduce vulnerability. Nor does an import percentage ceiling consider the impact which sharp increases in oil prices would have on national security. Experience has shown that price is a critical factor in determining vulnerability.

The bill would fundamentally alter the traditional relationship that exists between Congress and the President in developing energy policy. The President could prevent his policy from even being modified by Congress, so long as he maintained the support of one-third plus one of the Members in either House of Congress.

In summary, Mr. President, I believe this is an ill-conceived proposal which is an abdication of Congress' responsibility, and which could have devastating effects on our Nation's economy. I urge my colleagues to join in striking this provision from the trade bill.

Mr. President, whether it is intended or not, what this so-called energy security proposal does, it gives a bonanza to the major oil companies of this Nation. It strikes a dreadful blow to the American economy of this Nation and with particularity the States in the Northeast that are so heavily dependent upon imported oil.

It goes in the wrong direction. It certainly flies in the face of what we are attempting to accomplish in this trade bill.

For those reasons I would hope that the motion to strike is overwhelmingly supported.

I yield the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BENTSEN. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Texas.

Mr. BENTSEN. Mr. President, I am not going to add to the debate, but the big oil companies are opposing this.

Mr. President, I will tell you why, most of them are big international oil companies with most of their reserves

overseas. That is why they are opposing it.

I would like to put that one to rest.

The PRESIDING OFFICER. Who yields time?

Mr. BENTSEN. Mr. President, I yield 4 minutes to Senator McCLURE.

The PRESIDING OFFICER. The Senator from Idaho is recognized for 4 minutes.

Mr. McCLURE. I thank the Senator from Texas for yielding.

Mr. President, I rise in support of the provision of the Senator from Texas in the bill and oppose the motion to strike. I do that freely confessing the criticisms of the amendment that have been leveled by some that it is imprecise, that it by itself is not an energy policy, that it does not by itself increase supplies in this country, does not by itself solve all of our energy problems.

But what it is is a call to action and an affirmative statement by the Congress of the United States that finally at some point we have to do something. I support it in that sense.

Yes, I can be critical of some of its individual provisions. I can be critical of the fact that the Congress, in particular the Congress, has failed over the last several years to come to grips with an energy crisis that is predictable as tomorrow morning's Sun rising.

I would I suppose save my colleagues a lot of time if I had just cataloged all the speeches I gave on the floor of the Senate over the last 10 or 12 years with respect to that problem and that sure crisis, the approaches of this country and then let them go back and read it. I certainly do not have time to state it all over again.

But one of the predictions that I made and one of the pleas that I made, which I do want to remind people of today, because it is so current, is that we need to have an energy policy for this country that reduces dependence upon imported oil if for no other reason than to avoid having young Americans die in the Middle East.

I say that because right now this Congress and this country are recoiling from precisely that reality. The attack on the U.S.S. *Stark* was not an unpredictable event. A great many Members of the Congress recoiled from it and said, "Oh, my goodness, why do we have ships in the Persian Gulf?" And every Member of Congress that recoiled that way was either hopelessly naive and hopelessly ignorant of the facts or indefensibly demagogic, because every Member of the Congress of the United States knew or should have known that U.S. ships were in the Persian Gulf and they knew why. And they know why today.

So we have Congress debating over that issue, not about the fundamental issue of how we solve dependence upon imported oil, why that region of the world has grown so important to us, why young Americans are exposing their lives and some having died there with more at risk because of our failure to have an energy policy and because of all of the negative actions that the Congress of the United States has taken with respect to energy policy.

And then we have my good friends who are sponsoring the motion to strike criticizing it because it is not perfect. That is all Congress can do is criticize, and the impotent group of forces on opposite sides, with minorities in favor of everything and majorities in favor of nothing.

I could not help but note the words of the two prime sponsors of this motion to strike, one argues for lower prices, which means increased dependence upon imported oil, and the other is pleading for alternative sources of energy, which means increasing prices of energy in order to finance those alternatives. Even the sponsors of the motion to strike are in disagreement as to why it ought to be stricken and what it is we ought to be doing instead.

That is the indictment of the Congress. That is the reason for my support for the Bentsen provision. That is why we ought to turn down the motion to strike and we ought to take at least one step positively saying that there is a crisis confronting this country and that crisis demands a solution and it demands action, not the inaction that has characterized congressional actions up until this date.

I thank the Senator for yielding.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, I yield 7 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for 7 minutes.

Mr. CHAFEE. Mr. President, I am pleased to join my colleagues in opposition to the energy security provision of this bill.

This provision would give the President advance authority to impose an oil import fee to decrease oil imports when they threaten to rise above 50 percent, is one more attempt to impose oil import fees on the United States. The prosperity of recent years has been largely fueled by the constant declining price of oil and gasoline. An import fee would substantially increase the cost to the American consumers and the American economy as a whole.

Sometimes it is very, very hard to keep a bad idea down. And this bad idea keeps bobbing up no matter how many times we have defeated it on the floor of this Senate.

An oil import fee is simply unfair. In my section of the country in New England, we lead the Nation in energy conservation, but we still depend on oil for 66 percent of our energy needs. That is a fact of life. We do not have natural gas. We do not have hydroelectric power. We are dependent upon oil.

This figure of 66 percent of our energy needs being dependent upon oil is nearly double the national average. So a fee on imported oil would raise the cost, as everybody knows, it would not just raise the cost of imported oil, the design of the whole thing is to raise the cost of all oil, domestic as well. And that means that the result of this would be a savage blow to the section of the country where I come from, to our homeowners and to the businesses alike.

Imported oil makes up less than 40 percent of the oil we consume. But, as I said, the oil import fee would not just raise the price of 40 percent, it would raise the price of 100 percent of the oil consumed in this country. And that means that consumers everywhere would have their costs increased.

I can appreciate the concerns of oil State Senators here today, but there is another side of the coin, and that is the individuals and the businesses who have to pay inflated prices for oil.

What have the lower energy costs meant in the last several years? That has been one of the key ingredients that has fueled the prosperity that our Nation overall has enjoyed. Lower energy costs have meant lower inflation, they have meant an increase in per capita income, and they have meant more jobs for all Americans. So let us not step in and clip off this prosperity now with this unwise provision.

There is a lot of talk about national security, but the fact of it is it is protectionism. It artificially boosts the price of energy for the benefit of a narrow segment of domestic energy producers.

What would be the damage to our economy? Just think of it. Here we are talking about competitiveness. We are trying to compete with Japan, Europe, and the rest of the world. We are trying to be better, trying to keep our costs down, trying to get a greater share of trade in the world. Ironically, this is a trade bill—the bill that this is attached to is a trade bill—which is designed to help make the United States competitive, yet this very measure makes us less competitive.

Let us look at some of the figures. Data Resources, Inc. estimates that a $5 per barrel import fee would lose 1 million jobs over 4 years—1 million U.S. jobs. Specific industries, such as petrochemicals, would be especially hard hit. American farmers would find their costs increasing.

Here we are trying to export our grain, our wheat, our corn, and we

would find the cost of production would go up, not down. The National Grange estimates that a $10 per barrel fee would increase the cost on a 300-acre farm by $2,000 to $3,000 a year, depending on which crops were raised, through fertilizer, through the operation of tractors. Bethlehem Steel says that a $4 per barrel fee would actually cost the company $30 million and the steel industry as a whole $230 million, which is hardly a recipe for international competition.

Consumers would bear the heaviest burden of all. Estimates from the Citizen/Labor Energy Coalition show the average family's heating and gasoline cost would rise 27 percent if we had a $10 per barrel fee. The average family would have to pay more than $400 extra annually for energy, every year, just because of this import fee.

The report also estimates that a $10 a barrel fee would have a major economic impact, reducing our gross national product by about $30 to $45 billion per year and cause a one-time inflationary effect—here we are trying to lick inflation: we have been pretty successful—of 2 to 3 percent.

Import fees could be imposed, rationing could be imposed, environmentally sensitive areas could be developed, or production tax incentives could be adopted, all by the President without any congressional approval.

The President's authority to limit imports to protect areas with threats to national security is already governed by section 232 of the Trade Expansion Act. This law is on the books and it has worked well since 1962. But the provision we are dealing with today provides a discretion to the President beyond that. It would be a grave error to give him this authority at this time.

In closing, Mr. President, this provision is a back-door approach to helping one specific segment of the Nation—the depressed domestic oil industry. The protectionists' strategy behind it is clear. It ignores the fact that curbing trade will hurt the consumer, hurt employment, hurt the gross national product, increase inflation and overall be damaging, extensively damaging, to this Nation of ours.

So I urge our colleagues to join the rest of us in supporting the amendment to remove the energy security provision from this bill.

I want to thank the manager of this side and thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. McCLURE. Would the Senator yield me 15 seconds for a unanimous consent?

Mr. BENTSEN. I would be glad to.

Mr. McCLURE. I ask unanimous consent that a statement by Senator MURKOWSKI on the motion to strike the energy security provisions of the trade bill be printed on the RECORD.

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

● Mr. MURKOWSKI. Mr. President, I rise today in support of and as a cosponsor of the energy security provision of this trade bill.

As I listen to the debate here, I cannot help but note the remarkable ability of the opponents of this provision to avoid addressing the guts of this issue. And the guts of this issue, Mr. President, is energy security.

This is not an issue of Presidential power versus congressional authority. This provision, pure and simple, is about protecting the economic integrity and domestic security of this country.

There should be no mistake that another energy crisis is right around the corner for the United States. The past year has been disastrous—for our national energy situation in general, and for our domestic petroleum industry in particular.

In 1986, U.S. production of crude oil declined by more than 4 percent. At the same time, domestic consumption rose by more than 3 percent. The combination of these two factors has resulted in a significant increase in U.S. dependence of imported oil. Earlier this year, our level of imports reached nearly 40 percent of domestic consumption. This stands in stark comparison to 27 percent in 1985; and 33 percent in 1973—the year OPEC caused the first oil crisis in this country.

The truly alarming fact in all of this is that nearly 50 percent of the oil we now import comes from OPEC member countries.

And there is every indication that the situation will continue to deteriorate. A recent Congressional Research Service report to Congress predicts that our domestic crude oil production will continue to decline—a minimum of 17 percent by 1995 and 24 percent by the year 2000. This means that we will need to import an additional 1.5 million barrels of oil per day by 1995 and an additional 2 million barrels per day by the year 2000.

Mr. President, these statistics are based on the assumption that domestic consumption will remain constant over that period of time. Given our experience of the past 18 months, I do not believe this is a realistic assumption. Thus, we can expect our dependence on imported oil to rise significantly more than predicted by CRS.

The bottom line of the CRS study—and several other recent studies—is that the United States will be importing well over 50 percent of its crude oil requirements in the very near future.

Several of my colleagues have done a masterful job of outlining what it means for this Nation to be so dependent on imported oil. In particular, I believe that the CRS predictions of the impacts of an oil price shock are most enlightening.

But Mr. President, we do not need to rely on studies and predictions to know what will happen—and I mean will happen, not might happen—when we rely on foreign sources for so much of our crude oil. We have already had two very painful experiences to demonstrate what will happen.

I am afraid that, unfortunately, we have not learned anything from those experiences and we are destined to repeat the mistakes of the past.

The strenuous opposition to this energy security provision is a clear indication to me that we have not learned any lessons from the oil crises of the 1970's. It is an indication that we intend to do business as usual with respect to energy. And what is business as usual, Mr. President? It is waiting until the crisis occurs and then frantically looking for something to do to mitigate the effects of that crisis.

The energy security provision is an attempt to change business as usual. By enacting a ceiling on oil imports, the Members of the Senate will demonstrate that they have learned something from our past experiences—we learned that heavy reliance on Middle Eastern crude oil make this country vulnerable to economic and political chaos.

By requiring the President to submit an annual report projecting oil production, demand, and imports for a 3-year period, we establish a long-term approach to our national energy policy. Rather than react to a crisis situation, we will have projections of future conditions and can take appropriate steps to avoid a crisis.

Mr. President, the energy security provision of this trade bill is legislation that Congress should have enacted long ago. Perhaps, if we had, the United States would not be in the predicament we find ourselves in today. It is not too late to take the affirmative steps necessary to protect our national security.

I commend the distinguished senior Senator from Texas and my other colleagues who have cosponsored this provision and I urge those who have not to lend their support to it.●

The PRESIDING OFFICER. Who yields time? The Senator from Texas.

Mr. BENTSEN. I yield to the junior Senator from Louisiana.

Mr. BREAUX. Mr. President and Members of the Senate, first of all I thank the distinguished chairman for bringing this measure to the Senate floor for consideration. I join with him as a sponsor of this measure along with our distinguished senior Senator from Louisiana who is chairman of the Senate Energy Committee. I cannot imagine that there is this much debate

on this issue, if you think about it in reality.

Can you imagine what this body would be doing if we were importing over 50 percent of our food from foreign countries? Could you imagine the outcry if we were importing over 50 percent of the medicine that we use in this country from foreign countries, which are, in many cases, unfriendly to the United States?

Can you imagine what our position would be if we were importing over 50 percent of the airplanes that we use in this country from foreign countries that we cannot depend on?

But we are approaching that figure with regard to something equally important to our national security and that is oil. We are not going to be able to fly those planes unless we have that energy. We are not going to be able to run the railroads and automobiles and keep society moving if we do not have enough energy to run them.

A lot of people think the situation now is nice because OPEC has decided to open the valve and flood the market. Many parts of our country are saying: "Thank you very much. We enjoy it. Let's keep it like that for a couple of years."

But I ask the Members of this body what would happen if OPEC all of a sudden decided to turn the faucet off like they did in 1973, and bring our country to its knees?

Are the people in New Jersey and the people in New York and the people in New England going to be happy about that situation? I would suggest that they would not. I would suggest they would say: Do something about it. We do not want long lines again.

Let us make it very clear. If people in the United States did what OPEC did; if our oil industry did what OPEC does to us every time they meet, our people would be put in the penitentiary because what they are doing is criminal. It is price fixing.

So I would suggest that this legislation does not give the President any additional authority. It has been crafted so that it only says: Use your powers in the Trade Adjustment Act.

The President says we have a problem and then he throws out platitudes for solutions. What the Bentsen legislation provides is that the President shall use the tools that Congress has already given. We are not giving him one single iota of additional authority. We are merely saying if we are about to go down to our knees as we did in 1973, that somebody, somewhere, ought to use the existing authority and take action so that we will never find that situation happening again.

I think the amendment of the gentleman from Texas is perfectly right on the target and I strongly support it and oppose any efforts to strike it out.

The PRESIDING OFFICER (Mr. WIRTH). Who yields time?

Mr. PACKWOOD. I yield 5 minutes to the Senator from Rhode Island.

Mr. PELL. I thank my colleague.

Mr. President, I am pleased to join with my distinguished colleagues, the senior Senator from New Jersey [Mr. BRADLEY], and the junior Senator from Oregon [Mr. PACKWOOD], in this bipartisan effort to strike section 502, the energy security provisions in title V of S. 1420, the omnibus trade legislation.

Last February, I along with 15 of my colleagues in the Senate, submitted Senate Resolution 97 opposing the imposition of import fees on crude oil and petroleum products. That strong bipartisan effort led to the formation of a broad-based coalition of business, industry and consumer groups united in opposition to any oil import fee. Clearly that strong effort in February helped greatly in uniting support in opposition to oil import fees and the energy security provisions under section 502 of S. 1420.

In my opinion, there is no question that section 502 of the trade legislation is a backdoor approach to the imposition of an oil import fee—all of which is aimed primarily at deficit reduction and protection of the domestic petroleum industry, rather than the very real concern over energy vulnerability. I believe it is clearly not in our national interest to suggest that oil imports from our most friendly and secure suppliers of oil—Canada, Mexico, Venezuela and Indonesia—are a threat to our national security.

In this regard, I would call the attention of my collegues to a June 24, 1987, letter which I received from His Excellency Valentin Hernandez, Ambassador of the Republic of Venezuela, on the matter of oil exports.

Ambassador Hernandez comments at length on the security of supply issue, and emphasizes that Venezuela itself has 900,000 barrels per day of excess crude oil production capacity which could be quickly brought on stream as one additional secure source of petroleum supply.

I ask unanimous consent that the letter from Ambassador Valentin Hernandez be printed in the RECORD at the conclusion of my remarks.

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

Mr. PELL. Mr. President, if indeed energy security is our concern under the provisions of section 502, then our attention should be focused on oil imports from the Persian Gulf area—oil imports which count for approximately 6 percent of all oil consumed in the United States today, not a vulnerable 50 percent as suggested in the trade legislation.

Equally important is the question of energy dependence, our national attention should focus on adequate supplies of oil for the strategic petroleum reserve as well as the sadly neglected area of energy conservation. Indeed, a return to a strong commitment to conservation including weatherization and auto efficiency standards would go a long way in responding to energy vulnerability from the Persian Gulf.

Without question, the energy security provisions, section 502, in title V of the trade legislation should be deleted from S. 1420. In addition to the many questions that can be raised over the issue of energy dependence, section 502 of S. 1420 requires the use of broad authority under section 232 of the Trade Expansion Act by the executive branch with little opportunity for careful congressional or public review of the Presidential recommendations to limit oil imports.

In sum, I am delighted to join my distinguished colleagues in opposition to the energy security provisions of S. 1420. The provisions essentially would protect the oil industry through the imposition of a tax that would impose an unfair and discriminatory burden on consumers, business and industry in the Northeast as well as certain States along the east coast and upper Midwest.

I will continue by strong efforts to address our real concerns over energy vulnerability. But I will continue to oppose measures which would impose an unfair burden on consumers and business in Rhode Island, and other oil consuming States.

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

EMBAJADA DE VENEZUELA,
*Washington, DC, June 24, 1987.*

Hon. CLAIBORNE PELL,
*Chairman, Committee on Foreign Relations, U.S. Senate, Senate Russell Office Building, Washington, DC.*

DEAR MR. CHAIRMAN: This is not the first time this year that I have the honor to address you on an issue in which we share common concerns. As you are undoubtedly aware, the Republic of Venezuela closely monitors congressional debates regarding proposals to tax imported oil. Representatives of my country and our oil industry have held meetings with the Members and staff of the Foreign Relations Committee, as well as that of other congressional committees, on several occasions to discuss our concerns. We believe that an amendment to the Senate Trade Bill which was recently adopted by the Finance Committee could eventually lead to a limitation on oil imports through the imposition of an oil import tax or import quotas. This amendment is generally identified as the "oil import threshold legislation."

As you are aware, Venezuela would be severely affected if the United States were to enact restrictions on oil imports. The United States is Venezuela's most significant export market and currently represents approximately 50 percent of our total oil export earnings. Presently, over 90 percent of Venezuela's export and foreign exchange earnings are derived from our worldwide crude oil and petroleum product sales. Oil accounts for approximately 60 percent of all

government revenues and over 25 percent of the nominal gross domestic product.

Furthermore, Venezuela today has the fourth largest foreign debt among Latin American developing countries, surpassed only by Brazil, Mexico and Argentina. Of Venezuela's total foreign debt, approximately $10 billion is owed to United States banks. Venezuela's capacity to continue to develop economically and socially, to purchase merchandise and services from abroad, and to service its foreign debt are directly dependent upon the level of income it derives from petroleum exports.

Market conditions resulting from the oil price collapse of 1986 were obviously detrimental to United States oil producers. The situation was not different in Venezuela as export revenues decreased 44 percent in 1986 to $7.2 billion from $12.9 billion the previous year. In a country as heavily dependent on oil export revenues as Venezuela, the negative impact of such a reduction is indeed significant, and it has already resulted in reduced imports, increased inflation, unemployment and related social pressures, as well as in domestic political uneasiness regarding the management of our external debt situation.

In addition to the perception that the oil import threshold legislation will result in the imposition of an oil import fee, we believe strongly that such legislation fails to consider the variety of factors which comprise energy security. Indeed, the study recently undertaken by President's Reagan's Energy Security Task Force plainly states that the use of oil import levels as the sole indicator of the United States' energy security is an oversimplification. The report concluded that, in assessing United States energy security, a variety of factors must be considered including the source of oil imports, the stocks that have been accumulated in the United States and elsewhere, and the excess production capacity that exists in the world.

In this context, at the risk of being somewhat repetitive, I feel it is necessary for me to reiterate that the combination of our enormous oil resource base in the Western Hemisphere, the proven technical and managerial capacity of the Venezuelan oil industry, the proven historical track record of Venezuela as a stable and secure source of supply to the United States, the Venezuelan decision to invest in down-stream activities in this country, and the historical and political affinity of our two nations committed to individual freedom and democracy in all of the Americas, should be taken into account by the U.S. Government in considering its overall energy policy and, in particular, its energy-security related policies. In addition, today Venezuela alone has 900,000 barrels per day of excess crude oil production capacity which, in case of crisis, could be brought on stream in a matter of weeks, and we also possess similar flexibility in our refining capabilities.

Mr. Chairman, the fact that United States oil production will continue to decline regardless of price level is well-documented. No matter what policies are implemented, the United States will have to rely on imported oil to help meet its total energy requirements. Oil import restrictions deny this fact, and penalize oil exporting nations, especially the United States' geographical neighbors and political allies, such as Venezuela, Canada and Mexico, which together account for nearly 38% of total U.S. petroleum imports. As you know, a substantial portion of Venezuela's petroleum exports are consumed in Rhode Island and other New England States.

During this and past Congresses, you have raised important points with respect to the oil import tax issue. Specifically, you have cited the disproportionate effect of such a tax on the consumers of the Northeastern and Midwestern United States, and on friendly oil producers such as Venezuela. It is our hope that, in assessing its long-term energy security, the United States Congress fully recognizes Venezuela's oil resources, reserves, and technical abilities, as well as the long-term history of bilateral cooperation between our nations, and that no measure be adopted that could jeopardize Venezuela's ability to continue to supply significant quantities of oil to the United States in the future. The Republic of Venezuela appreciates your efforts in this regard, and as an ally and close friend of the United States, we wanted to make known our views to you on this issue of extreme importance and significance to our country.

Sincerely,

VALENTÍN HERNÁNDEZ,
*Ambassador.*

The PRESIDING OFFICER. Who yields time? The Senator from Texas.

Mr. BENTSEN. I yield 5 minutes to the distinguished Senator from Montana.

Mr. BAUCUS. I thank the Senator from Texas.

Thank you, Mr. President.

Mr. President, this amendment, I think essentially questions the degree to which we as a people, Congress, are going to become more mature. It is clear that we have got an energy problem. It is clear, too, that this country does not have the solution to the energy problem. We have no policy.

We fuss, we feud, we fight, we muddle along, we complain. We do not develop a policy.

In fact, this debate so far today is the best evidence of why we do not have a policy.

New England Senators, on the one hand, say no. They are worried about oil import fees. They are worried about their consumers.

No, they are opposed to this amendment. Most of the Senators who oppose this amendment are from New England States, nonproducing States. Meanwhile, it is true that most of the proponents of keeping oil security in this bill tend to be those Senators from producing States. The Senator from Texas, the Senator from Colorado, the Senator from Louisiana; they are from producing States. So the question is, are we going to develop energy policy? Are we going to get together or are we not?

My own State of Montana produces some oil but not a lot. Most of the people in my State are consumers. We do have a few with producing interests. Some but not all the producing States are States that produce on a proportional basis. So I ask myself am I for the provision of the bill or am I for the proponents who want to strike the provision in the bill?

I suggest that we as a people have to get our act together. We as a country have to get our act together. We live in a very uncertain world with tremendous economic uncertainty, tremendous political uncertainty. Witness only the problems recently in the Persian Gulf.

Basically the question is, are we as a country, are we as a people, going to try or are we going to do nothing? I have heard a series of complaints about this amendment. One is that it mandates certain action. This amendment does not give any more authority than is now given the President under section 232. The President already has the authority. Yes, it is discretionary but he has that authority today. I do not see any reason to complain that some provisions of this direct the President to take certain actions in the event certain conditions take place.

I have heard the complaint: Well, we rely too much on oil. We should have alternative sources of energy. It is true, we should have alternative sources of energy, but the fact is oil is not fungible. You cannot put whiskey or milk or water in your gas tank. You can only put gasoline in your gas tanks. We rely very directly on oil.

We work to develop alternative sources, but I submit that if this amendment is in the law, that it will help encourage this country to move toward the development of alternative sources of energy. Otherwise, it is the status quo, and what is the status quo? The status quo is we keep relying on supplies from OPEC and from other producers. We have got to move ourselves more toward development of a policy and this will help.

I have also heard we are less reliant on Persian Gulf countries now than we once were. That is true. But if you look at the projections, we are getting much more reliant on Persian Gulf countries in the future.

CRS concludes that our reliance for 1995 will be three times, by 1995, what it is today.

Our reliance on Persian Gulf sources will be three times what it is today, and the projections are for greater reliance in the future. Why? Because the Persian Gulf oil is easily pumped out of the ground and the oil from other countries is less easily pumped out of the job.

We have also heard the complaint about the provision that, well, it does not have much to do with price. It is true it does not have much to do with price. What we are getting at is supply, the source, the dependence on other countries. That is what the provision is about.

And this makes us less competitive is another argument because energy prices might go up. Mr. President, an ounce of prevention is worth a pound

of cure. If we do not get some control, get our act together, and develop an energy policy in this country, develop more energy supplies in this country, the price we are going to pay down the road will be much more severe than it is today.

The Senator from Louisiana made a good point. He said to put ourselves in the shoes of some other countries, some countries that import most of their food or a lot of their food. What do those countries do? Those countries have developed very aggressive policies for the food coming into their own countries so they are not relying on the United States as they once were because the United States historically has been an unreliable supplier. That has happened.

We have embargoed countries for some political purpose. Who is to say that some other country will not cut off supplies to us for some action we will take in this country.

To sum up, Mr. President, let me say this: This is really a question of trust. Our country has to develop more trust. Here we are with a Democratic-controlled Senate and a Democratic-controlled House. If this provision goes through, we are giving more authority to the President. We have to develop more trust in this country. I say to Senators who are worried about potential problems with this, there are no closed doors, there are opportunities to address that. Let us get on with it. Let us start developing a policy that makes the United States a little more self-sufficient in the production of energy so we can compete more aggressively and be more secure as we face an uncertain future.

Mr. BENTSEN. Mr. President, I yield 7 minutes to the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington is recognized for 7 minutes.

Mr. EVANS. I thank the Chair.

Mr. President, I have sometimes despaired over the last few days that we would ever get around to debating significant amendments to a trade bill. We ran through a litany of foreign affairs issues and danced all around the edges of a trade bill. I am delighted that we are finally now debating one of the more important elements of the trade bill now in front of us.

Mr. President, I would have to say, to paraphrase President Reagan, here we go again.

Several days ago on the floor of the Senate I noted the irony of proceeding to thump our chest and take a tough stance on trade at the same time we were passing a budget resolution which did not even come close to meeting the achievable standards we set for ourselves less than 2 years ago.

Why is that ironic? Because, as we so often do on the floor, we were addressing the symptoms and not the cause of the problem. Clearly the domestic budget deficit is the principal cause of our current acute trade deficit. With the energy security provisions in this bill, I believe we are making exactly the same mistake. With the proposal now in the bill which is sought to be stricken, we are dealing with the symptoms and not the fundamental cause of the fuel problems we now have.

Why do we have a budget deficit which requires us to borrow from others? Very simply, because we simply spend more than we earn.

Why do we have a petroleum deficit which forces us to rely increasingly on more unstable regions of the world for the lifeblood of our economy? Simply because we use more oil than we produce.

Mr. President, if this was the equivalent of the drug problem, we would suggest that the best way to ensure that we ended the problems of heroin addiction would be to secure the supply of heroin for those who are addicted.

Well, that is no answer. I think it is no answer, at least by itself, to suggest that this is the direction we take now through an oil import fee or anything like it.

The Secretary of Energy said in his recent energy security report that our imports will comprise an ever-increasing share of total petroleum use, from 5.2 billion barrels last year, up to 8 billion barrels and 50 percent of our total by 1990 or 1991. We all know, and it has been repetitively stated, that two-thirds of the oil supply of the free world, at least, is under the sands of five Arab countries.

It is clear that if we continue on our present course we will depend more and more on a region that is less and less stable.

Certainly we can all agree, and I will stipulate to my good friend from Texas, that our domestic situation is horrible. The current rig count is down dramatically from where it was a year or 2 ago. High-cost producers and stripper wells are finding they cannot compete at today's world prices. At the same time, we are finding only a limited amount of new oil and are putting some considerable restrictions on where and under what circumstances we search for new oil domestically.

The Senator from Texas is also right when he notes that Middle East producers possess the surge capacity so important in the event of a dislocation in world supply. They will be the ones who profit and we will be the ones who suffer if a major oil disruption occurs.

But having agreed with all of that, I differ with the Senator from Texas when he suggested the kind of trigger mechanism he is proposing here is a correct response. The right response? The right response, Mr. President, has been advocated earlier by the Senator from Oregon and the Senator from New Jersey. It is a responsible energy policy which we are still searching for and have yet to find.

Let us not kid ourselves and bow blindly at the altar of the free market. There is no such thing as a free world energy market.

Oil is a strategic commodity. It is traded worldwide. The swing producers such as Saudi Arabia have surplus capacity which could easily manipulate world oil markets to suit their purposes, not ours.

One day they may wish to discipline one or another of their OPEC colleagues and drive prices down. Another day they may wish to generate more revenue for themselves to operate an economy that requires more and more money. We can be sure of only one thing: their decisions will not be made with the best interests of the United States at heart.

Our response should be a balanced one that does include increased domestic production, but also increase domestic conservation. Time and time again, Mr. President, we simply ignore the conservation or efficiency side of the balance.

We in Congress allowed the administration to bow to the wishes of our major automakers, already protected by voluntary import restraints, and they lowered fuel efficiency standards for passenger automobiles.

The good Senator from Montana said that cars do not run on milk. He is correct. But they run on too much gasoline. If all cars on the road today achieved a 1-mile-per-gallon improvement in fuel economy, that would be precisely the goal of the CAFE standards, the fuel efficiency standards, which the administration eased up on. We would not need any oil from the Middle East. The two are precisely in balance.

I might say again that if we were able to double the current 17.5 mile per gallon fuel efficiency of our fleet, well within current technologies to do so, that would be equivalent of all of the imported oil we are talking about in 1990 or 1991.

Mr. President, there is a vast opportunity in new initiatives which we are only starting to achieve.

They are in everything from appliance efficiency standards to cogeneration, to home efficiency, to model conservation standards, to manufacturing industrial efficiencies, even resolving the waste problems in our nuclear field. All will help to reduce the necessity for oil, especially imported oil, and all of it will happen without decreasing the standards of living or giving up anything or paying more taxes here in the United States.

The Senator from Texas said in his remarks it is time to fix the roof

which the sun is shining. I could not agree more. But this time, Mr. President, let us put on a permanent roof, not just another patch.

Mr. President, let us not put ourselves in the position with temporary measures where future historians look back and wonder why we did so little when we had a chance to do so much.

The PRESIDING OFFICER. Who yields time?

Mr. BENTSEN. Mr. President, I yield 5 minutes to the distinguished Senator from Oklahoma, who has been a real leader in the fight for energy independence in our country.

Mr. BOREN. Mr. President, I thank my colleague from Texas, the distinguished chairman.

Mr. President, I thought I had lost my ability to be shocked by actions that might be contemplated by this body, but I must confess that on this occasion I am shocked and astounded that anyone would move to strike from this bill the very responsible provision which we are now debating. How can anyone doubt that increasing the dependency of this country on foreign sources of oil is a threat to our national security? It is self-evident. We are in the process, Mr. President, of dismantling the domestic industry. We have a reduction of our rig count from 4,700 down to approximately 800. We are struggling to reach the 800 level.

We have had an increase just since July 1985 on Saudi Arabia alone, going from 45,000 barrels a day dependence on that source up to 700,000 barrels per day dependence upon that source. Since 1981, we have gone from a dependence of approximately 20 percent on foreign sources of oil to now over 40-percent dependence in just a 5-year period of time. We are well on our way to the 50-percent level. Something must be done about it before it is too late.

Why do we always wait until after the problem has reached crisis proportions before we deal with it? When are we ever going to have the foresight to take responsible action before it is too late, to avoid those huge increases in prices that will devastate the consumers and that will devastate American industry and our ability to compete with the rest of the world at the time that we have huge trade imbalances, to assure that we will have what we need in terms of energy sources in case of some threat to our national security?

I understand it has been said that we are here talking about giving some kind of broad responsibility to the President. That is simply not true. We are simply saying that the President should exercise the authority which he has under section 232(b) to deal with the rapid increase of imports that threatens our national security. The President has had that power for 30 years. We are simply saying, as the Congress of the United States, we want to make sure that the President and the Congress carefully monitor this situation to make sure that our national security is not threatened by overreliance on foreign sources of oil. We are not talking about giving new powers to the President. We are simply assuring that this country will plan ahead for once, that this country will act to protect its national security by making sure that we do not become overly dependent on other countries for the oil which we need, economically and from the point of view of national security if we should face an emergency.

I understand it has also been said that we do not get most of our foreign oil from OPEC. That is true. We get more of it from our neighbors, from Canada, from Mexico, from those in our own hemisphere, and other parts of the world.

But that ignores the fact that the world oil market is interchangeable. We have responsibilities, for example, to other countries, other trading partners, other allies. If the OPEC sources of oil are cutoff, if we were to have a disaster occurring in the Persian Gulf, that reduces the amount of oil that is available worldwide. We have responsibilities to make sure that other countries get their fair share of the oil that remains. And it upsets the whole supply and demand for oil in the world. If oil is cutoff in the Persian Gulf, even if that oil is not intended to come to the United States, it will cause a shortage of oil worldwide that will rapidly escalate the price unless we have had enough foresight to maintain an ability to produce oil here at home.

Let us open our eyes to the danger that clearly confronts us of being too dependent on foreign sources for the production of crucial mineral resources for this country. Let us act before it is too late. Let us follow the responsible path that has been set forth by the Senator from Texas.

The PRESIDING OFFICER. Who yields time?

Mr. DURENBERGER addressed the Chair.

Mr. PACKWOOD. Mr. President, I yield 7 minutes to the Senator from Minnesota, but I have to say we have to hold to this time; we have other speakers coming.

Mr. DURENBERGER. Mr. President, I am shocked at my colleague's shock but I am getting used to it. When those of us from the so-called consuming States rise in shock, it is because someone from a producer State has enacted an energy policy we disagree with, and when those from the producing States rise in shock it means that there is something afoot on the consumer side.

I agree with what I have heard here this morning. This really is not the place to debate energy policy. This country does not have an energy policy. I agree with all of that. And I have been through this with my colleagues, both producers and consumers, particularly in the early days of this administration.

My colleague from Idaho said young Americans are dying in the Middle East, and that proves I think that we do not have a national security policy that integrates energy and trade and these other issues as well.

But we are, Mr. President, here today to debate trade policy, and it is for that reason that I rise in strong support of the amendment offered by my colleagues from New Jersey and Oregon to delete section 502 of the trade bill.

There is no question that we are all aware of the fact and we are all concerned that our Nation is increasingly dependent on foreign sources of oil, but in a trade policy sense I think it should also be noted that we have been diversifying our sources of foreign oil supplies to the point where today we only depend on the Middle East for 7 percent of our imported oil.

Today, the vast bulk of our imported oil comes from Mexico, Canada, Great Britain, and Venezuela.

In an ideal world, we would all prefer that this Nation had enough reserves to be totally self-sufficient in oil. The reality is, however, that oil is a nonrenewable resource and U.S. production peaked more than 15 years ago. It is inevitable that this country will depend on foreign sources of oil until we find a substitute energy source.

What percentage of dependence on foreign oil represents a threat to our Nation's security is a question on which experts are not going to agree But this bill establishes arbitrarily, I would suggest, a standard that our Nation's security is endangered if oil imports rise to 50 percent of U.S. consumption.

Is the percentage of dependence on foreign sources of oil even the right question to ask, when we are considering the Nation's security? I think not. Should we not instead be considering what our total energy needs are? Should we not be considering the level of reserves we have in the strategic petroleum reserve? Should we not be talking about our SPRO withdrawal policy which affects the price of oil and thus its availability? Should we not consider the political stability of, and our relations with our foreign suppliers?

These issues are not relevant under the bill we have under consideration. The only thing the President can consider under this legislation is the raw percentage of oil imports.

We all know that oil is not the only source of energy available in this

country. In fact, its not even our primary energy source. We use more coal than oil and we use nearly as much natural gas as we do oil. Both of these resources are in abundance in America. Nuclear and hydropower, geothermal and solar power also fit into this Nation's total energy mix.

Overall, this Nation relies on foreign sources of energy for barely 12 percent of its total energy consumption. Compare this with Japan which relies on imports for 100 percent of its oil and 83 percent of all of its energy needs. In Japan, this certainly is an international trade policy issue.

France and West Germany also rely on imports for 100 percent of their oil and 60 percent and 50 percent of their total energy needs respectively.

Despite the fact that we are far less dependent on foreign countries for our oil and energy needs than our major international competitors, this legislation would force the President to arbitrarily implement a plan restricting foreign oil imports even if our foreign sources of supply were stable and reliable.

And we all know that the easiest way to restrict imports would be to impose an oil import fee.

Mr. President, I believe that imposition of such a fee would endanger our economic security and would do absolutely nothing to enhance our national security. Quite the contrary, an oil import fee would undermine U.S. long-term "energy security."

Recently, the Federal Trade Commission issued a report assessing the impact of an oil import fee on the Nation. One of the conclusions of that report is that "any attempt to increase our energy security by limiting imports will actually reduce our long-run energy security by speeding the depletion of domestic reserves." As one commentator has noted, an oil import fee represents a policy of "Drain America First."

Moreover, an import fee would have a devastating impact on our economy and would make some of our most competitive industries, especially the farming heart of America, far less competitive on world markets. The FTC estimates that a $5 per barrel import fee would cost American consumers between $14 billion and $17 billion per year. Such a fee would also cut petroleum refiners' profits anywhere from $7 billion to $10 billion. And, according to the Congressional Research Service, over 4 years our GNP would be 3.4 percent lower with a $5 fee and inflation would be one-half a percent higher per year.

According to the Department of Energy, a $10 import fee would reduce the GNP by $30 to $45 per year, would raise inflation by 2 to 3 percent, and would cost our country over $200 billion over the next decade.

An oil import fee would have a devastating impact on several of our energy-intensive export industries. The cost of production for the petrochemical, paper and primary metal industries would significantly increase if such a fee were adopted. Foreign competitors could easily undercut these industries both at home or abroad, ultimately exacerbating our foreign trade deficit.

And what about the American farmer who already has to compete with subsidized farmers around the world? As petroleum prices escalated in the 1970's, American farmers' costs of production increased significantly. As the farm economy is now beginning to emerge from the devastating depression of the 1980's, lower energy costs are a critical survival component. Any effort to increase such costs will just push more farmers into bankruptcy.

What is the cost to the American farmer of a $10-a-barrel import fee? On a 300-acre farm, such a fee would raise the cost of production for a soybean farmer by $660, for wheat farmer by $690, for a corn farmer by $1,080, for a rice farmer by $3,000, and for a cotton farmer by $2,160. And that does not even include the increased transportation costs and heating costs incurred by the people of rural America.

Of course, one group would benefit if we adopted an oil import fee—domestic crude oil producers. According to the FTC, their profits would increase by between $12 billion and $13 billion a year.

Mr. President, I cannot in good conscience ask the American farmer, factory worker, and homeowner to turn their hard-earned dollars over to the domestic crude oil producers, all in the name of questionable national security.

The PRESIDING OFFICER. Who yields time?

Mr. BENTSEN. I yield 4 minutes to the distinguished Senator from North Dakota.

Mr. CONRAD. I thank the distinguished chairman of the Finance Committee for this time.

Mr. President, section 502 of S. 1420 presents Congress with an opportunity to act rather than react, plan rather than panic, and lead rather than lament.

The signs of an impending energy crisis are clearly before us, and when the crisis comes, no one should claim that we did not have adequate warning:

Foreign oil imports were up more than 30 percent between February 1986 and February 1987 from 4.5 million barrels per day to 5.9 million barrels per day. Even more significantly, much of that increase came from the Persian Gulf. Imports from that volatile part of the world leaped 300 percent.

The number of active drilling rigs in the United States fell 75 percent from 1981 to the end of 1985 and was down more than 50 percent in 1986 alone. In my State of North Dakota, the number of drilling rigs has gone from a high of 150 in the early 1980s to a dismal 6 in 1987.

U.S. crude oil production plummeted almost 800,000 barrels per day from January to December 1986.

About 40 percent of all firms engaged in contract drilling for oil and gas in 1982 are now out of business.

The recent report to the President on energy security by the Department of Energy summarized the significance of these statistics by concluding that: First, imports are up significantly; second, domestic production is down considerably; and third, these two facts pose serious problems for our national security.

We can heed these signals, enact this amendment and avert a national emergency, or we can ignore these warnings, defeat this amendment and invite a national crisis.

Anyone who says that we are importing the same levels of oil as we did in 1973 "with no ill effects in the nation as a whole," has not witnessed the idle drilling rigs in Williston, ND, the unemployment in Bartlesville, OK, or the bank failures in Houston, TX. The Nation as a whole is only as strong as its parts. More importantly, however, the problems facing our oil and gas industry transcent the borders of States that produce oil and gas. Direct investment in the petroleum industry is a major driving force of our economy. In fact, 20 to 30 percent of all capital investment in the United States is related to petroleum. For example, it takes, on average, as much steel to drill a single onshore well in the United States as it does to make nearly 65 automobiles. This means that the projected drop in U.S. drilling activity in 1987 alone will reduce steel demand by as much as if automobile production had declined over 1.8 million cars. This is more than 20 percent of America's production in 1985.

I also must dispute the claim of some of my colleagues that the strategic petroleum reserve is "the best protection against a supply disruption." The strategic petroleum reserve is a prudent hedge against short-term disruptions, but it is not a realistic remedy for long-term disorder. Experts estimate that if a national mobilization were required, domestic demand for petroleum would be 21 million barrels per day. With U.S. production at only 8.3 million barrels per day and declining precipitously, even the strategic petroleum reserve could not prevent extreme vulnerability to import disruptions.

To those who argue that the 50-percent import ceiling is arbitrary, I

submit that the 50-percent ceiling is prudent. I was surprised to read that some of my colleagues believe that "imports could be significantly higher than 50 percent without putting national security in jeopardy," and that "America's vulnerability to oil-supply disruptions does not depend on the volume of oil we import." Does any one seriously believe that America can import 60, 70 or 80 percent of its energy needs, much of it from such long-haul sources as Saudi Arabia, Nigeria, Great Britain, Indonesia and Algeria, and not be concerned about the economic or the military consequences of protecting either the source or the supply route of that petroleum? Furthermore, although many of our allies are more heavily dependent upon oil from the Persian Gulf than we are, the United States is obligated under international agreements to share in any oil shortage among the industrialized nations. Thus, their shortages become our shortages. I submit that such dependency could place dangerous, undue pressures on the U.S. economy and our foreign policy options, particularly our efforts to combat terrorism in the Middle East.

This Nation's oil and gas industry is not a rapid deployment force that we can summon to avert a sudden disruption of oil supplies. Any policies that we adopt now will have only a gradual effect because of the long leadtimes between exploration and production required in the industry. Further, during the recent oil glut many highly skilled workers, petroleum engineers and geologists entered other fields of employment. It will take more than a national emergency to lure them back to the field that jilted them in 1985. It will take a national energy policy that assures long-term stability. The same can be said for banks and the remaining infrastructure of the oil and gas industry. If we do not take thoughtful steps to order our energy future, we may be left with the unattractive alternative of sending a rapid deployment force to the Persian Gulf. Let us not rely on another drop of American blood for another barrel of imported oil. Let us establish a policy that ensures the long-term stability of our domestic oil and gas industry and a policy that enhances our long-term national security.

Seventy-five percent of all the oil produced in the world is owned by nations and not by individuals. Make no mistake about it, oil has been and will be used as an instrument of foreign policy by the nations that control its supply. We witnessed this phenomenon in 1973 when Saudi Arabia disrupted supplies in response to our support of Israel in the Arab/Israeli war. We witnessed it again in 1985 and 1986 when Saudi Arabia decided to flood the market in an apparent attempt to shut down marginal production and obtain a greater market share. While Saudi Arabia was driving the price down and reducing our marginal production, its increased share of the market yielded increased revenues of $1.5 billion per month. In short, they are growing fat while we are growing weak. How many times are we willing to gamble America's economic stability and national security against the fickle whims of foreign governments? How many times must we be led to the edge of the cliff before we understand the consequences of a fall?

I do not dispute the claim that each of the measures available to the President and the Congress under section 502 "would necessarily result in price increases to the consumer." The issue, however, is not whether prices will rise. The issues are how much prices will rise, when prices will rise, who will control the increase, and who will benefit from the increase. If Americans wake up some morning and find that 20 to 30 percent of its energy needs are no longer available, or are available on confiscatory terms—and that our domestic oil and gas industry is unable to fill the void, I assure my colleagues that we will not be debating prices on the floor of the U.S. Senate. In short, we can pay a few cents now or a lot of dollars later. The choice is ours.

Finally, we have heard much debate about section 502 and the issue of congressional delegation of authority. While I appreciate the concern of some of my colleagues, I am unconvinced by their rationale for several reasons. First, section 502 modifies section 232 of the Trade Expansion Act of 1962. Section 232 authorizes the President to "take such action, and for such time, as he deems necessary to adjust imports of any article or its derivatives so that such imports will not threaten to impair the national security," subject to congressional approval in the case of petroleum products. This law has existed for nearly 30 years and has been used by several Presidents. Thus, section 502 does not differ significantly from present law.

Second, the bill does not abdicate legislative authority in violation of the Constitution because it provides for congressional consultation and action at two critical points. The first point is when the President submits his projections of import levels to the Congress and the Congress has 10 continuous session days to approve or disapprove the projections. The second point is when the President submits his energy production and oil security policy to the Congress and the Congress has 90 days to approve or disapprove the policy.

Third, the Supreme Court held in *Federal Energy Administration* v. *Algonquin*, 426 U.S. 548 (1976), that section 232 does not constitute an improper delegation of power because it establishes clear preconditions for Presidential action and specific factors for the President to consider in exercising his authority. The express legislative intent of section 502 is to supplement section 232 and section 502 similarly establishes clear preconditions and factors for the President to consider. Further, it provides the two critical points at which congressional oversight and approval are required.

Mr. President, Americans could arguably understand and excuse the events that led to the energy crisis of 1973. In 1987, however, Americans will not and indeed should not accept the consequences of another crisis. The time to establish a national energy policy is now while America is in control of its options. The legislation before us is prudent, and preferable to the dictates of foreign governments. I urge my colleagues to defeat the motion to strike the energy security section from the bill.

The PRESIDING OFFICER. Who yields time?

Mr. BENTSEN. Mr. President, I yield 2 minutes to the Senator from Nebraska.

Mr. EXON. I thank the Senator from Texas.

Mr. President, I find myself split between two of my closest associates, very thoughtful Members of the Senate—the senior Senator from New Jersey and the senior Senator from Texas.

How am I going to vote? I am going to vote in this instance for what I believe to be the national defense interests of the United States of America and our economic well-being over a long period of time.

Nebraska, as almost everyone knows, is a very limited producer of oil. We have practically no natural gas and no coal. Therefore, Nebraska finds itself in the position of the have-not States so far as traditional energy sources are concerned.

We do have a very significant role to play in the future of energy independence in the United States, with the fact that we can and should be making more energy from ethanol, produced basically from grain. If anything, I think that if we adopt the Bentsen amendment, it will ensure that we do more in the realm of ethanol.

I see nothing whatsoever wrong with what I think is a very liberal amendment offered by the distinguished Senator from Texas, which simply says that we will not intervene unless imports are up to 50 percent or more. They should never even go that high.

So, I simply say that I think it is in the interests of national security to go along with the amendment of the Senator from Texas.

Mr. BENTSEN. Mr. President, to the Senator from New Mexico I am going to have to limit that to 2 minutes.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 2 minutes.

Mr. BINGAMAN. Mr. President, I thank the chairman of the Finance Committee and the manager of this bill.

Mr. President, I rise in support of the energy security provision contained in this bill. I congratulate the distinguished chairman of the Finance Committee for ensuring that this important provision is included in the legislation we consider today.

The provision simply calls for a national policy that recognizes that imports of foreign petroleum in excess of 50 percent endanger our energy security. This provision would require the President to act to prevent foreign oil dependence from exceeding 50 percent and grant Congress the authority within 60 days to disapprove of the President's proposed actions.

Mr. President, without a viable energy policy, we clearly risk our future and that of our children. The Nation and our domestic oil and gas industry face an uncertain future—uncertain because of lower prices, oversupply, and increased competition from low-priced imports of crude and petroleum products. Imports now approach 40 percent. These events have forced the industry to cut back its activity—signaling a loss of employment and a weakening of the industry's infrastructure. Capital expenditure programs have dropped by 50 percent since 1981. Drilling activity reached a 46-year low in August. High-cost U.S. producers and stripper wells are being squeezed out of the market by the lower oil prices.

IMPACT IN NEW MEXICO

Consider what has happened in my home State. New Mexico is the fifth largest oil and gas producing State in the Nation in total quantity and has suffered from the decline in oil and gas prices. Revenues generated by the industry showed a 25-percent drop in 1986. The total value of New Mexico's oil and gas activity has fallen 46 percent in the past year. Employment in the industry fell from a high of 13,200 in 1985 to 9,000 in October 1986. The number of drilling rigs is down to an average of 29 compared with 71 last year. And of the 2,500 bankruptcies in the State in 1986, one-fourth occurred in those counties where most of the State's oil and gas is produced. Current statistics do not begin to picture the impact of this decline on the infrastructure of the industry, local communities and businesses that depend on the continued viability of the oil and gas industry.

CORRECTIVE ACTION

How do we correct the decline of this strategic domestic industry? First, we must take immediate and effective action in the Congress, action that this administration has been unwilling to take. The Reagan administration seems blind to the emerging crisis that confronts us. In 6 years, this administration has embraced no comprehensive energy policy other than, as former Secretary of Energy Jim Schlessinger said in his testimony before the Energy Committee earlier this year, "a de facto energy policy which can be called growing energy dependence."

The responsibility for action now rests with the Congress. We must act quickly. The provision in this bill will help us meet that responsibility.

RESPONSE TO CRITICISMS OF THE PROVISION

Some of my colleagues have suggested that the provision delegates unlimited authority to the President. I take issue with that interpretation. The provision does not delegate any authority to the President, nor does it extend any existing power of his. Rather, it directs the President to control imports of oil through the existing authority he has under section 232(b) of the Trade Expansion Act. The constitutionality of this provision was affirmed by the Supreme Court in Federal Energy Administration versus Algonguin SNG, Inc., in 1976.

CONCLUSION

I hope that by approving this provision, we can protect the economic well-being and national security of the Nation. My view is that a strong, profitable domestic oil and gas industry is vital to this Nation. The strategic interests of our country are clearly at risk.

I urge my colleagues to support this provision.

I lend my support to the energy security provisions contained in this bill. It is clear to me that there is a national security problem we are trying to deal with here. There is also an economic issue that is of serious consequence to this country. Not only are we becoming more and more dependent on foreign sources of oil, we are seeing a tremendous disruption in the oil-producing States such as my home State of New Mexico. We have lost over 25 percent of the employment in my home State in the oil and gas industry this last year alone. We have seen a dramatic drop in the revenue to our State as a result of the volatile price of oil worldwide.

This is a proposal that the Senator from Texas has put in this bill that simply says that at some stage, and that point being 50 percent dependence on foreign sources, at that point the President must do something. We have seen virtually no action by this administration to concern itself with dependence on foreign sources of oil in the last 6 years and I think this is the very least that we in the Congress should do to legislate and urge some action by the administration.

So I support Senator BENTSEN's proposal with regard to our energy security and I urge my colleagues to do so as well.

The PRESIDING OFFICER. Who yields time?

Mr. SIMPSON. Mr. President, I wonder if the sponsor, the manager would yield.

Mr. BENTSEN. I yield 3 minutes to the distinguished Senator from Wyoming.

The PRESIDING OFFICER. The distinguished Senator from Wyoming is recognized for 3 minutes.

Mr. SIMPSON. I thank the Senator from Texas.

We have been in this one now for about 2½ hours. It is a spirited dialog that sometimes has regional turns and that is unfortunate I think, because we still do not have any national energy policy in the United States.

When my fine predecessor, a dear friend, Senator Clifford Hansen, was here, I think House and Senate Members once spent 19 months in a conference committee tryhing to figure out how to achieve "energy security". I see the senior and most revered Member of this body, Senator STENNIS, remembering that one—19 months and never understanding the oil and gas industry and we are no further ahead now than we were then with regard to an energy policy in the United States. I think this is a very frank and earnest attempt to do something.

I commend Senator BENTSEN for the Energy Security Act. We just do not seem, speaking of the word "act," to ever get our act together. We go into regionalism where Northeastern people do not want to lose low-cost heating oil. The Westerners, when things were going good, were perfectly willing to say, "Well, let her rip."

The price at the pump is 85 or 90 cents and nobody is getting alarmed there. It has been a mild winter so no one gets alarmed there.

But the issue is that we are becoming more dependent every single day on a foreign product. It really matters not whether it is from some far-flung area of the Gulf of Hormuz of from our neighbors in Mexico or our own country in Alaska and some of us think that that is "imported oil". I heard that in a debate. I could not believe that one.

So there we are, and we do nothing.

So here is an attempt to say something, maybe give out the message, maybe we can convey that by the support of the position of the Senator from Texas.

The message we do not want to send it just "go ahead and take advantage of us." We have not figured this one out around here. Are we not going to make any move to protect ourselves?

I will not go through all the statistics. Others have done that beautifully.

What we want to remember is the critical part of it for those States who are not involved in oil and gas production and exploration States is that if you continue to do this and see the loss of this industry in the United States then you will come to the point where we will think—I think out here some think—that you only have to press the on/off button and then we will simply start again, and I can tell you that that is not the way it is. Stripper wells cannot be just "turned back on." Oil wells are not pumped and produced by an "on/off valve."

We are losing our ability to produce and we will not be able to turn it around in any kind of "comfortable time period." And that is the way it is.

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

Mr. SIMPSON. Mr. President, will the Senator yield an additional 1 minute?

Mr. BENTSEN. I will yield an additional 1 minute to the distinguished Senator.

Mr. SIMPSON. I thank the Senator from Texas.

The PRESIDING OFFICER. The Senator is recognized for 1 additional minute.

Mr. SIMPSON. I again cannot emphasize enough: people say it will not work. This is not what we should do. It is not timely. But it does do something and in this place we sometimes do not do anything.

I think we are joshing ourselves if we think this is a regional issue. That is a course of action that we have not done in that way before.

It does not automatically impose an oil import fee. That is only one of the options. That is what I want to leave with my friends. We can no longer ignore the problem. It is not going to remedy itself.

OPEC is not going to do it for us. We must act. We must do it within our own country with our own means and for our own interests, and we have failed in that task for decades.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

The Senator from Oregon.

Mr. PACKWOOD. Mr. President, I yield 7 minutes to the Senator from Ohio and ask him to hold himself to that time because we are up against the limit.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 7 minutes.

Mr. METZENBAUM. I thank the Senator.

Mr. President, I rise to support the pending amendment to strike and to join a group of Senators who are not regional but are on a national basis. We have had Senators speaking from the Washington, Minnesota, Ohio, other parts of the country.

The energy security provision adopted by the Finance Committee in this Senator's opinion is special interest legislation at its worst.

It seeks to prop up the domestic oil industry at the expense of everyone else, other domestic industries, American consumers, and American farmers.

In my opinion, it is a backdoor way to ram through an oil import fee, a proposal which Congress has twice rejected.

On November 14, 1985, the oil import fee was rejected 78 to 18. On July 31, 1986, it was rejected 82 to 15. And now we find ourselves facing the same issue again and the American consumers and American business would be called upon to pay higher oil prices. We need responsible energy policy. We need to reduce dependence on vulnerable sources of foreign oil and conserve energy.

But this is not the way to do it.

I do not want the American oil industry to be wiped out. I am prepared to be helpful, but not by placing the burden of keeping the oil industry extant and operable on the backs of the American consumer.

The energy security provisions in this bill would require the President to predict on an annual basis the level of oil imports for the next 3 years.

Once the President predicts that this arbitrary ceiling will be exceeded, he will be required to reduce those imports. Congress would have only 90 days to disapprove whatever action the President takes to reduce these imports.

The whole proposition raises some very serious constitutional questions. Congress would be handing over a great deal of power to the President, power that we should share with him but not give to him exclusively. It would give him limitless authority. He could impose an import tax on oil.

He could impose quotas on oil imports.

He could decontrol all natural gas prices.

He could suspend environmental laws and open up public lands to new drilling.

He could suspend our antitrust laws.

The truth is we do not really know all that a President could possibly do under this provision and the worst part is Congress would not have a real chance to share in the policymaking.

Why? What possible reason could there be for Congress to abdicate such authority to the President?

The President already has emergency powers to deal with threats to national security which stem from oil imports.

So why do we need this provision?

Because it is a good way, an excellent way to get an oil import fee through Congress via the backdoor.

In hearings I held on June 2 in the energy regulation and conservation subcommittee, witness after witness warned of dire consequences of oil import fee.

It was an amazing coalition of opposition. It was broad-based. It included consumer opposition. It included the chamber of commerce opposition, the steel companies' opposition, the chemical companies' opposition. The administration itself spoke out against the oil import fee.

As Senator CHAFEE mentioned earlier, Bethlehem Steel said a $4 per barrel fee would cost Bethlehem $30 million in higher energy prices each year and $230 million more for the steel industry as a whole.

The Department of Energy figures show that a $10 fee would reduce GNP by $30 to $45 billion per year; raise inflation by 2 to 3 percentage points and would cost the United States over $200 billion over the next decade.

The chamber of commerce testified that the fee will siphon retained earnings for new business investment and wind up costing hundreds of thousands of existing American jobs. Said the chamber:

> An oil import fee, really a tax, would be discriminatory and regressive, create competitive imbalances, and penalize the U.S.'s allies.

The figures compiled by the National Grange show that on a 300-acre farm a $10-a-barrel import fee would raise the cost of production for wheat by $690, corn by $1,080, rice by $3,000, soybeans by $660, and cotton by $2,160.

An oil import fee would have a tremendous ripple effect over the entire economy. It is wrong. It is wrong. Even if it were right, it would not be the right way to do it. It would hurt the American economy. It would hurt American farmers. It would hurt American consumers. It would hurt American businesses. We do not need an oil import fee directly or indirectly and we sure the devil should not give the President the right to put one into effect.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BENTSEN. Mr. President, how much time is left?

The PRESIDING OFFICER. The Senator from Texas has 5 minutes remaining and the Senators from New Jersey and Oregon have 8½ minutes remaining.

Mr. PACKWOOD. Mr. President, I yield 4 minutes to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 4 minutes.

Mr. BRADLEY. Mr. President, the motion to strike this provision of the bill is supported by a wide-ranging coalition—the U.S. Chamber, Citizen/

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Labor Energy Coalition, National Association of Manufacturers, Sierra Club, UAW, Petroleum Marketers Association, Chemical Manufacturers Association, wide-ranging support among all sectors and regions of the country.

Mr. President, this provision is a major abdication of responsibility to the President of the United States. With respect to options, Mr. President, such as changes in the tax law, invading wilderness areas for oil and gas drilling, or decontrol natural gas prices, the provision says "Mr. President, be our guest. In fact, we are encouraging you to take some of those actions."

Additionally, Mr. President, this is a poor attempt to deal with the Persian Gulf problem. But putting a lid of 50 percent on all imports is not an answer to a 10-percent dependence on insecure sources of oil in the Persian Gulf. This provision deals with all imports.

This measure endangers our relations with our secure hemispheric suppliers like Mexico, Venezuela, and Canada, from whom we now get not 10 percent, but 39 percent of our oil supplies. And it endangers their ability to service their debt.

And finally, Mr. President, this does nothing to counter the economic nightmare that we experienced in the 1970's when there were oil supply disruptions. If there is an oil supply disruption, the price of oil goes up. Let us say there was one tonight and the price of oil went up $10 a barrel. That would mean that in the next year the American consumer would pay over $45 billion more for oil with all the consequent reduction in growth and rising unemployment and inflation. Mr. President, this amendment does nothing to stop this prospect. It does nothing to deal with the economic nightmare that flows from an oil supply disruption.

Our effort to strike this provision is broadly supported. This provision is an abdication of responsibility to the President. It does not deal with Persian Gulf dependence. It worsens our relations with secure suppliers in our own hemisphere and it does not protect us from an economic nightmare that would come from a disruption.

Mr. President, it deserves to be stricken from the bill.

The PRESIDING OFFICER. Who yields time?

If neither side yields time, the time will continue running and the time will be divided equally.

Mr. ROCKEFELLER. Mr. President, I rise in support of the amendment from the Senator from New Jersey [Mr. BRADLEY] to strike the energy security provisions from the trade bill.

Mr. President, I regret that I must oppose this provision in the trade bill—because I think the effort on the part of the chairman of the committee is correctly motivated. Energy security is an important public policy concern that has been largely forgotten in this decade. Energy planning and alternatives to deal with the declining volumes of domestic petroleum resources—and increases in oil imports—is an effort that has been all but forgotten by the current administration in the White House.

A decade ago we were thinking about energy, we were thinking about how our transportation marketplace was highly prone to disruption because of events beyond our borders, we were thinking about how we could use our vast domestic reserves of coal to secure our energy future, we were thinking about how to insulate the vast economic machine of the United States from the price spikes we were experiencing in energy prices. In short, we were seeking answers and a solution to our problem—with research into energy alternatives and by efforts to encourage more aggressive and sound use of our domestic reserves.

Mr. President, I believe one of the worst failures of this administration has been to ignore and backtrack on our energy planning. This President has been so committed to the ideology of getting the Government out of every aspect of energy planning that we are back on the course of a heavy dependence on imported energy.

Mr. President, I applaud and commend the chairman in his effort to get us again thinking about energy. I too have been thinking about this subject, and have been working to promote coal and a fuel alternative for transportation—methanol, that can be made from coal, natural gas, and wood.

But while I agree with the need to be thinking about these matters, and pursuing strategies to develop alternatives, I am quite concerned by the strategy the chairman has chosen. I can understand that it is a reaction of frustration to the events of this decade—an administration and a public that has returned to business as usual on energy policy. The economic threat of oil dependence is real, the foreign policy threat is real, and the potential for societal disruption is real.

Mr. President, we need an energy strategy, and it should be one of Congress' own making. To give the President such broad powers and to base an energy strategy solely on the uncertain prescription of what a President might present to the Congress avoids our responsibility. To further add to this a partial abdication of our power to review and decide such a plan is unwise.

When I first reviewed the chairman's amendment in committee, I thought such a provision was a reasonable way to wake up the Congress and the American people to the need for an energy policy. But upon reflection and detailed study, I believe the amendment is just too expansive to be called concrete, and too dependent on the whims of a President to be called a plan.

Mr. President, the Congress must be more involved in whether we choose an oil import fee or an oil quota. For example, the selection of an oil import fee would have a devastating impact on the chemical industry of my State, severely affecting both domestic and foreign sales. If such a decision is made, the Congress must make it consciously, and not as a part of a rushed final review of a plan proposed by the President.

Mr. President, I will vote to strike this amendment from the trade bill, but I do so with some reluctance. The chairman of the committee is right on the mark when he says we must do something about our lack of energy planning. The Congress must do something to assure that our future balance of payments is not thrown overwhelmingly out of kilter because of dependence on oil imports. The Congress must be involved in the encouragement and promotion of fuel alternatives. I pledge to work with him to take future steps in this regard. But this provision of the bill is the wrong first step.

OPPOSING OIL IMPORT FEE IN TRADE BILL

Mr. KENNEDY. Mr. President, I oppose the provision in the trade bill which requires the President to keep oil imports below 50 percent of domestic consumption. As a practical matter, an oil import fee would result if this unwise proposal were to become law. The other options are too uncertain in effect and would take too long to have an impact.

Responsible energy policies are critical to our Nation. However, price hikes triggered by an oil import fee would have a number of unusually harmful impacts. It would have an inflationary impact, and an unfair regional impact, and it would encourage inefficient investment in production capacity. Higher import prices would also disadvantage American manufacturers in trade sectors that must compete with foreign firms able to purchase oil at the lower world market price.

New England relies on oil to meet one-third of its power requirements. Petroleum is used for a disproportionately high share of energy needs in the Northeast for commercial, residential and utility applications.

Thus, the inflationary impact of the price hikes triggered by an oil import fee would deal a severe blow to the economy of many States.

Let me offer a few examples of the impact. A $10 a barrel oil import fee would raise oil prices by $6.41 per barrel or 15.3 cents per gallon for fuel oil and 13.8 cents per gallon for gasoline.

This would have a disproportionate and inflationary effect on most States, which provides a windfall for a few States. Studies have shown that 5 States would receive 93 percent of the windfall. Yet, the fee would cost New England $1.7 billion, the mid-Atlantic region, $4.6 billion and the Midwest region $4.7 billion.

In Massachusetts, the effects could be devastating, because we are dependent on foreign oil for 65 percent of our energy needs. A $5-a-barrel import tax would cost the Commonwealth $660 million. It would require the average homeowner to spend an additional $315 a year for energy needs; and it would raise the price of home heating oil by 12 cents a gallon.

The import fee would have an especially harsh effect on low-income residents already suffering under a crushing burden of energy costs. The economic health of our region would also be adversely affected by placing our businesses at a competitive disadvantage with firms located in other regions of the country and around the world.

We must find solutions to our energy needs—but it must be an equitable burden shared by all States, and it must emphasize conservation not consumption, and efficient investment not subsidies.

Mr. DOLE. Mr. President, it seems ironic that at the very time this Nation is preparing to increase our military presence in the Persian Gulf, we should find reluctance to taking a first step toward adopting a national energy plan.

For this is exactly what the Energy Security Act provisions of the trade bill are—a beginning, something to focus our attention on the importance of liquid fuels to our Nation. I don't want to suggest this is the perfect solution, only that it begins the process.

CURRENT SITUATION

Mr. President, in a little over 1 year, imports of crude oil to the United States have increased from 27 to over 40 percent. For perspective, let me remind my colleagues that our alltime high percentage of imports was 46 percent in 1979, a level that allowed just one country—Iran—to wreak havoc on this country by using oil as a weapon. And, at that time, we were importing only 5 percent of our oil needs from Iran—slightly less than we import from the Persian Gulf today.

Our cause for concern about imports is due to the devastation of our own domestic production. Total U.S. production declined by over 800,000 barrels last year as opposed to 1985, and most of this production was from marginal wells—those with the highest cost of production and most sensitive to price.

And most of the marginal production is from stripper wells—those which produce 10 barrels of oil per day or less, but which have accounted for 15 percent of our total production. These seemingly insignificant wells actually hold 4.2 billion barrels of our reserves. Yet we are in danger of losing these reserves.

Last year, 97,000 stripper wells were capped, as opposed to only 18,000 wells in 1985. Unfortunately, many of these wells will never be reentered and produced, since that would be uneconomical at any conceivable price.

A PARTIAL SOLUTION

Mr. President, as I stated, I do not suggest that adopting the energy security proposal contained in the trade bill will solve all of our energy problems. The bill does nothing to help stimulate exploration and production from marginal, frontier and other wildcat areas, and until some stimulation is provided, we will continue to witness a decline in domestic production and an increase in imports.

Rather, this proposal puts oil on the agenda of Congress. We will be forced to create a plan to take action to stop the decline in domestic production, or it will be done for us by an automatic action against oil imports.

Energy security has many similarities to the budget deficit—we can all make speeches about our concern, but when it comes to making the tough decisions, we would rather ignore it.

The plan that I was privileged to cosponsor when it was introduced by the distinguished Senator from Texas, Senator BENTSEN, simply puts the monkey on Congress' back—where it belongs.

CONSEQUENCES

Mr. President, the National Petroleum Council has found that in the 3 years which followed the 1973 oil crisis our gross national product was reduced by 2.5 percent due to the shortages of oil. And in the 3 years following the 1979 oil shortage, our GNP was reduced 3.5 percent.

We are playing with big stakes—our economic and national security. We now have a ticking bomb waiting to go off while Congress sits idly by watching our domestic production and reserves dwindle and imports increase to alltime highs.

This proposal does nothing to reduce the authority of Congress, but it does increase our responsibility, a responsibility we were elected to uphold. For those representing oil consum'ng States—and I've visited several in the past few months—let me indicate that blindly allowing another oil crisis to occur will be much more devastating than if we do set a deadline for responsible action. If you are against shortages of heating oil and gasoline, against rapid and uncontrollable price increases, then this plan will help. If you are for providing insurance against the reoccurrence of the tragedies of the past, this reasoned and reasonable beginning to a controlled energy plan for our country should be supported.

Mr. LEAHY. Mr. President, I rise today as a cosponsor of the motion to strike the energy security provisions of the omnibus trade bill.

Mr. President, the energy provisions require the President to implement an energy security plan at any time U.S. consumption of foreign oil exceeds U.S. production. I wish to congratulate the distinguished chairman of the Finance Committee, Senator BENTSEN, for this effort to promote American energy independence. Our national security and our economy depend on easy access to oil. No one wants a return to the gas lines we all endured during the Arab oil embargo. Nor can we allow our military to become dependent on unreliable sources of energy. However, the provisions in the bill contain an important flaw.

Mr. President, I rise in opposition to the energy security provisions because they clear the way for the President to impose an oil import fee. And, Congress would be forced to muster a two-thirds vote to stop this new tax—a tax that would hit Vermont and the rest of New England the hardest.

Mr. President, it isn't cheap to heat a home in Vermont in the winter. An oil import fee would add $200 to the winter heating bill of the average Vermont family. Vermonters already spend more on energy than any other household expense. The Government should not add to this burden with yet another tax.

An oil import fee would also increase other costs and generally fuel inflation. Consumer electric bills will rise as will the price of gasoline at the service station. As chairman of the Senate Agriculture Committee, I am concerned that an oil import fee would drive up the price of fertilizer, other farm chemicals and the general cost of farming in this country.

Mr. President, I agree that we need an energy security plan. We must not become dependent again on unreliable foreign supplies of oil. But, I urge the Senate to reject this effort to clear the way for an oil import fee and reject higher costs for consumers and farmers.

Mr. HEINZ. Mr. President, I want to join my colleagues in opposition to the Energy Security Act of 1987, which is section 502 of the committee bill. The act, passed by a narrow margin in the closing hours of the Finance Committee markup, is an attempt to protect the domestic oil industry at the expense of the rest of the country. While there is no argument that the oil industry is a vitally important industry, the effects of this bill are both far reaching and disturbing.

The Energy Security Act tips the traditional balance of power between the President and Congress, making

an arguably unconstitutional delegation of power to the Executive, and points our energy policy in the wrong direction.

The provisions in the bill would establish an arbitrary level of oil imports beyond which national security would be deemed to be threatened. Initially, this ceiling would be 50 percent but the President has discretion to lower that level any time in the future. The notion that our national security will be endangered any time imports exceed an arbitrary level is, in itself, troubling, but it is only the beginning.

The legislation goes further. If the President concludes that imports will exceed this limit, he is required to submit an action program to Congress. These proposals will automatically go into effect if Congress does not pass a joint resolution within 90 days rejecting or modifying them. Since the President would likely veto the resolution, Congress could only block his proposed action by a two-thirds vote of both Houses of Congress. It is perfectly clear that passage of this act will dramatically alter the traditional balance of power, as established in the Constitution 200 years ago. It is ironic, that during this summer of the Constitution's bicentennial, we will be considering a proposal that does such violence to that great document.

The Founding Fathers balanced the legislative branch and the executive branch to ensure the enactment of sound policies which benefit the entire country, not merely a specific industry. For as long as this country has had an energy policy, Congress has been the leader. Only Congress is able to consider the sum of various interests in order to arrive at a coherent and sensible energy policy. This bill would effectively place Congress on the sidelines, powerless to interfere with an energy policy developed and implemented by the Executive.

Not only does the Energy Security Act violate the spirit of the Constitution, it may violate the letter of it. The Constitution specifies that all legislation meet with congressional approval. However, in this case, Presidential action could take effect essentially with only one-third of Congress supporting it. For example, the President could modify the Clean Air Act or abolish a Federal agency, and all this with only 34 Senators supporting him. That is hardly congressional approval.

Furthermore, Presidential authority in this bill to propose changes in the tax law may run afoul of the constitutional requirement that all tax legislation originate in the House. Finally, the courts have traditionally required that broad delegations of power be accompanied by clearly defined standards. These standards are nowhere to be found in this proposal. For this reason, as well as others that I have previously mentioned, there is a strong likelihood that this act will be found unconstitutional.

The huge delegation of power to the Executive is not my only difficulty with the bill. Enactment of this proposal will point our energy policy in the wrong direction.

First, the bill requires that the President project imports ahead for 3 years, but many experts doubt that the U.S. Government or private forecasters have the ability to make accurate predictions years into the future. Moreover, an arbitrary level of imports may not even be the proper trigger for Presidential or congressional action. More factors have to be taken into account than total imports as a percentage of domestic consumption. A variety of circumstances such as stock levels and spare productive capacity should be considered. We must also recognize the source of our imports. In 1986, the United States imported 32.8 percent of our oil, but only 7.1 percent came from Arab OPEC countries. This number is down from a high of 16.5 percent in 1979.

As Deputy Secretary of Energy William Martin recently testified, the United States "could be relatively secure with imports above 50 percent of consumption, or conversely, could be severely threatened at import levels below 50 percent."

In addition to the simplistic definition of our national security, the act elevates an oil import fee to the position of a viable option for the President to employ. The use of this tool would have devastating effects on the U.S. economy. It is estimated that a $5 per barrel fee would cost the economy approximately $14 billion. A recent Federal Trade Commission report issued in April 1987, concluded that a $5 fee would cost U.S. consumers $2 for every $1 of revenue raised. Taxing imported oil would place an unfair and discriminatory cost on residents and businesses in the Northeast and Midwest, while providing a windfall for oil producers in the Southwest.

Of course, my views are framed from the perspective of Pennsylvania where residents and factories would be among the oil consumers most severely hurt by a tax on imported oil. An oil import fee raising $10 billion in revenue would saddle Pennsylvania oil consumers with another $1.3 billion or more each year in energy bills.

Let's think about what it means to transfer $1.3 billion from consumers to producers Mr. President. According to the Treasury Department, a $5 per barrel fee would result in increased energy costs of $125 to families with annual incomes of $10,000 or less. In the face of Federal cutbacks in Medicaid, AFDC, and other programs, I think imposing a $125 a year burden in the form of an oil tax is just unconscionable.

Pennsylvania is only one of the States in the Northeast and Midwest region that would be hurt by a tax on imported oil. Oil is the primary energy source for the entire Northeast-Midwest region and the economic lifeblood for most of the region's manufacturing and agricultural activities. States in our region have been hit hard by the increased cost of energy since the first energy crises of the 1970's, with average household energy bill one-third higher than for households in the South and West.

Last year, I pledged to adamantly oppose any effort to pursue the shortsighted, inequitable, and economically irresponsible policy that any oil import fee represents. I will stand by that pledge. The effects of a fee would raise oil prices for all Americans and hamper our ability to compete in world markets—an ironic consequence of a bill intended to bolster U.S. competitiveness.

I urge my colleagues to strike the Energy Security Act from the omnibus trade bill. Although its intent, to make the United States less dependent on imported fuel, is commendable, its methods are suspect. They disrupt the traditional balance of power between Congress and the President, effectively depriving Congress of its mandate to set this Nation's energy policy. There is not doubt that we do need a coherent energy policy but rash and misdirected action is not the answer. It is only through thoughtful cooperation between the Congress and the Executive, not abdication of our legislative responsibility, that real solutions will be discovered and implemented.

(By request of Mr. BYRD, the following statement was ordered to be printed in the RECORD:)

● Mr. GORE. Mr. President, I rise today in support of the Bentsen amendment, which is an expression of a collective sentiment in Congress that the administration does not have a coherent energy policy in this country today.

Without a comprehensive energy policy, the United States faces a renewed dependence on oil imported from the Persian Gulf. This would be a potentially disastrous but avoidable situation.

I have noted concerns among my colleagues that the Bentsen amendment could be a one-way ticket to higher energy taxes, but that is not evident in the structure of the amendment. This amendment gives the President broad discretion to avoid excess dependency on foreign oil.

I have also noted concerns that the amendment grants an unusual degree of authority to the President, but I think it is important to note that the

Bentsen amendment also keeps Congress in the decisionmaking loop.

Mr. President, I urge support of the Bentsen amendment above all because it assures that a future President will act in time to avoid an energy crisis rather than foundering in the midst of an energy crisis.●

Mr. SASSER. Mr. President, I rise in support of the energy security provisions in the trade bill. And I do so for many of the reasons which have been articulated on the floor today.

I echo the sentiments of my colleagues who have expressed grave concern over the utter lack of any national energy policy in the United States. At a time when we see our dependence on foreign oil steadily increasing to alarming levels, we simply cannot afford to sit back and ignore the risk posed by this lack of energy policy. With the Department of Energy projecting that by 1995 our oil imports could increase from the January 1987, level of 6.2 million barrels per day to 8.4 million barrels per day, we cannot afford to ignore the severe consequences of such increased dependency. With the Congressional Research Service projecting that we will have to triple our imports of oil from the Persian Gulf in this same timeframe, we must confront our glaring lack of a coherent national energy policy.

What I find even more troubling, Mr. President, is that this administration not only has no energy policy, but it has systematically dismantled a national energy policy which was beginning to work. In the late 1970's, we as a nation had come to realize the perils of ignoring our dependence on foreign oil. And we had begun to construct a series of programs and policies which addressed this national problem. Where are these programs now? With each passing year, we have moved further and further away from the policies of an energy conscious nation. Instead, we are again moving down the road of what I call "energy ignorance."

Mr. President, I greatly fear that we will pay for this shortcoming. It is true that we only rely on the Persian Gulf for 7 to 8 percent of our oil at the present time. But, as my colleagues have pointed out, reports indicate that our reliance on Persian Gulf oil will steadily increase over the next few years. It seems apparent that we will soon be right back where we were some 10 years ago, relying on the Persian Gulf region for 20 to 30 percent of our oil.

What assurance do we have that this volatile region will stabilize over the next 5 to 10 years? What thought is given to the reliability of what promises to be an increasingly important source of oil? Clearly, the answer is precious little, Mr. President.

Now, it has been stated, Mr. President, that those who support this energy security provision tend to believe that oil is our only source of energy. That is not the case. I am well aware of the advancements we have made in a variety of alternative energy sources. But, I am also aware that oil is and will remain a vital energy source for this Nation. And I am painfully aware that we currently lack any semblance of a national policy to deal with increased dependency on foreign oil.

So, I commend the Senator from Texas. He has tackled a very real problem. I am thankful for his wisdom and foresight in looking down the road and asking, "Where will this increased dependency on foreign oil take us?" He has come up with a constructive solution to what I see as a major shortcoming in our national energy policy. I support his efforts.

Mr. KERRY. Mr. President, in its March 1987 report "Energy Security," the U.S. Department of Energy concluded:

> The challenge for policymakers is to find the proper balance between relying on free and competitive markets, where they can exist, and taking appropriate, cost-effective action to ensure the Nation's economic health and national security.

Clearly this challenge must be met as we develop, debate, and refine a national energy policy which is long overdue.

But I don't think the challenge can and should be made by delegating authority to a President whereby the Congress must react within a specified time period or see the President's policy implemented.

And the challenge cannot and must not be met as a side issue in an omnibus trade bill that deals with an enormous array of issues.

The challenge of forging a national energy policy has to be met through a process in which the Congress evaluates all possible energy security scenarios, considers the probabilities of each, formulates a set of options and explicitly approves a set of energy emergency contingency plans.

Under existing law, section 232 of the Trade Expansion Act of 1974, the President is authorized to take such action, and for such time, as he deems necessary to adjust imports of crude oil or it's derivatives so that such imports will not threaten to impair the national security. Under this authority the President can take actions ranging from an oil import fee, to a gasoline tax or even the use of quotas or domestic rationing. To use this authority the President needs to demonstrate that these actions are necessary to protect our national security.

Instead, the measure we are debating today would substitute an arbitrary standard of the percentage of oil imported for the clear demonstration of a national security need. Energy security experts, even those like Prof. William Hogan at the John F. Kennedy School of Government, who support an oil import fee—have argued against the use of such arbitrary triggers. The problem with such triggers, they explain, is they oversimplify the problem and confuse dependency with vulnerability. Is our national security equally threatened if 50 percent of our oil comes from Venezuela, Mexico, Canada, and the United Kingdom as it would be if 50 percent of our oil comes from the Persian Gulf? Of course not. The fact is that energy security policy requires careful analysis, not simple triggers.

If we are to undertake major policy changes, and require the President to take this route the issues must be debated in accordance with the process I discussed earlier. Mr. President, I don't think we should make such a broad delegation of authority while debating the omnibus trade bill. In fact, it is particularly ironic that we are debating the trade and competitiveness bill, a measure which will make our economy less competitive. The measure we are now debating, by raising the cost of energy will make it far more difficult for our businesses and workers to compete in world markets.

We may ultimately decide that reducing competitiveness by raising energy costs is the price we must pay for national security. But that decision should be made in the context of debate on energy security policy not in the context of a debate on increasing our competitiveness.

Mr. LEVIN. Mr. President, I will vote against the amendment to strike the energy security provision of the trade bill even though that provision itself is not perfect. I am concerned about the lack of an expedited procedure for the consideration of a joint resolution of disapproval of an energy program which the President may propose under this provision. Without such an expedited procedure, any resolution disapproving or modifying an energy program proposed by the President under this provision of the trade bill could be bottled up in committee or stalled on the House or Senate floors. I have expressed this concern to proponents of this provision and have been assured that they would be open to a proposal for an expedited procedure, either as embodied in an amendment on the Senate floor or in conference with the House of Representatives. For example, I have long supported an oil import fee as long as it would phase out as the price of oil increased. I would want to be sure that there would be a meaningful opportunity to modify the President's energy program to allow for such a phase-out.

However, as important as it is to add an expedited procedure to this provision of the trade bill, it is even more important for the Senate to send out a

message of warning about our growing dependence on foreign oil. Keeping this provision as part of the trade bill is a part of the effort of sending out that message. In 1977, we relied on imports for 46 percent of our oil supply. Over subsequent years, our dependence decreased, but it is now on the rise again. In the first 3 months of 1987 our reliance on foreign oil increased by about 10 percent over 1986. This provision of the trade bill, which the Bradley-Packwood amendment seeks to strike, is necessary if we are to indicate a determination to take charge of our energy policy and not drift into crisis.

Mr. DECONCINI. Mr. President, over the past several weeks, I have listened to and read about the great debate over the energy security provision included in the committee reported version of the omnibus trade bill. Both sides have made some very persuasive arguments and I have found myself thinking long and hard about our Nation's energy policy, or lack thereof. Since the peak of the last energy crisis in 1977 when imports of foreign oil soared to 47.8 percent of U.S. consumption, the U.S. energy picture has shifted. Americans have grown accustomed to somewhat lower gasoline prices and a glut of oil availability for their fuel supply needs. In 1985, as crude oil prices dropped, the U.S. dependence on foreign imports declined to 28.5 percent of domestic consumption. However, imports are on the rise again, and many fear import projections into the 1990's may reach dangerous levels of 50 percent or beyond.

Our Nation's energy preparedness has also changed. The massive energy programs enacted by the Congress in the late 1970's, have all but been eliminated. The Federal budgets for research and development into alternative energy sources have been dramatically reduced. What we have seen over the past 10 years is a conscious retreat from a position of energy security to a point of energy insecurity. The complacent attitude from the administration with regard to our present energy situation is alarming. We are no more able to cope with a disruption in imported supplies today than we were in 1973. While I would be the first to admit that in our zeal to develop long-term solutions in the 1970's to move this country toward energy independence, we went too far too fast. On the other hand, I firmly believe this Nation must have a strong energy policy to prepare us for any future supply disruptions. Mr. President, we now have no such policy and I am not optimistic about this administration's ability to generate a strong and coherent one. A nation as strong as ours should never let itself become vulnerable to the whims of foreign suppliers, many of whom have not demonstrated consistency with respect to the United States.

The so-called energy security provision contained in the omnibus trade bill would require the President to submit annual reports to the Congress projecting whether or not imports over the succeeding 3 years would reach 50 percent or more. The amendment further provides that if projections for imports, as a percent of U.S. consumption, reach 50 percent, the President would be required to undertake comprehensive studies and report to the Congress on how he intends to reduce those imports. Under existing law, section 232 of the Trade Act of 1964, the President has broad discretionary authority to undertake any actions he deems appropriate if he finds that the level of imported oil may threaten U.S. national security. Imports of foreign oil are now approaching 40 percent of U.S. consumption. Domestic production of crude oil has declined dramatically. The number of drilling rigs decreased from 3,900 in 1981 to 700 in mid-1986. At the same time, domestic consumption has increased because of low oil prices. Despite this alarming trend, the Reagan administration has refused to take action under existing authorities to limit the rise of oil imports. I am concerned that even if imports rise to 50 percent of consumption, which some experts say may occur in the mid-1990's, no action will be taken by the executive branch to protect this country against the dangerous reliance on foreign imports.

Mr. President, I would prefer to see this Congress and this administration undertake specific actions to move this Nation toward energy security. Unfortunately, to date no serious proposals have been forwarded or approved. The actions required of the President under the energy security provision in the trade bill will force the administration to take some type of action to curb imports if they rise to a level of 50 percent.

There has been quite a bit of controversy over what type of actions a President could or would take to limit foreign imports of oil under the energy security provision. I want to inform this body that I do not support the imposition of gasoline rationing nor do I support any efforts to waive environmental laws to allow energy development on our sensitive public lands or in off-shore areas. Very valid arguments have been raised that under the provision, any President, if he so desired, could implement arbitrary policies related to energy development or conservation and the only way Congress could reverse those actions would be to pass a joint resolution by a two-thirds vote in both bodies within 90 days.

I have reviewed the case law relating to section 232 of the Trade Act. The courts have ruled that under existing Presidential authority under section 232, the President is empowered to use controls related to imports, like quotas, an oil import fee, boycotts on imports from certain countries, and fees that would control imports by affecting demand. Conceivably, if a President tried to implement actions that were unwarranted or unrelated, the Congress would possess the authority to reverse that action. A congressional resolution overturning a Presidential action taken by President Carter to impose a gasoline conservation fee was overturned using the 90-day disapproval authority. If a future President attempts to utilize the authority of the section 232 to implement an arbitrary action opposed by the Congress, I am confident we will again utilize our disapproval mechanism to stop that action. Mr. President, my reading of the energy security provision does not give the President any additional authority to take action than that which he already possesses under section 232. The difference with this provision, however, is that we have made a determination for the President that oil import levels of 50 percent constitute a national security risk.

Mr. President, I am convinced the only way we can get this administration to implement a policy which protects our energy security is to approve the energy security provision. If the President of this Nation wants to continue to turn his back on the need for a strong, secure energy policy for this country, the Congress must give him some incentive to act. The energy security provision does just that.

Mr. MOYNIHAN. Mr. President, I rise today in reluctant opposition to the so-called Energy Security Act provision of this bill. I say reluctant because I would in most other circumstances applaud an attempt by the Congress to begin formulation of a national energy policy—something we sorely lack. But this proposal I simply cannot support. It is simply an unwise choice—bad for the country and bad for New York.

New York is a State with no small reliance on oil as source of energy—for transportation, generation of electricity and home heating. Nationally, oil accounts for roughly 38 percent of total energy consumption. For New York, it is over 50 percent. Policy affecting the price and availability of oil is of vital importance to New York, and is not something to be taken lightly. As a responsible representative of my constituents, I cannot support a proposal that would artificially raise the price of oil, serving as a windfall to domestic oil companies at the expense of consumers. A $10 per-barrel fee on oil imports—not unlikely under this proposal—would mean $2.8 billion in

added expenditures on energy for New Yorkers.

But such effects will in no way be limited to New York and the more heavily oil-dependent States. The Secretary of Energy estimates that such a $10 import fee could reduce employment by 280,000 jobs, and add 2 to 3 points to the rate of inflation we have worked so hard to reduce to a reasonable level. Is such the effect of a well-chosen policy?

The amendment now in this bill was proposed in the name of energy security, and takes what seems a reasonable course; requiring the President to take action if total imports exceed 50 percent of total domestic consumption. But implicit in this measure is the notion that imported oil is insecure oil, which to my mind is not entirely so. Five of the 10 top importers of oil to the United States are nowhere near the Persian Gulf—and not the sorts of countries we have constantly described as insecure: Venezuela, Canada, Mexico, Indonesia, and Britain. Three of these countries alone—Canada, Mexico, and Venezuela—account for 39 percent of total United States imports.

The international energy situation is no less precarious today than it was during the 1970's, but our patterns of energy supply and utilization have changed substantially since that time. I would hope that others, more appropriate approaches to advancing our energy security could come before the Senate. This one, however, I must oppose.

Mr. DASCHLE. Mr. President, I oppose the amendment being offered by my distinguished colleague from New Jersey [Mr. BRADLEY] to strike section 502 of S. 1420. While I do have certain reservations with some of the potential ramifications of section 502, I believe it represents a reasonable effort to insure a planned, coordinated response to this country's excessive dependance on foreign energy sources.

The objective of this section is simple. The President is directed to use all of his available powers when oil imports are projected to reach critical levels. It establishes a national policy which would ensure that the United States would not become more than 50 percent dependent on foreign petroleum for our energy sources.

Along with his annual budget, the President would be required to submit to Congress the projected amount of U.S. oil production, demand, and imports 3 years into the future.

If the projection showed that imports garnered more than 50 percent of our U.S. demand, within 90 days, the President would be required to submit to Congress a plan which would ensure that foreign demand does not garner more than 50 percent of our market.

In the execution of this plan, the President would not be provided with any powers in excess of those currently authorized to the President by law. He would be able to include in this plan only those authorities currently available to him under section 232 in current law. This section authorizes the President to impose restrictions on imports which threaten to impair national security.

Upon submission of the plan by the President, the Congress would have 90 days to disapprove the plan.

Mr. President, in 1985 the United States imported 27 percent of the oil we consumed. Today we import 40 percent of our oil. Countries in the Persian Gulf are the major suppliers for this massive increase, increasing from 300,000 barrels per day in 1985 to 1 million barrels per day in 1987.

Ironically, later today in this Chamber, we may be debating the very issue of the instability and dangers in the Persian Gulf.

I know there are those who say that a rural State will feel the effect of an oil import fee or gasoline tax, if they were proposed by the President. It is impossible to say that any of these specific actions would be automatic if imports exceeded the 50-percent level.

Second, while there are many segments of our economy which would be adversely affected by a disruption of our oil supply, few would be impacted as severely as those in rural areas. Suburbanites have the option of catching a bus to work. However, if farmers face a precipitous decline in oil supply, they do not have the option of planting their crops with a horse. American agriculture would come to a halt if oil supplies were seriously disrupted.

The issue, however, is imports. Few people understand the problem of imports better than do farmers and ranchers.

South Dakota farmers have watched truckloads of Canadian pork traveling the South Dakota interstates, at a time when the pork prices they received were falling dramatically.

South Dakota farmers have also seen European-grown oats being sold in South Dakota, a State which produces the largest amount of oats in the United States.

Dairy producers are also seeing casein imports increasing dramatically, clearly adversely impacting the dairy industry.

There is another reason why I will oppose this motion to strike the Energy Security Act. That is the importance that ethanol will play in this energy plan.

This provision will force America to focus on domestic solutions to the energy crisis. Fuel ethanol is an integral part of this solution.

Ethanol is a renewable, domestic energy resource. It also has a proven performance record—Americans have driven over 140 billion trouble-free miles on ethanol blended gasoline.

Since 1979 domestic fuel ethanol production has displaced roughly 115 million gallons of imported oil. This country could reduce oil imports by 95.2 million barrels per year, at a savings of $1.9 billion if we blended half of our gasoline stocks with 10 percent ethanol.

Reducing our dependence on imported oil for our transportation sector is critical to achieving national energy security. The transportation sector accounts for 63 percent of total U.S. oil consumption. With the United States 97 percent dependent on oil as a mobility fuel, ethanol provides a quality, domestically produced fuel which can contribute significantly to America's demand for a liquid transportation fuel.

We have the ability to produce significant amounts of ethanol. By the end of this harvest year, there will be nearly 6 billion bushels of surplus corn and 3.5 billion bushels of wheat and other grains in Government hands. It makes perfect sense to transform these surpluses into a needed fuel resource. It could be done in the context of the Energy Security Act.

In addition, incorporating ethanol use in this energy security plan could immediately translate into environmental benefits which could include a reduction in carbon monoxide and ozone levels at a time when over 90 cities are attempting to meet the Clean Air Act standards.

Mr. President, for these reasons, I oppose the amendment to strike this section from S. 1420.

Mr. DODD. Mr. President, I rise to express my strong support for the Bradley amendment which would strike the Energy Security Act provision from the omnibus trade bill.

Mr. President, as you know, in its essence, the Energy Security Act requires the President annually to submit 3-year projections of oil production, demand, and imports. From these projections, the President must determine whether oil imports will exceed 50 percent of consumption for any year during this 3-year period. If so, the President must submit an "energy production and oil security policy" to the Congress within 90 days. This policy is to prevent oil imports from exceeding 50 percent of consumption. The President's policy would take effect 90 days after its submission to Congress unless a law is passed modifying the policy.

The bill authorizes the President to include in his policy, actions available to him under section 232 of the Trade Expansion Act of 1962. Under section 232, the President currently is authorized to respond to national security threats posed by the importation of oil

or other goods. The President may consider all relevant factors, and is specifically authorized "to take such action and for such time as he deems necessary under the circumstances to adjust imports, so that they will not threaten to impair national security." However, it is by no means clear what actions are permissible under section 232.

Mr. President, passage of the Energy Security Act is totally unnecessary. The Trade Expansion Act has worked successfully to protect national security. Even if the scope of the powers delegated is the same, the Energy Security Act would significantly alter the mechanics for use of section 232 in ways that would be highly detrimental to both national security and energy policy.

The Energy Security Act, if passed, would dramatically alter the standard used to trigger Presidential action with regard to energy security. The Energy Security Act would require the President to establish a so-called energy production and oil security policy when mere projections of oil imports exceed 50 percent of consumption. This approach is one-dimensional simplistic, and misguided.

The projected 50 percent import level may be an indication of the country's future dependence on oil imports, but it is in no way an accurate indicator of current or future vulnerability to an oil supply disruption.

For example, there were three instances between 1973 and 1980 when oil imports were well below the 50 percent level, yet the country experienced significant oil market disturbances. At the time of the Arab oil embargo of 1973, oil imports were only 35 percent of consumption. Oil imports rose to 46.5 percent in 1977, then declined to 42 percent of consumption during the 1980 Iran/Iraq war. These occurrences show that oil import levels are not an accurate indicator of vulnerability.

On the other hand, oil imports from secure sources such as friendly allies Canada, Mexico, Great Britain, and Venezuela may exceed the 50-percent level, but the country may not be faced with a threat.

In that regard, it is important to note that the United States has diversified its oil import sources. Since 1979, the United States has reduced its dependence upon OPEC and has purchased more oil from Canada, Mexico and the North Sea producers. In fact, we have reduced our dependence on Arab OPEC sources from 36 percent of all oil imports in 1979 to 19 percent in 1986.

Furthermore, the "automatic trigger" legally precludes any consideration of other significant indicators of vulnerability, that is, worldwide spare oil production capacity, government-owned and controlled stocks, the portion of oil imported from insecure sources, the availability of alternative energy sources, and the ability of the domestic petroleum industry to respond.

In contrast, current law allows the President to consider all the factors relevant to vulnerability in his determination of whether oil imports pose any threat to national security. In fact, the President must determine vulnerability based upon findings rendered by a Cabinet level investigation that considers all factors.

Indeed, the objective of section 232 is to protect national security. The President can act only to the extent "he deems necessary to adjust oil imports so that they will not threaten national security." Under section 232, the President's action must be tailored to eliminate the threat of market disruption. Thus, the President can prohibit imports from a particular country, such as Libya or Iran, without placing restrictions on imports from other secure or friendly sources.

The energy security provision requires action to limit imports regardless of the economic, environmental or foreign policy impact of such action. Thus, it could force action that is favored by a small minority, yet detrimental to our national security. The economic well-being of the United States is an important component of national security; however, the Energy Security Act could force action that damages the economy. Moreover, it could require action that injures U.S. allies, which also could be detrimental to national security. In sum, the action required by the Energy Security Act may be more damaging than beneficial to U.S. national security.

On the other hand, current law could never result in a policy that is detrimental to national security. In selecting the mechanism to be used in controlling oil imports, the President is required to consider not only levels of imports but also all other relevant factors, including "the close relation of the economic welfare of the Nation to our national security."

Mr. President, the Trade Expansion Act has been used successfully for almost three decades by Presidents to eliminate national security threats posed by the importation of oil. In 1958, President Eisenhower utilized this power to establish the mandatory oil import program which was designed to reduce the gap between oil supplies and demand. Presidents Kennedy, Johnson, and Nixon also utilized section 232. In 1982, President Reagan embargoed crude oil imports from Libya using his authority under section 232.

Thus, existing trade law gives the President broad emergency powers concerning imports which affect national security, powers that are appropriate in true emergencies. The energy security provision takes these emergency powers and forces their use in situations that may be neither critical nor threatening. This provision represents a gross abdication of legislative responsibility. Energy policy should not be formulated without participation by Congress.

Section 232 of the Trade Expansion Act has protected national security well since 1962. It provides the authority and the discretion needed by the President. It would be a grave error to modify this authority through enactment of the Energy Security Act.

Mr. President, I have additional concerns with the energy security provision relating to trade and related economic considerations. As I read the language of the provision, imposition of import fees or quotas would be the most likely action taken by the President. The possible automatic triggering of an oil import fee or quota would seriously injure our Nation's economy.

Although cloaked in nationalism, an oil import tax is naked protectionism. it would artificially boost the price of energy for the benefit of a narrow segment of domestic energy producers. American consumers would have to pay higher prices, and domestic industry, already locked in fierce international competition, would be seriously disadvantaged because of increased costs.

The recent Department of Energy's report to the President on energy security supports this view, noting that "raising energy prices for U.S. consumers above, the levels paid in other countries would seriously reduce the Nation's economic growth, increase inflation, and reduce U.S. competitiveness in both foreign and domestic markets.

The report also estimated that "a $10-fee would have a major economic impact, reducing U.S. GNP by about $30 to $45 billion per year and causing a one-time inflationary effect of 2 or 3 percentage points." Data Resources, Inc., estimates that a $5 oil import tax would lose 1 million jobs over 4 years.

Moreover, it is my firm belief that national energy policy must not play one region off against another. Oil makes up close to 70 percent of New England's energy mix. The Nation, on the other hand, relies on oil for 37 percent of its energy needs. New Englanders pay 38 percent more for oil-generated electricity than consumers nationally. If an oil import tax were imposed, New England would pay a disproportionately higher cost for its electricity than the Nation.

Consumers who suffered the skyrocketing energy prices during the 1970's as a result of excessive costs of cartel-controlled prices should not be required to support the price of domestic oil and indirectly other fuels for the benefit of those who benefitted during the 1970's.

Mr. President, as we debate the omnibus trade bill, we must keep in mind that an oil import tax is not consistent with the U.S. policy of open and fair trade. A sizable portion of U.S. oil imports comes from neighbors and allies, such as Canada, Mexico, the United Kingdom, and Venezuela. An oil import fee not only would seriously injure their economies but might also raise unwarranted trade frictions and encourage retaliatory action.

For example, we are now engaged in comprehensive negotiations with Canada on a free trade agreement that would remove barriers to trade and investment. A 50-percent oil import ceiling would run counter to the spirit of these negotiations and could undo the oil trade liberalization that already has been implemented. Further, any attempt to exempt one country, such as Canada, from the import ceiling would invite other friendly suppliers to request similar treatment. An arbitrary 50-percent import limitation could thus unnecessarily politicize oil trade and undermine our repeated commitments to our allies to remove barriers to trade and investment in energy.

Mr. President, I share the concerns expressed by my colleagues regarding the problem of U.S. dependence on insecure sources of foreign oil. Moreover, I recognize the need for a strong and thriving domestic energy industry. However, I strongly oppose legislation that would cede energy policy permanently to any future President who could be forced to take action that is harmful to the American economy, to our consumers and our businesses, simply because projected levels of oil imports exceed an arbitrary limit.

Mr. PACKWOOD. How much time did you say I have, Mr. President?

The PRESIDING OFFICER. The Senator from Oregon has 5 minutes and 32 seconds. The Senator from Texas has 5 minutes remaining.

Mr. PACKWOOD. Thank you, Mr. President.

Mr. President, an argument can be made either way in the powers given the President. Basically, we are giving him the powers that he has under the Oil Security Act, the 1962 Trade Act, but we are mandating that he exercise those powers, whereas in that act it is discretionary. You can go one of two ways. Either you can say those powers are absolutely extraordinary, that they are the powers to impose quotas, tariffs, gasoline rationing deregulate natural gas, tax incentives for oil production, including depletion, including stripper wells, gas taxes, you can say that we are giving him the whole panoply of all those powers. In truth, we do not know what we are giving him because, under that 1962 act, all we know is that tariffs and quotas, tariffs being oil import fees, he does have the power to impose, and one Federal district court said that President Carter did not have the power to impose gasoline taxes. Under no circumstances do we know for sure whether he can invade environmental areas and deregulate natural gas and put price controls on petroleum products, because it has never been tried.

I do not think really, the Senator from Texas intends to give him those powers. I do not think this Congress would even consider supporting the amendment of the Senator from Texas which Senator BRADLEY and I are trying to strike if we thought we were giving him all of those powers.

What this is—and the Senator from Ohio said it and others have said it—this is an effort to impose an oil import fee, pure and simple. Strip away everything else, that is what we are expecting the President will do if the amendment of the Senator from Texas stays in this bill. And we have voted on an oil import fee twice in the last 2 years. Most of the Senators in this body, a majority of both the Republicans and the Democrats, are on record in opposition to an oil import fee. Most of them are on record twice in opposition to an oil import fee.

If you want an oil import fee, then you should vote against the amendment of the Senator from New Jersey and myself to strike. If you do not want an oil import fee, you should support us.

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

The PRESIDING OFFICER (Mr. REID). The Senator from Texas.

Mr. BENTSEN. Mr. President, this does not turn on an oil import fee. The President is given wide discretion as to what to do. We have not expanded his authority one iota. What we are saying is, "Get off the dime. Give us an energy policy."

I listened to one of the debaters a moment ago in opposing the position we have in the committee. He said, "We need a responsible energy policy, but not this." And then he put up every straw man he could think of to try to knock down and to try to scare and to try to frighten.

We are the ultimate authority. Whatever the President proposes, we can turn down. We can modify it or we can reject it. It is a shared responsibility.

I heard one of them referring to us being that oil society, that we might as well accept it, forget it, we are going downhill.

It was back in 1920 that you had a Federal Government report that said the United States had reached its peak in oil production. That was 443 million barrels a year. Today, we produce over 3 billion barrels per year.

In 1939, Government officials said American's oil supplies would last only 13 years. Ten years later, a Federal official announced the end of the U.S. supplies almost in sight. That has been the history of it.

But each time we have gone out and found the additional oil and gas in this country. And we can do it if we have some stability in that industry.

The U.S. Geological Survey, and it is a conservative one, states that we have huge amounts of oil and gas yet to be found in this country. They tell us that we have over 125 billion barrels, enough to supply us at the present rates for perhaps 35 years with all the changes that may come about in that period of time, to develop alternative sources of energy, to find new ways to enhance the role of oil.

We are one of the big producers. There is only one producer in the world who produces more than we do and that is the Soviet Union.

When they tell us it does not make any difference whether we cut back on the importation of foreign oil, that just cannot be true. We have got 55 billion barrels of production now. If we did not have to import the 6 billion barrels of oil that we have been importing in this country, you would be up to 61 billion and you would be having excessive capacity and you would not be able to drive the price. Ladies and gentlemen, what this is all about is saying let us get in charge of our own fate around here. Let us not find that our foreign policy is going to be jerked around by the situation in Kuwait. Let us cease our dependence on the Middle East to the extent that we possibly can with our vast, untapped, natural gas reserves, tremendous amount of oil reserves.

There is simply no reason to suggest that we have an inevitable, irresistable drift toward 50-percent dependence on imported oil.

There is no reason to accept preemptive capitulation as a national energy policy in our country. We have offered a reasonable alternative. We have "drawn a line in the sand. We have said: Let us have a positive energy policy for our country that will cut our dependence, that will help protect our national economic security and our national military security."

I urge the rejection of the motion to strike.

Mr. PACKWOOD addressed the Chair.

Mr. BENTSEN. I reserve such time as I have left.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Oregon?

Mr. PACKWOOD. Mr. President, I ask for the yeas and nays on the motion to strike.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

Mr. PACKWOOD. I ask unanimous consent that a statement of Senator

HUMPHREY in support of the motion to strike be placed in the RECORD.

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

Mr. HUMPHREY. Mr. President, it is becoming more and more clear that the so-called Energy Security Act should probably be renamed the Domestic Oil Industry Protection Act. The domestic oil industry's friends on Capitol Hill have been trying for years to impose an oil import fee. Time after time, the Senate has rejected such an idea—most recently—last July—by a vote of 82 to 15. The Senate should do likewise today. I urge the Senate to adopt the pending amendment.

Faced with the virtual impossibility of achieving an oil import fee directly, the proponents are now seeking to achieve their goal through the back door. While it is true that the President currently has the authority to impose an oil import fee, the provisions included in the trade bill would virtually ensure that this authority would be exercised. The President would have several options available, yet clearly the easiest way to reduce oil imports is to raise the price—by imposing a fee on all imported oil.

One of the major reasons the President has not exercised his existing authority and the Senate has consistently rejected the concept of an oil import fee is the cost to the economy. At a time when we are trying to improve the competitiveness of American industry, the last thing we should be doing is raising the cost of one of the most important inputs—energy. Some studies have concluded that an oil import fee could result in the loss of as many as 1 million jobs and reduce economic outputs by as much as $45 billion per year. Clearly, Mr. President, an oil import fee flies in the face of our stated goal in debating the present bill.

Mr. President, in addition, any oil import fee would adversely affect those regions of the country that depend on oil—and imported oil in particular. For example, in 1985, oil made up 61.4 percent of New England's mix, as opposed to 42 percent nationwide. In my own State of New Hampshire, 61.3 percent of our total energy consumption comes from petroleum. Of the oil consumed in New England, 60 percent was imported whereas nationwide the percentage was approximately 34 percent. Furthermore, a Northeast-Midwest congressional coalition report shows that a $5 per barrel oil import fee would cost the eight largest net oil consuming States $8 billion while providing the eight largest net oil producing States $6 billion. We're not even shifting resources. There will be a net loss here of $2 billion.

Mr. President, there has never been a justification for burdening one region of the country in order to protect another—be it to achieve deficit reduction or any other objective. More importantly, there has never been a justification for burdening the entire economy in order to relieve one particular industry—in this case the oil industry.

Mr. President, nothing has changed since last July when the Senate overwhelmingly rejected the oil import fee, except that proponents of such a fee have found an indirect means of achieving their goal. The Energy Security Act deserves the same fate today. I urge my colleagues to support the Bradley-Packwood amendment.

Mr. PACKWOOD. How much time do I have left?

The PRESIDING OFFICER. Three minutes.

Mr. PACKWOOD. I yield back the remainder of my time.

Mr. BENTSEN. Mr. President, I yield back such time as I have.

The PRESIDING OFFICER. All time having been yielded back, all time having expired, there being no further debate, the question is on the motion to discharge. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from Tennessee [Mr. GORE] and the Senator from Illinois [Mr. SIMON] are necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee [Mr. GORE] would vote "nay."

Mr. SIMPSON. I announce that the Senator from Alaska [Mr. MURKOWSKI] is necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. MURKOWSKI] would vote "nay."

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

The result was announced—yeas 55, nays 41, as follows:

[Rollcall Vote No. 175 Leg.]

YEAS—55

| | | |
|---|---|---|
| Adams | Grassley | Moynihan |
| Armstrong | Harkin | Packwood |
| Bond | Hatch | Pell |
| Boschwitz | Heinz | Pressler |
| Bradley | Helms | Proxmire |
| Byrd | Humphrey | Quayle |
| Chafee | Karnes | Rockefeller |
| Cochran | Kasten | Roth |
| Cohen | Kennedy | Rudman |
| Cranston | Kerry | Sarbanes |
| D'Amato | Lautenberg | Specter |
| Dixon | Leahy | Stafford |
| Dodd | Lugar | Symms |
| Durenberger | Matsunaga | Trible |
| Evans | McCain | Warner |
| Garn | McConnell | Weicker |
| Glenn | Metzenbaum | Wilson |
| Graham | Mikulski | |
| Gramm | Mitchell | |

NAYS—41

| | | |
|---|---|---|
| Baucus | Burdick | Dole |
| Bentsen | Chiles | Domenici |
| Bingaman | Conrad | Exon |
| Boren | Danforth | Ford |
| Breaux | Daschle | Fowler |
| Bumpers | DeConcini | Hatfield |
| Hecht | Melcher | Shelby |
| Heflin | Nickles | Simpson |
| Hollings | Nunn | Stennis |
| Inouye | Pryor | Stevens |
| Johnston | Reid | Thurmond |
| Kassebaum | Riegle | Wallop |
| Levin | Sanford | Wirth |
| McClure | Sasser | |

NOT VOTING—4

| | |
|---|---|
| Biden | Murkowski |
| Gore | Simon |

So the amendment (No. 364) was agreed to.

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BYRD. Mr. President, I wonder if we could get an agreement now on the conference report on the supplemental. Also, I would like to get some understanding as to what amendments are ready to be called up and whether or not we might get time agreements on such amendments.

The PRESIDING OFFICER. The Senate will come to order.

Mr. BENTSEN. Mr. President, we have an amendment by the distinguished Senator from New York on this side. I do not think it will take very much time.

Mr. BYRD. Mr. MOYNIHAN's amendment. What kind of agreement could we get on that amendment?

Mr. PACKWOOD. His amendment is cleared, and Senator QUAYLE has one that is cleared. I do not know if the majority leader wants to take this first or get the unanimous-consent agreement first.

Mr. BYRD. I would like to get the unanimous-consent agreement first. I would like to lock this in.

How much time would Mr. MOYNIHAN's amendment take?

Mr. MOYNIHAN. 10 minutes.

Mr. PACKWOOD. 5 minutes here.

Mr. BYRD. 10 minutes on the amendment by Mr. MOYNIHAN, to be equally divided.

Mr. QUAYLE. 5 minutes.

Mr. BYRD. 5 minutes on the amendment by Mr. QUAYLE, to be equally divided.

Mr. QUAYLE. It is an amendment on auto parts which has been cleared on both sides.

Mr. BYRD. Mr. President, I ask unanimous consent that there be 10 minutes on the amendment by Mr. MOYNIHAN, to be equally divided and controlled in the usual form; that no amendment to the amendment be in order.

I make the same request with regard to the amendment by Mr. QUAYLE, that there be 5 minutes equally divided, and that no amendment thereto be in order.

Mr. BENTSEN. We have looked at Mr. QUAYLE's amendment and we have no objection.

Mr. DOLE. Mr. President, will the majority leader yield?

Mr. BYRD. I yield.

Mr. DOLE. I assume that since these amendments are cleared on both sides, they do not need rollcall votes. Is that correct?

Mr. QUAYLE. I do not need a rollcall vote.

Mr. BINGAMAN. Mr. President, I have two amendments, each of which could be disposed of in 5 minutes, 5 minutes per amendment. I do not believe they will require rollcalls. We have been trying to get all those interested to agree. If someone requests a rollcall, we will have one.

Mr. BYRD. This is good progress, Mr. President.

The next amendment? Does anybody else have an amendment?

Mr. NICKLES. Mr. President, I have an amendment dealing with multilateral banks. I am not sure it has been cleared on both sides. It has been cleared on this side. It has passed the Senate three times, so I do not doubt that it will pass again.

Mr. BENTSEN. It is under the jurisdiction of the Banking Committee.

Mr. BYRD. There is some objection on this side.

Mr. PACKWOOD. I do not know about that amendment yet.

Mr. METZENBAUM. Mr. President, sometime Tuesday or Wednesday—it does not really matter much to the Senator from Ohio—but the amendment we were prepared to go with last night, and understandably those on the other side did not want to go with it last evening—I think it is important that before we leave here this week, we get some understanding as to what time that issue will be brought before the Senate.

The Senator from Ohio is very flexible. I am willing to do it on Tuesday, Wednesday, or Thursday; but I think there are people who are entitled to be given notice of the amendment. It is an important amendment, and they want to be here to vote.

So I ask the majority leader and the minority leader and all others involved to tell me what time they want to agree to, and I will work out a unanimous-consent agreement.

Mr. BYRD. Mr. President, I think the Republican leader has made a good suggestion—that the Senator from Ohio do that before we go out today, if he wishes to do that. He may not wish to do that.

Mr. METZENBAUM. What we have intended to do, and I advised Senator QUAYLE of this, is that we will put into the RECORD the amendment we have agreed to so far. I want to say it will be defined. In each instance, we have given up to the business community some of the things they have been concerned about. It will be more than enough for it to be known and considered by the Senator from Indiana, Senator HATCH, and other Senators. So they will know what the starting point is.

Between now and then, if it means something to certain Senators to join with us, they will be willing to give up and make additional concessions, but we will put something in the RECORD today and the unanimous-consent agreement, I am sure, can cover a situation and protect all parties, and certainly not come up with any big surprises.

Mr. BYRD. I would only suggest to the distinguished Senator from Ohio that if he could discuss the amendment with other principal parties and come to me with a proposal as to the time then we would see if we could lock it in for Tuesday, Wednesday, or whatever the day is. I am fairly confident we are not going to finish this bill today and we are not going to finish Tuesday probably. I suppose we will still be on it Wednesday. I would hope we could finish acting on it by Wednesday.

Mr. DOLE. Mr. President, will the majority leader yield?

Mr. BYRD. I yield.

Mr. DOLE. It is my understanding that the Senator from Ohio might modify his amendment, maybe do that before we leave, and then there will be, as I understand, a motion to strike of the Senator from Indiana. That would be pending and that would probably take considerable debate but at least that would be pending.

Mr. METZENBAUM. The reason that I had difficulty—if they were ready to go last night I would have been ready to go—it is a fact that certain Members of the Senate have come to me, one asking for some special consideration and seeing whether or not we can take care of a particular situation in one of the States.

So I do not want to preclude my ability to make some additional concessions if that would mean that certain Senators would be able to come on board. But I am willing to agree without any reservation we will put nothing in that will make the bill any tougher than it presently is.

Mr. BYRD. Mr. President, I yield to the Senator without losing my right to the floor for a response.

The PRESIDING OFFICER. The majority leader yields to the Senator from Indiana.

Mr. QUAYLE. Mr. President, I would make a response to the Senator from Ohio through the majority leader. This has been the difficult proposition we have had. We call it a moving target. We have had Metzenbaum 1, 2, 3; I do not know, about rewrites, Metzenbaum 8 or 9. I do not know what number we are on. It keeps changing all the time.

As a matter of fact, I was trying to get a copy this morning but we can get a copy of what is officially the modification this morning but that may change by next Tuesday.

The only thing I can say we are not going to go today with a gentleman's understanding because some of the Presidential candidates are going to be out of town.

Mr. DOLE. Not me.

Mr. QUAYLE. Except the distinguished minority leader. That is the reason we are not going today.

At some time we are going to have to force the vote. We are going to have to do this.

But I cannot have this agreement on it if I do not know what that modification is going to be. I suppose there are other ways. I could just go strike what is in there now and if that fails then just leave in the bad langauge. He thinks he has some language a little bit better that could modify it.

We are going to have to get on with this at some time. We have been dealing with the floating target for about a week. I had a gentleman's agreement last night that I not do anything today. This is the last day that I am not going to not do anything.

Mr. METZENBAUM. We will be happy to give the Senator from Indiana a target very shortly. Then would the Senator from Indiana be in a position to agree as to the time certain next week?

Mr. QUAYLE. I do not know what the target is going to be.

Mr. METZENBAUM. It is going to be what the Senator saw.

Mr. QUAYLE. It has not changed anything from what I saw last night?

Mr. METZENBAUM. If anything, it has been brought to the Senator's attention.

Mr. QUAYLE. If it is close to what I saw last night, we could probably enter into some sort of understanding. We have to see this thing. It has been back and forth, pencil marks, everything. Last night during the course of dinner, it changed. We are in a situation——

Mr. METZENBAUM. The Senator picked up two more votes by changing it.

Mr. QUAYLE. I said we would not bring it up today. I probably should not agree to that gentelmen's agreement. I would not do anthing today. After today all bets are off. I am moving ahead one way or another.

Mr. BYRD. Mr. President, I am very much encouraged by the enlivened colloquy here. I believe we are moving rapidly toward culmination of events on this particular amendment. I hope we will get agreement on it before the day is over.

I inquire of the manager what the outlook is with respect to 201. Will that be called up this afternoon?

Mr. PACKWOOD. No, that will not be called up this afternoon.

## TIME LIMITATION AGREEMENT—SUPPLEMENTAL APPROPRIATIONS CONFERENCE REPORT

Mr. BYRD. Mr. President, I am going to propound a unanimous-consent request on the conference report.

Now, Mr. President, I believe this has been cleared on this side of the aisle and perhaps on the other side.

Mr. DOLE. Mr. President, will the majority leader yield at this point?

Mr. BYRD. I yield.

Mr. DOLE. As far as I understand, it has been cleared on this side of the aisle. It is just a general hope that it could be taken up fairly quickly. I think at least one or two Members have told me if we are not going to bring it up until 5 or 6 o'clock they would not agree to any agreement. I think that includes the manager on this side.

Mr. BYRD. It is a privileged matter that will be brought up. We would like to get a time agreement on it.

Mr. DOLE. I would certainly want to accommodate the majority leader. Could we have some indication when he might call up the conference report?

Mr. BYRD. It would be my plan to do it at some point. But I do not want to slow down right now the pace that we are seeing on the trade bill. That pace may be slowing down at the moment, but we have two amendments to be disposed of quickly.

Let me proceed with trying to get the request.

Mr. HATFIELD. Mr. President, will the majority leader yield for a second?

Mr. BYRD. Yes.

Mr. HATFIELD. Mr. President, this conference report on the supplemental will include a change on the Senate side. Therefore, it will have to go back to the House of Representatives. The House of Representatives, according to my latest information, expects to adjourn for the Fourth of July recess between 3 and 4 o'clock today.

Mr. BYRD. We have not passed the adjournment resolution yet.

Mr. HATFIELD. That is what the House of Representatives said that they are expecting or hoping to do. Whether they do or do not, I do not know.

I only want to indicate at this time that this appropriation supplemental will not be completed by the Senate solely by our action today. We will have to send it back to the House of Representatives. That may be helpful to the majority leader as he sets forth to try to set the schedule for the remainder of this day, but I just wanted to indicate that important point.

Mr. BYRD. Yes, I fully understand that and the Senate has not agreed to the adjournment resolution by the House yet, may I also say.

Mr. President, I ask unanimous consent that there be a time limitation on the consideration of the conference report on the supplemental appropriations as follows:

Twenty minutes, equally divided, on the conference report; 15 minutes, equally divided, on the motion to concur in amendments of the House to amendments of the Senate, with the exception of Senate Amendments 26, 219, and 387; 4 minutes, equally divided, on a motion by Mr. JOHNSTON to recede from Senate Amendment No. 33; 2 hours, to be equally divided, on an amendment to be offered by Mr. HOLLINGS dealing with the U.S. Embassy in Moscow to the House amendment to the Senate Amendment No. 26, and that no other amendments be in order to that amendment; 10 minutes, equally divided, on a Burdick motion to table the original Senate Amendment No. 219 that deleted the $250,000 cap of the honey loan program, or on a germane amendment to be offered by Mr. BURDICK to the House amendment to the Senate Amendment No. 219, and that no other amendments be in order to Senate Amendment No. 219, as amended; 1 hour, equally divided, on an amendment by Mr. MELCHER dealing with a consumer price index for the elderly to the House amendment to the Senate Amendment No. 387, and that no other amendments be in order to Senate Amendment No. 387, as amended; provided further, that no other amendments be in order; provided further, that there be a time limitation of 20 minutes on any debatable motion, appeal, or point of order submitted to the Senate; and, provided further, that the agreement be in the usual form.

Mr. STEVENS. Will the Senator yield, Mr. President?

Mr. BYRD. Yes, I yield.

Mr. STEVENS. The Senator's "no other amendments be in order" general last statement, does that include no amendments to any amendments other than those specifically set forth?

Mr. BYRD. That would mean that, yes.

Mr. MELCHER. Will the majority leader yield?

Mr. BYRD. Yes, I am glad to yield.

Mr. MELCHER. I thank the majority leader for yielding.

On the hour allotted to my amendment dealing with the Consumer Price Index for Older Americans, I would like to have in that that no points of order under rule XVI could be used against it, germaneness or legislation on appropriations.

Mr. BYRD. The Senator wants to exclude any point of order under rule XVI?

Mr. MELCHER. Yes.

Mr. BYRD. I include that in my request.

Mr. MELCHER. I thank the majority leader.

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

Mr. BYRD. Yes.

Mr. EXON. I have been listening with keen interest to the debate. I hope that I do not have to object, because I had cleared previously an objection.

I was particularly interested and struck by the comments that were very timely made by the Senator from Oregon. It would seem to me that we should be able to get an agreement from the House of Representatives that if we are going to work our will—and I have no quarrel with the Senate working its will under the time agreement as outlined by the majority leader—but I would simply point out that if the House holds to their present adjournment schedule as outlined by the Senator from Oregon, that would mean we could not, we, the Congress, could not complete action on this measure today. That means it is going to go over until next week.

I call the Senate's attention once again to the fact that, regardless of all of the other important matters considered in this particular piece of supplemental legislation, the Commodity Credit Corporation money has been long due to the farmers of this country, pursuant to legislation we passed a long time ago. Therefore, I hope that we would do everything possible in realistically facing that situation and see if we could not appeal to the House to stay in until we have finished action on this bill and get it passed sometime today, or at least have the option of doing that.

Mr. BYRD. Mr. President, I say again that the Senate has not passed the adjournment resolution. Under the Constitution, neither body can adjourn for more than 3 days without the consent of the other body. That adjournment resolution I am not going to call up for the time being. I hope that helps some.

Mr. EXON. Does that satisfy the concern of the Senator from Oregon?

Mr. HATFIELD. If I may respond, I am not in that role to call up the adjournment resolution. I was merely reporting that when I made inquiry to the House leadership as to when they were anticipating finishing their business, they said to me that they were going to finish between 3 and 4 o'clock. That is all I am reporting is that information. If we would have this agreement in place now, it would be after 6 o'clock; if we were able to take up this appropriations supplemental immediately, it would be after 6 o'clock if we utilized all these various time factors in this unanimous-consent request. I am going to agree to it.

I am hoping we can take up the bill, get it done very quickly, and not use all that time. I cannot imagine 2 hours of debate on the Moscow Embassy.

Mr. EXON. Let me just say again, if the majority leader will yield, it would seem to me that, which I know the majority leader and the leadership of the conference report are working in good faith, the fact that the House cannot go out until after we agree to an adjournment arrangement here, the fact of the matter is that they could let their troops go home as they are scheduled, I suppose, at the present time, and not be in a position to act on this measure today.

Therefore, I would renew my request that, even if we get this agreement, our leadership request of the House to stay in session with sufficient numbers so that they could act on this measure after we completed work on it today.

I thank the majority leader for yielding.

Mr. STEVENS. Will the distinguished leader yield to me?

Mr. BYRD. Yes.

Mr. STEVENS. It is my understanding that there is severe disagreement between the House and the Senate on the Moscow Embassy. I am informed, and I believe I know the sentiment of the Senate, that we are going to send this to the House with an amendment. I am informed they are going to send it back to us with an amendment.

I wonder if the distinguished leader would agree to insert in his time agreement that, should this conference report return to the Senate, no nongermane amendment would be in order to an amendment in disagreement so that we will not have any other subject come up other than the Moscow Embassy, if that happens?

Mr. BYRD. I would be happy to put that into the request, and I do so include it.

Mr. STEVENS. I thank the leader.

Mr. BYRD. May I say to the distinguished Senator from Nebraska, I will be happy to call the House leadership. As the Senator points out, the House does not have to have a resolution to go out for a day or two or on a pro forma basis. They can do it. I would imagine their Members would be under the same pressures as our Members with respect to the Commodity Credit Corporation. I cannot, of course, speak for the House. I do not know what the attitude of the House would be.

But the Senator is right in his apprehensions that, even though the Senate acts on this, this afternoon, conceivably it would not be wound up until after the break. But we can do our best. I think when we do that, we have fulfilled our responsibilities.

I have put the request. I raise one question. Senators will note that there is in this request only 20 minutes on any point of order. Would any point of order under the Budget Act be available?

Mr. President, I put the request.

Mr. DOLE. Reserving the right to object.

The PRESIDING OFFICER. Is the majority leader relinquishing the floor?

Mr. BYRD. No, I do not relinquish the floor.

Mr. DOLE. I just reserved the right to object.

Mr. BYRD. The Senator has reserved the right to object.

Mr. DOLE. I shall not object. But I just want to ask a question as a matter of information. I understand there are a number of trade amendments that can be dealt with, maybe three or four. Would it be the intention, after disposition of those, to go to the conference report?

Mr. BYRD. I have not decided that yet.

Mr. DOLE. Because there was some—at least a rumor around here—that maybe we would get off on the Persian Gulf resolution and that would take hours and that would stop everything, including the supplemental.

I happen to share the view expressed by the Senator from Nebraska on the Commodity Credit Corporation. In fact, I introduced a bill just last week to get it out of all of these other problems.

Is it fair to ask the majority leader, is it his intention to take the supplemental up today?

Mr. BYRD. Yes.

Mr. DOLE. Still today?

Mr. BYRD. Yes.

Mr. GARN. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. Mr. President, I will not object, but I am concerned. I understand the problems of the majority leader to get this body to move. It is very difficult. It is difficult to get Senators over here to offer amendments.

But I have observed in the 13 summers that I have been here that this is the first time that we have not had a week's recess for the Fourth of July and all of the activities that go with that for public officials. And that is the majority leader's right to set the schedule. I do not quarrel with that and so we have a 2-day recess.

But I would suggest that when there is only essentially a 2-day recess, a Thursday and a Friday off, and the Mondays we have been having, which most of us in the West are grateful for, that schedule has been published since January.

I think most of us who make commitments, those of us who live in the West, if you make a commitment on a Thursday morning, that means you have to get there on Wednesday evening. It seems to me we are not going to finish the trade bill, obviously, today. It will have to go over. I am as anxious as the majority leader to finish that. It is important that we get on with the supplemental.

But it does become rather difficult when you have a 4- or 5- or 6-hour plane reservation and have made commitments to people on the basis of a public schedule. I am just saying I will not object. I do not want to be part of the delay, but I would certainly hope that we might recognize those commitments to have been made—this is only a 2-day recess—so that some of us in the West, particularly, who cannot get home quickly on trains or in a half-hour might be given some consideration and that we might go to the supplemental as quickly as possible as something that needs to be done rather than continuing to delay into the evening until we have all of us miss our airplanes and our commitments.

I do not object.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BYRD. Mr. President, I thank the distinguished Senator. I appreciate his concerns and I do appreciate and understand the problems for those Senators who have long distances to travel.

I thank him, also, for not objecting to the request.

The PRESIDING OFFICER. Is there any objection to the request? If not, it is so ordered.

## OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1987

The Senate continued with the consideration of the bill (S. 1420).

AMENDMENT NO. 365

(Purpose: To include certain later-developed merchandises within the scope of an antidumping or countervailing duty order)

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER (Mr. HARKIN). The Senator from New York.

Mr. MOYNIHAN. Mr. President, without objection, I send an amendment to the desk and ask it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN] proposes an amendment numbered 365.

Mr. MOYNIHAN. 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 191 of the printed bill, line 3, strike out the end quotation marks and end period.

On page 191, between lines 3 and 4, insert the following:

"(4) LATER-DEVELOPED MERCHANDISE.—

"(A) IN GENERAL.—For purposes of determining whether merchandise developed after an investigation is initiated under this title or section 303 (hereafter in this paragraph referred to as the 'later-developed merchandise') is within the scope of an outstanding antidumping or countervailing duty order issued under this title or section 303 as a result of such investigation, the administering authority shall consider whether—

"(i) the later-developed merchandise has the same general physical characteristics as the merchandise with respect to which the order was originally issued (hereafter in this paragraph referred to as the 'earlier product'),

"(ii) the expectations of the ultimate purchasers of the later-developed merchandise are the same for the earlier product,

"(iii) the ultimate use of the earlier product and the later-developed merchandise are the same,

"(iv) the later-developed merchandise is sold through the same channels of trade as the earlier product, and

"(v) the later-developed merchandise is advertised and displayed in a manner similar to the earlier product.

"(B) EXCLUSION FROM ORDERS.—The administering authority may not exclude a later-developed merchandise from a countervailing or antidumping duty order merely because the merchandise—

"(i) is classified under a tariff classification other than that identified in the petition or the administering authority's prior notices during the proceeding, or

"(ii) permits the purchaser to perform additional functions, unless such additional functions constitute the primary use of the merchandise and the cost of the additional functions constitute more than a significant proportion of the total cost of production of the merchandise.".

Mr. MOYNIHAN. This is a simple but not an unimportant amendment.

Mr. President, might we have——

The PRESIDING OFFICER. The Senate will come to order. The Senator from New York.

Mr. MOYNIHAN. Mr. President, this amendment has to do with strengthening the very considerable measures that already are in S. 490 having to do with the circumvention of our countervailing and antidumping duty provisions.

In drafting S. 490, the Finance Committee title of the "Omnibus Trade and Competitiveness Act of 1987," the committee gave serious attention to the evasion of U.S. trade laws, particularly the antidumping and countervailing duty statutes. In addition, the administration also expressed concern about efforts of foreign producers to circumvent antidumping and countervailing duties, and offered a number of legislative proposals to eliminate such circumvention. These proposals were incorporated into S. 490.

Evasion and circumvention can occur through a number of existing loopholes. Among these loopholes are the establishment of simple processing operations in the United States or third countries, whereby the foreign producer stops exporting the finished product in favor of exporting the parts of the product and having them reassembled outside the reach of the antidumping or countervailing duty order. S. 490 contains provisions that would permit the Department of Commerce to include these products within the scope of an antidumping or countervailing duty order.

Another anticircumvention initiative contained in the Finance Committee bill will prevent foreign producers from making minor alterations to merchandise for the purpose of evading an antidumping or countervailing duty order. The provision creates a presumption that an order covers articles altered in form or appearance in minor respects, whether or not such articles are included in the same tariff classification.

One of the purposes for this provision is to avoid results such as the one reached by the Department of Commerce in an antidumping case involving portable electric typewriters from Japan originally brought by Smith Corona.

This is a particularly egregious instance, Mr. President, and has to do with a New York firm located in Cortland, as it happens, which is the only firm in the United States, the only company that makes portable electric typewriters.

They reconstituted themselves after a long dip and got into a new model, new design, new energies. They found Japanese competitors clearly dumping a competitive product and went to the Commerce Department and asked for antidumping duty measures.

The case was sympathetically heard, and they got a favorable ruling. The next thing they knew, the very same companies had added a small memory or calculator function to the exact same typewriters and they were shipping them in under a different tariff classification. It is just an open, egregious effort to avoid our rules.

What this amendment does is to put into law what the Commerce Department now sees to be a necessary set of procedures for identifying that type of evasive action and preventing it.

Although the existing statutory changes contained in S. 490 are designed to prevent a repetition of the result reached in the portable electric typewriter case, it is important to codify the criteria that the Department of Commerce will use in making future determinations on whether later developed products constitute an effort to circumvent an existing order.

This amendment establishes statutory guidelines to determine whether a later developed product is within the scope of an existing order. To a large extent, these guidelines are consistent with existing Department of Commerce practice, and the administration accepts the need for this codification.

The essential elements of the amendment can be summarized, as follows:

First, establishes that for purposes of determining whether products developed after the initiation of an antidumping or countervailing duty investigation are within the scope of an order entered as a result of the investigation of the existing product, the Department of Commerce shall consider:

Whether the products have the same physical characteristics; whether the ultimate purchasers have the same expectations with regard to the products; whether the products have the same ultimate uses; whether the products are sold in the same channels of trade; and whether the products are advertised and displayed in the same manner.

Second, establishes that a later developed product may not be excluded from an order merely because it is classified under a tariff item not identified in the original antidumping or countervailing duty petition or the later developed product permits the purchaser to perform additional functions, unless the functions constitute the primary use of the product or the cost of the additional functions constitute a significant proportion of the total cost of the product.

These criteria will lend transparency to the Department of Commerce determination process and will assure that anomalous results such as that reached in portable electric typewriters from Japan are not repeated.

I am happy to report the administration supports this measure. I am pleased, indeed, that the distinguished Senator from Oregon is of the same view.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. The Senator from New York used the word "egregious," and that is exactly the term to use to describe this situation. His amendment is 10,000 percent justified.

I would hope it is passed unanimously.

Mr. MOYNIHAN. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. Is there any further debate on this amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 365) was agreed to.

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

Mr. PACKWOOD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I would like to call up amendment——

Mr. QUAYLE. Did not we understand after Mr. MOYNIHAN, Senator QUAYLE was going to be recognized for 5 minutes for a consent agreement?

Mr. BINGAMAN. I was not aware of that. If it was, I would be glad to defer.

The PRESIDING OFFICER. It is the understanding of the Chair the unanimous-consent agreement was not formally entered into, however I understand the Senator from New Mexico has yielded to the Senator from Indiana for a unanimous-consent request and the Senator is recognized for that purpose.

AMENDMENT NO. 366

Mr. QUAYLE. I thank the indulgence of the Chair and the Senator from New Mexico.

My amendment will take less than 5 minutes.

Mr. President, I call up amendment 366.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Indiana [Mr. QUAYLE] for himself, Mr. MOYNIHAN, Mr. HEINZ, Mr. LUGAR, Mr. KASTEN, Mr. RIEGLE, and Mr. LEVIN, proposes an amendment numbered 366. At an appropriate place in the bill, insert the following.

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

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

The amendment is as follows:

At an appropriate place in the Bill, insert the following:

SECTION 1. SHORT TITLE.

This section may be referred to as the "Fair Trade in Auto Parts Act of 1987."

SEC. 2. DEFINITIONS.

(a) For purposes of this section, the terms "Japanese Markets" shall refer to markets, including the United States and Japan, where automotive parts and accessories, both original equipment and aftermarket, are purchased for use in the manufacture or repair of Japanese-brand automobiles.

SEC. 3. ESTABLISHMENT OF INITIATIVE ON AUTO PARTS SALES TO JAPAN.

(a) IN GENERAL.—The Secretary of Commerce shall establish an initiative to increase the sale of United States-made auto parts and accessories to Japanese markets.

(b) FUNCTIONS.—In carrying out this section, the Secretary shall—

(1) foster increased access for United States-made auto parts and accessories to Japanese companies, including specific consultations on access to Japanese markets,

(2) facilitate the exchange of information between United States auto parts manufacturers and the Japanese automobile industry,

(3) collect data and market information on the Japanese automotive industry regarding needs, trends and procurement practices, including the types, volume and frequency of parts sales to Japanese-brand automobile manufacturers,

(4) establish contacts with Japanese automobile manufacturers in order to facilitate contact between United States auto parts manufacturers and Japanese automobile manufacturers,

(5) report on and attempt to resolve disputes, policies or practices, whether public or private, that result in barriers to increased commerce between United States auto parts manufacturers and Japanese automobile manufacturers,

(6) take actions to initiate periodic consultations with officials of the Government of Japan regarding sales of United States-made auto parts in Japanese markets,

(7) submit annual written reports or otherwise report annually to Congress on the sale of United States-made auto parts in Japanese markets, including the extent to which long-term, commercial relationships exist between United States auto parts manufacturers and Japanese-brand automobile manufacturers.

SEC. 4. ESTABLISHMENT OF SPECIAL ADVISORY COMMITTEE ON AUTO PARTS SALES IN JAPAN.

(a) IN GENERAL.—The Secretary of Commerce shall seek the advice of the United States automotive parts industry in carrying out the intent of this Act.

(b) STRUCTURE OF COMMITTEE.—The Secretary of Commerce shall select and establish a Special Advisory Committee for purposes of carrying out this Act.

(c) FUNCTIONS.—The Special Advisory Committee established in this Act shall—

(1) report to the Secretary of Commerce on barriers to sales of United States-made auto parts and accessories in Japanese markets,

(2) review and consider sales data collected,

(3) advise the Secretary of Commerce during consultation with the Government of Japan on issues concerning sales of United States-made auto parts in Japanese markets,

(4) assist in establishing priorities for the initiative, and otherwise provide assistance and direction to the Secretary of Commerce in carrying out the intent of section 3 above, and

(5) assist the Secretary in reporting, or otherwise report to Congress as requested, on the progress of sales of United States-made auto parts in Japanese markets.

(d) AUTHORITY.—The Secretary shall draw on existing budget authority in carrying out the Act.

SEC. 5. EXPIRATION DATE.

The Authority for this Act shall expire on December 31, 1993.

Mr. QUAYLE. Mr. President, this amendment is intended to help address the serious inequity that now exists between the United States and Japan in auto parts trade. Of the $58.6 billion United States trade deficit with Japan in 1986, $33.3 billion was in automotive-related commerce, including $3.6 billion in auto parts.

This amendment, which embodies the Fair Trade in Auto Parts Act, which I introduced as S. 1280 on May 27, would direct the Secretary of the United States Department of Commerce to establish within that agency an initiative to enhance United States auto-parts manufacturers' access to Japanese markets after the conclusion of year-long United States-Japan negotiations on autoparts trade this August. In addition, the Commerce Secretary would be required to report to Congress annually on sales of United States-made auto parts in Japanese markets.

Furthermore, section four of the amendment would require the Secretary of Commerce to appoint and consult with a special industry advisory committee on autoparts trade with Japan. The panel, which would be comprised of senior management and labor representatives of the American autoparts and accessories industry, would be charged with monitoring autoparts sales data, reporting to the Commerce Secretary on barriers to Japanese markets and counseling him during consultations on autoparts trade issues with the Japanese Government.

United States manufacturers supplied less than 1 percent of the $55 billion worth of original and aftermarket parts used in vehicles assembled and serviced in Japan last year—and not more than 40 percent of the parts used in vehicles assembled at Japanese autoplants here in the United States.

The health of this basic American industry is critical to the health of the Nation's economy. Nationwide, 3,300 autoparts and accessories manufacturers employ over 370,000 workers; in Indiana, the heart of the automotive-component manufacturing industry, there are over 115 parts-makers with a total work force of nearly 32,000 employees.

Since last August, the United States and Japan have been engaged in negotiations—the market oriented, sector-specific [MOSS] talks on transportation equipment—that are focusing on opening Japanese markets in Japan and the United States to American-made original equipment and aftermarket autoparts. But to date, despite the concerted efforts of the American delegation, which is led by Under Secretary of Commerce for International Trade S. Bruce Smart, the MOSS talks have produced only marginal gains. For that reason, and because the year-long negotiatons are scheduled to conclude this August, I believe legislation is needed to press Japanese automakers further to increase their purchases of American-made parts.

I am a staunch advocate of free trade, but I insist on fair trade. My Fair Trade in Auto Parts Act provides for a nonprotectionist but aggressive Federal initiative to help remedy the intolerable situation now faced by American autoparts and accessories manufacturers, who are being denied access to Japanese markets because Japanese automakers are engaging in wholly inappropriate, collusive procurement practices.

By adopting my amendment, the Senate will send an unmistakable message to both Japanese automakers and

the Japanese Government that the United States fully intends to extend and expand its efforts to open Japanese markets to American-made parts long after the MOSS talks on autoparts trade conclude this summer.

I have been witness to the positive effect that such attention to this problem can have. On May 27 and 28 of this year, I sponsored, along with the U.S. Department of Commerce and Senator LUGAR, a conference on selling autoparts to the Japanese. This national, 2-day conference was attended by senior executives of 8 top Japanese automakers, including the president of the Toyota Motor Corp., and more than 425 individuals representing over 250 American parts manufacturers from 26 States—including 96 registrants from 56 parts-makers in Indiana alone.

Such efforts are very helpful and absolutely necessary if parts makers are to gain the access they need to Japanese markets. The amendment I offer today would guarantee U.S. parts suppliers a continuing commitment from the U.S. Government on this important matter.

Mr. President, this amendment has been cleared on both sides. It is an amendment that goes to a very important bilateral issue between the United States and Japan dealing with autoparts.

What this amendment does will be a continuation of the talks trying to get some oversight on allowing American autopart companies to be able to have some access to Japan.

We welcome the Japanese companies coming over here. We know right behind the assembly plants will be the autoparts plants, and if we do not get in on the ground floor over there, 5 years down the road you are going to see a very changed economy in those States that are very dependent on autoparts. We are not asking for a leg up. We are asking for equality and we are asking for a fair shake.

I am convinced that beyond any doubt whatsoever that we can compete in quality and we can compete in price. Given those two conditions, the only thing we are asking for is some monitoring, some reporting back to make sure that we are getting a fair access to the Japanese market.

Mr. President, I have no further comments and would yield back my time and ask the adoption of the amendment.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I am happy to say that this amendment is cleared for approval on this side. New York is a cosponsor.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Likewise.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 366) was agreed to.

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

Mr. PACKWOOD. Mr. President, I move to lay the motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 367

(Purpose: To express the sense of the Congress with respect to the proposed protection by the United States of reflagged Kuwaiti tankers in the Persian Gulf, and for other purposes)

Mr. MOYNIHAN. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for himself, Mr. BYRD, Mr. SASSER, Mr. NUNN, Mr. GLENN, Mr. INOUYE, Mr. EXON, Mr. BIDEN, Mr. LEVIN, Mr. KERRY, and Mr. KENNEDY, proposes an amendment numbered 367.

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

Mr. BYRD. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will read the amendment.

The bill clerk read as follows:

On page 511, between lines 11 and 12, insert the following new section:

SEC. 2010. POLICY TOWARD PROTECTION OF REFLAGGED KUWAITI TANKERS IN THE PERSIAN GULF.

(a) FINDINGS.—The Congress finds that—

(1) the United States has a vital strategic interest in the export of oil from the Persian Gulf region;

(2) the United States has long-term important strategic and geopolitical interests in the Persian Gulf region, including the security and stability of the states in the region, the pursuit of which requires the freedom of navigation in the Persian Gulf and adjacent waters and the prevention of hegemony in the region by either Iran or Iraq;

(3) the continuation of the Iran-Iraq war constitutes a grave threat to these interests;

(4) the expansion of the Iran-Iraq threatens the territorial-integrity and sovereignty of the Persian Gulf states, and, in particular, the pattern of intimidation practiced against noncombatant states, recently focused on Kuwait, has raised serious and legitimate concerns;

(5) the President has proposed the protection, through the use of convoy escorts by United States Navy ships, of Kuwaiti-owned tankers flying the United States flag;

(6) the Congress has examined the rationale for this proposal and the specific manner in which it would be implemented, including a careful review of the report entitled "Report On Security Arrangements In The Persian Gulf", which report was submitted by the Secretary of Defense to the Congress at its request; and

(7) the threat assessment, strategic justification, and security arrangements described in the Secretary of Defense's report to the Congress are inadequate to justify the reflagging or the convoying of merchant vessels in the Persian Gulf by United States naval forces, until, at a minimum, further assessments have been made regarding the threat of terrorist attacks, mine warfare detection and defense, and the need for any required facilities for land-based aircraft.

(b) POLICY.—It is the sense of the Congress that—

(1) the United States should seek a settlement of the Iran-Iraq war through all diplomatic means;

(2) the United States should pursue, through the United Nations Security Council and other international diplomatic channels, efforts—

(A) to effect mandatory sanctions including an arms embargo, against any combatant state which fails to cooperate in the establishment of a negotiated cease-fire; and

(B) to promote a cessation by Iran and Iraq on attacks against shipping in the Persian Gulf;

(3) the United States should deploy such naval forces in, or proximate to, the Persian Gulf as may be necessary to protect the right of free transit through the Strait of Hormuz, and should work closely with the Persian Gulf states to reestablish stability, security, and peace in the region;

(4) in implementing the policy described in paragraphs (1) through (3), the President should take such steps as he deems necessary to achieve the cooperation of interested parties, particularly naval powers among the major importers of Persian Gulf oil and the nations of the Gulf Cooperation Council;

(5) the President should seek the convening of a conference of the exporters and importers of Persian Gulf oil to assess means for ensuring the free flow of oil, promoting freedom of navigation, deescalating tensions and hostilities, contributing to the search for a negotiated end to the Iran-Iraq war, and developing a long-term policy which advances the strategic interests of the West and of the states in the region;

(6) the proposed reflagging of Kuwaiti tankers should be placed in abeyance pending the outcome of the initiatives and other measures described in this section; and

(7) the United States should preserve its military flexibility in the Persian Gulf, and should not commit itself rigidly and exclusively to any narrow protection regime, such as convoying, for one country or one specific group of ships, and should explore further cooperative efforts, involving other naval powers and the regional states, to ensure the free transit of oil.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

AMENDMENT NO. 368 TO AMENDMENT NO. 367

(Purpose: To express the sense of the Congress with respect to the proposed protection by the United States of reflagged Kuwaiti tankers in the Persian Gulf, and for other purposes)

Mr. BYRD. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD] proposes an amendment numbered 368 to amendment No. 367.

On page 1, line 3 of the amendment, strike all after the word "SEC" and insert in lieu thereof:

2010. POLICY TOWARD PROTECTION OF REFLAGGED KUWAITI TANKERS IN THE PERSIAN GULF.

(a) FINDINGS.—The Congress finds that—

(1) the United States has a vital strategic interest in the export of oil from the Persian Gulf region;

(2) the United States has long-term important strategic and geopolitical interests in the Persian Gulf region, including the security and stability of the states in the region, the pursuit of which requires the freedom of navigation in the Persian Gulf and adjacent waters and the prevention of hegemony in the region by either Iran or Iraq;

(3) the continuation of the Iran-Iraq war constitutes a grave threat to these interests;

(4) the expansion of the Iran-Iraq war threatens the territorial integrity and sovereignty of the Persian Gulf states, and, in particular, the pattern of intimidation practiced against noncombatant states, recently focused on Kuwait, has raised serious and legitimate concerns;

(5) the President has proposed the protection, through the use of convoy escorts by United States Navy ships, of Kuwaiti-owned tankers flying the United States flag;

(6) the Congress has examined the rationale for this proposal and the specific manner in which it would be implemented, including a careful review of the report entitled "Report On Security Arrangements In The Persian Gulf", which report was submitted by the Secretary of Defense to the Congress at its request; and

(7) the threat assessment, strategic justification, and security arrangements described in the Secretary of Defense's report to the Congress are inadequate to justify the reflagging or the convoying of merchant vessels in the Persian Gulf by United States naval forces, until, at a minimum, further assessments have been made regarding the threat of terrorist attacks, mine warfare detection and defense, and the need for any required facilities for land-based aircraft.

(b) POLICY.—It is the sense of the Congress that—

(1) the United States should seek a settlement of the Iran-Iraq war through all diplomatic means;

(2) the United States should pursue, through the United Nations Security Council and other international diplomatic channels, efforts—

(A) to effect mandatory sanctions including an arms embargo, against any combatant state which fails to cooperate in the establishment of a negotiated cease-fire; and

(B) to promote a cessation by Iran and Iraq on attacks against shipping in the Persian Gulf;

(3) the United States should deploy such naval forces in, or proximate to, the Persian Gulf as may be necessary to protect the right of free transit through the Strait of Hormuz, and should work closely with the Persian Gulf states to reestablish stability, security, and peace in the region;

(4) in implementing the policy described in paragraphs (1) through (3), the President should take such steps as he deems necessary to achieve the cooperation of interested parties, particularly naval powers among the major importers of Persian Gulf oil and the nations of the Gulf Cooperation Council;

(5) the President should seek the convening of a conference within ninety days of the exporters and importers of Persian Gulf oil to assess means for ensuring the free flow of oil, promoting freedom of navigation, deescalating tensions and hostilities, contributing to the search for a negotiated end to the Iran-Iraq war, and developing a long-term policy which advances the strategic interests of the West and of the states in the region;

(6) the proposed reflagging of Kuwaiti tankers should be placed in abeyance pending the outcome of the initiatives and other measures described in this section; and

(7) the United States should preserve its military flexibility in the Persian Gulf, and should not commit itself rigidly and exclusively to any narrow protection regime, such as convoying, for one country or one specific group of ships, and should explore further cooperative efforts, involving other naval powers and the regional states, to ensure the free transit on oil.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BYRD. Mr. President, I will not retain the floor long. I will be glad to yield for an inquiry if the Chair will protect my right to the floor.

The PRESIDING OFFICER. Without objection, the majority leader can yield to the Senator from Hawaii without losing his right to the floor.

Mr. MATSUNAGA. Mr. President, is the distinguished majority leader offering a substitute amendment for the Moynihan amendment?

Mr. BYRD. No. Mine is a perfecting amendment to the Moynihan amendment.

Mr. MATSUNAGA. I thank the Senator.

Mr. BYRD. Mr. President, the Senate has examined in a careful, indeed exhaustive way, the plan put forward by the administration to reflag Kuwaiti tanker vessels, and protect them with a convoy escort system of American warships. Three Senate committees: Armed Services, Foreign Relations, and Intelligence, have reviewed systematically the report provided by the Secretary of Defense, and mandated by this body, on his proposed security system in the gulf. Those committee hearings have been held in both open and closed sessions, reviewing both a classified and an unclassified administration report. In addition, Senator SASSER led a two-part codel, which included Senators WARNER and GLENN, to the gulf for an onscene investigation of the diplomatic and political aspects of the proposed policy. Thoughtful reports have now been developed by all three committees, as well as by both sections of Senator SASSER's investigation.

The consultative process has been a good one, except the consultations were forced by the Senate after the administration committed the Nation to a plan. I believe it is a fair conclusion to draw that the Senate, and the House as well, finds the proposed policy flawed in its most fundamental elements—the political consequences of the reflagging/convoying proposal were not thought through, and the military plan failed to take into account a prudent assessment of the risks inherent in the operation. Simply because Kuwait has proposed this plan, and simply because that country has enticed the Soviets to a limited involvement in protecting Soviet-flag tankers leased by Kuwait, does not mean that this narrow and rigid protection regime must be adopted by the United States. There are other, less visible, less provocative, mechanisms to help ensure the security and stability of Kuwait. There are other more flexible military options to come to the aid of Kuwaiti vessels in distress, options which leave us on the playing field in the gulf but without the necessity to adhere to a game plan which is completely predictable to the Iranians.

There is no obvious merit, Mr. President, in signing up to a kind of bull's eye system up and down the Persian Gulf. It is almost as if we have to prove our macho by putting a chip on our shoulder, parading up and down the waterway challenging the Iranians to knock it off our shoulder. Is that what it takes to restore American credibility in the Middle East after the Iran-Contra arms-for-hostages scandal.

Mr. President, consultation with the executive branch on a policy does not, by definition, always end up with an agreement on the part of the Senate that the policy is wise. It is not a wise policy. The risk assessment provided by the report of the Secretary of Defense was not subject to interagency review and is too sanguine. There is a dramatic dispute within the administration over the risk assessment and that has eroded the level of confidence in the administration's plan in the Senate. We were told there was no need for air cover, particularly in the northern part of the gulf. So, just two nights ago Iranian fast boats attacked a Kuwaiti ship in the northern gulf and forced it to return to port. At first, we were told that the current Middle East force was completely adequate to handle a convoying regime. Then, as a result of congressional inquiry, the size and composition of our Naval Forces dramatically changed. Now a battleship will, it is reported, be taking up station in the Gulf of Oman, just south of the Straits of Hormuz. There are unanswered questions about the details of the Silkworm threat and about the new revolutionary guard Iranian Navy, among other things.

I would draw my colleagues' attention to a report in the New York Times of Monday, to the effect that many knowledgeable senior military officers are troubled over the seemingly open-endedness of the administration's protection plan. According to this report, "few in the military took

the original Kuwaiti request seriously." They were surprised when Secretary Weinberger embraced it, and believe it was his reaction, a political reaction, to the damage done our prestige by the activities of the administration in its disastrously misguided policy of secretly selling arms to the Iranians in exchange for hostages. Indeed, the report goes on to say that, according to one admiral, "It would be stretching it to say that the Joint Chiefs were in on the decision, or even asked their opinion on it." These are troubling statements, Mr. President, and they confirm the view that the administration rushed to this solution without really considering the consequences, in an effort to repair the damage to the credibility of this country which resulted from the administration's previous policy. But it appears to be piling a new bad policy on top of other bad policy. The question is—will that restore our credibility in the gulf?

There are many other aspects of the administration's initial plan which have been changed as a result of congressional activity. New rounds of diplomatic activity were initiated by the administration with the gulf states and our European allies with an interest in the gulf. But it is interesting that the result has been relatively negligible, indicating that those nations do not find great urgency in the administration's plan.

Mr. President, my colleagues have spend considerable time and energy in developing a new understanding of many aspects of the situation and the potential situation in the Persian Gulf as a result of this exercise. There has developed, in my opinion, a general consensus that a variety of other initiatives should be tried in lieu of reflagging Kuwaiti tankers, and that more flexibility ought to be exhibited in our military operations in the Persian Gulf. That is the intent of the pending resolution. I hope that it will be clear to the President that the advice offered in this resolution, the fundamental disagreement with the procedure which has been favored by the President, is offered in the spirit of developing of more thoughtful common policy around which a consensus can form. There is no question of our commitment to the Persian Gulf. That is a commitment which is long-lasting.

This country has been there, it is there, and it will remain there. Nobody says we should get out of the Persian Gulf. Nobody is saying that we should surrender our interests there and have the Soviets move in and take over. Nobody is saying that. Nobody is implying that.

But, Mr. President, there is little enthusiasm, and very real concern, over the newly conceived operation under discussion with Kuwait. We have tried, and will continue to try to build bipartisanship in forming consensus on our foreign policies; that is the only way the United States can proceed in a dangerous world. I hope that the President will accept this resolution in that spirit.

Now, several of us went down to the White House on yesterday for a bipartisan meeting of the leadership from both Houses. Mr. President, we expressed our strong support for remaining in the Persian Gulf. We recognize that we have longstanding interests in that region.

We are concerned about the territorial integrity and sovereignty of those nations in the Persian Gulf. We offered the hand of cooperation to the President, hoping that there could be some delay in the reflagging operations and convoying until such time as the U.N. Security Council has had an opportunity to meet, which the President indicated would probably be around mid-July.

The President also indicated that he was going to use his good offices in trying to press upon the U.N. Security Council to meet before mid-July.

We also expressed interest in having an international conference of exporters and importers of oil, to sit down together and see if we could develop some cooperative method for protecting shipping in the gulf, and to find ways in which to bring about a cessation of the Iran-Iraq war.

Nobody at that meeting was partisan in the presentations that were made. We came away feeling that we had fulfilled our responsibility of expressing our reservations and the reservations of the American people, whose boys and girls will have to man those escort vessels and whose lives will be in jeopardy.

We also tried to impress upon the President that it is not our expectation, practically speaking, to stop the reflagging and the convoying at this point. We could not do that in a timely fashion because the plan has already gone far forward. We were told that the implementation of convoying would begin in mid-July, so the plans are so far advanced that it would be practically impossible for us to stop those plans by mid-July.

All we asked was what we are asking in this resolution, that the plans be held in abeyance until these other activities that are being recommended can go forward and we can see what the results are therefrom.

Mr. President, I hope that Senators on both sides of the aisle will join in supporting this resolution. It is my desire and the desire of Democrats that partisanship stop at the water's edge. As was said to the President yesterday, in so many words: "Mr. President, you can begin the policy, but you are going to have to have the leadership that is on both sides of you, the Republican and Democratic leadership in both Houses and the Membership of both Houses, to continue that policy and to carry it on."

I would hope, therefore, that we would stop, look, and listen while we have time to stop, look, and listen, and before we get too deeply involved, perhaps, and very regrettably—and I hope this fear will not be fulfilled—become a participant in the Iran-Iraq war. That is something we have said we want to avoid from the beginning. Some of us are concerned that the policy that the administration has embarked upon, and seems determined to proceed upon is one which will see us slip and slide, as the House Speaker said, into active participation in that war on the side of one of the belligerants.

Mr. President, I thank all Senators for their patience, and I yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. DOLE. Mr. President, as the majority leader has indicated, we did have a meeting at the White House yesterday. It was bipartisan. This amendment is not bipartisan, I might add. There is not a single Republican on it.

Following that meeting, I received a note from Mr. Carlucci, the President's National Security adviser. In that note he said:

> Thank you for your inquiry regarding the reflagging of Kuwaiti tankers. Let me state once again, as the President did this morning—

That was yesterday.

> that we will not reflag any Kuwaiti tanker before mid-July, and that there will be further consultations with Congress on this issue after the July Fourth recess.
>
> Best regards.

I read that to sort of lay the groundwork for asking: "Why are we here?" "Why are we discussing this?"

We did have a meeting. We had consultations. We wanted consultations. There is a lot of concern about reflagging. There is a lot of concern about the tactics. Everyone agrees with the policy, but we all want to manage the policies in that part of the world.

I guess we are in for a little early fireworks. The Fourth of July is coming. Why not set aside 2 or 3 hours before the recess, all the Democrats get up and fire their cannons before they go home? Fire them at the President; fire them anywhere. Somebody might be listening.

I am not surprised. In fact, I indicated before we agreed to the unanimous-consent agreement, that rumors were rife that this little ploy was going to happen. I may agree that reflagging is not the best way to go, though I am not the expert that others may be. But we did have a meeting with the

President yesterday. We have had other meetings in Senator BYRD's office, my office, and other offices, with reference to this issue. It was my view that we were in good faith trying to come to some agreement.

I indicated yesterday morning that I thought it was a done deal. Maybe that is not correct. But the point is that nothing is going to happen between now and the time we come back next week. We have been implored here, hour after hour, about the necessity of getting on with the trade bill. We have to find amendments to the trade bill. This is not an amendment to the trade bill. It is an amendment to the trade bill, but not much to do with trade.

There is a supplemental appropriation bill, which I think probably could be acted on some time today—maybe not, because this will not be acted on today. Whether or not we take up the supplemental depends on how long we are going to discuss this amendment.

I think it is clearly understood that there are a lot of people in this country, particularly farmers, who have been waiting about 60 days for the Commodity Credit Corporation proposal to be authorized. Other things are in the supplemental appropriation, and you are holding the CCC money hostage to all the other amendments—some of them with merit and some without merit. Some are the administration's; some are ours. The net result is that we need to act on the supplemental.

If the President were not consulting with us, and if there had not been a display of good faith on the part of the administration, I might have joined with the distinguished majority leader, because there is a lot of frustration about the tactics and implementation of this policy. I have made comments that we know more about tactics than the people in charge.

So we ought to decide the tactics. We ought to put it right in the resolution what our Navy can do, what our Air Force can do, what our Marines can do, what anybody can do. We will determine that right here on the Senate floor.

I am not certain that is very good policy. We ought to have a conference to protect the OPEC countries. We ought to have a conference with all the importers and exporters. We would not want to hurt OPEC. We want to have a little conference for their benefit and a few other things that I think we need to discuss at length in this amendment.

But I think it is a bit unfair when there is not any urgency. Nothing is going to happen until mid-July. The House decided not to act on such an amendment. It was only reported out by the Foreign Relations Committee yesterday or the day before. There has not been any breach of faith by the administration.

But this is an opportunity to shoot off a few firecrackers before we go home and let the American people know that we are out there—not at the water's edge—we are right in the middle of the water.

There is no bipartisanship here. There is nothing about bipartisan foreign policy at all.

This is an effort to embarrass the Reagan administration, pure and simple. And had the President not consulted with us, had the President not met with us, as I said this would be certainly justified. But it would seem to me, that coming as it does the day the recess is to begin, in the middle of a trade bill, foreclosing action on a supplemental appropriations bill which is privileged and which can be called up, in my view indicates there is nothing but partisanship involved here.

If we seek some bipartisan resolution, then we ought to seek a bipartisan resolution. We ought to consult. Mr. Carlucci indicates we will be consulting again after the recess with the President and bipartisan leadership. We ought to be deciding then if the administration has changed its policy. Have they decided to wait on reflagging? Have they decided to wait for the United Nations to take action? I must say I do not alway agree with the administration. I have certain reservations about some of the statements that I have heard in some of the briefings about reflagging or not reflagging or what our other options were.

I have not been there as some of my colleagues have been there. I have not been on the scene.

But again let me indicate that the President intends no action before mid-July. This is July 1.

We are going to be back here next week and we will be meeting again with the President and the President's representatives. If we do not have any resolution then, then perhaps there ought to be some bipartisan resolution. But nobody is going to be deceived by this resolution, this bipartisan resolution proposed by the majority leader, Senators SASSER, NUNN, GLENN, INOUYE, EXON, BIDEN, LEVIN, MOYNIHAN and KERRY. If there is a Republican in that list they have just changed parties.

There is no bipartisanship. And this is a serious matter. We are all up saying, "Oh, we agree with the policy, we are not going to surrender the Persian Gulf, we are not going to vacate it, we want the Iraq and the Iran war to end and we demand that it end right now in this resolution."

I bet they are shaking.

So I would just suggest that if it is the intent of the majority leader to keep us on this amendment, then we will be on the amendment for a long time today.

In an effort to permit people on this side, who were taken by surprise, to collect their papers and their thoughts, I suggest that absence of a quorum.

Mr. BYRD. Mr. President, will the Senator withhold that briefly?

Mr. DOLE. What?

Mr. BYRD. Will the Senator withhold that briefly so I might respond for a few moments?

Mr. DOLE. Then I will return.

Mr. BYRD. Yes.

Mr. DOLE. I reserve my right to the floor after the distinguished majority leader speaks.

Mr. BYRD. Yes.

Mr. President, I thank the distinguished minority leader.

The PRESIDING OFFICER. Without objection, the minority leader reserves the right to the floor.

Mr. BYRD. Mr. President, I will be brief. I thank the distinguished Republican leader for his courtesy.

I do want to comment on a few things that the Republican leader has said.

Mr. President, the Republican leader has referred to this effort as a "ploy" and as an effort to shoot off a few fourth of July skyrockets and fire off a few firecrackers and get some Roman candles fired and all that before the Senate goes out for a break.

This is no ploy, Mr. President.

Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BYRD. Mr. President, this is no ploy.

This is a serious effort to call attention to what we think is the wrong approach and to call attention to the need for holding the announced plan of the administration in abeyance until other activities can be engaged in, consultations can be had, conferences can be held, Security Council action might be had so that we know in the final analysis what all our options are and so that we will be better prepared to walk together and to work together in a bipartisan policy.

The distinguished Republican leader speaks of the cosponsors of this amendment as having pulled a surprise. I asked the Republican leader today if he would join in this resolution. He was supplied with a copy of the resolution. And I told him that I intended to offer this as an amendment today but I hoped that we could join together in a freestanding resolution, therefore, not have it as an amendment on the trade bill.

I said I would like to do it reasonably early today.

So, the Republican leader knew that I intended to offer this as an amendment. I asked the distinguished Re-

publican leader if he would join as a cosponsor and also if we might be able to offer it as a freestanding resolution. The Republican leader chose not to be a cosponsor of it.

I find no fault with that. But this is not wholly such a surprise action on the part of the majority leader as one might believe, having heard the Republican leader.

Mr. President, the Republican leader spoke also as to how this majority leader has implored hour after hour to get on with the trade bill and, of course, that is true.

But I have not seen any great hurry on the other side of the aisle to move that trade bill. We all know this administration does not want a trade bill. We saw that for 6 years when we Democrats were in the minority, and now that the Democrats are in the majority the administration knows it is going to get a trade bill.

Yes, I have stood on this floor hour after hour and implored my colleagues to offer their amendments and to very little avail in fact. There has been no great rush to accede to my request or heed my importunings.

So, this bill is going over to next week. I established that before I offered this amendment. Nobody wants to call up an amendment on 201. The Senator from Indiana did not want to go forward last night on the plant closings.

There has been no great rush by anybody to listen to the imploring by the majority leader that we get on with the trade bill. The distinguished manager of the bill sought likewise to get on with the bill.

Mr. President, the distinguished Republican leader says this is an effort to embarrass the Reagan administration. Mr. President, the Reagan administration embarrassed itself. The Reagan administration shot itself in the foot and severely damaged the credibility not only of the administration and of this President but also of this Nation. It was not just the administration that was embarrassed. It was the Nation that was embarrassed in the eyes of our collegial nations around the world, our allies.

The effort here is to try to keep this Nation from not only being further embarrassed and its credibility further damaged, but also from getting involved as a participating belligerent in the Iran-Iraqi war. That is what is at stake here. So much for embarrassing the Reagan administration.

Mr. President, I hope the Republicans will support this resolution. This resolution does not charge anybody with breach of faith. The distinguished Republican leader uses the term "breach of faith." I have not made any charge of a breach of faith.

I do not think there is any verbiage in this amendment that makes such a charge. So much for that.

I respect the distinguished Republican leader and I thank him for his courtesy in yielding to me. That is all I have to say at the moment.

Mr. SYMMS. Will the majority leader yield?

Mr. KERRY addressed the Chair.

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

Mr. DOLE. Mr. President, I am just going to comment briefly.

Again, I do not want to get in a quarrel with the majority leader, because I know he has got more to do than he can get done. The job never ends, but I would not mind having it back. [Laughter.]

In any event, that is not going to happen today any more than this resolution is going to pass.

I want to just make another point or two. I do not know how you can say there has not been an effort—maybe embarrass is not the right word—but to try to have it both ways, to get up and say we agree with the policy, but it is not being done right. You can't just sit on the sideline and say whatever happens, happens: not take any responsibility, not make any hard decisions, and just criticize later. Just say whatever decision is made is wrong and we ought to have a conference. Just say the President is wrong. We do not have any option. We agree with the policy and if something goes wrong, why, then, we did not do it and we are not to blame.

There have been a lot of statements made that we should not undercut the President. If this does not undercut the President, then I have missed something in the time I have been here. Something is missing, if anyone suggests that this is not a direct effort to undercut the President, a partisan effort, to undercut the President.

There are problems with the current text. This is not an evenhanded resolution, to use that term of the day. It bends over backward to suggest that Iran bears no more blame than anyone else for what is going on in the gulf. And that is hogwash. Iran is the problem, at least the biggest part of the problem, and any resolution that makes any sense would say so.

The majority leader is right. He indicated to me he was going to bring up an amendment. He said he would like to have me join as a cosponsor. In fact, he told me that last evening. So I contacted the White House, as I have a responsibility to do as the Republican leader.

We tried to work out a text and did work out a text that would, in fact, say: OK, the policy is all right, but there ought to be more consultations with Congress, because a lot of us have concerns. Not all of the concerns are on one side of the aisle in this particular case. And we submitted that to majority staff, and we understood it was rejected out of hand.

I ask unanimous consent that following my remarks a copy of the resolution be printed in the RECORD.

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

(See exhibit 1.)

Mr. DOLE. Notwithstanding the statement of bipartisanship, there is no way we can amend this resolution. The majority leader has filled up the tree so that we cannot even make it bipartisan. There is no way to amend it. That is another indication that probably it was not designed to be bipartisan.

So I guess we just disagree. I am not certain we do disagree as much as it may be perceived, because I have indicated there have been some differences of opinion about the policy. But we are coming back next week. Nothing will happen until mid-July. This is July 1. There is not a good reason we are doing this now that I can tell. It is not going to have any impact on anything.

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

Mr. DOLE. Just for a question. I want to put in a quorum.

Mr. SYMMS. Mr. President, I just wanted to say to the minority leader and the majority leader, if I could have his attention, that Senator NICKLES has been here on the floor for quite a lengthy time—I was wondering if the leader were aware of that—trying to offer an amendment that was pertinent to the trade bill. Would that not be in the best interest of the Senate and the country? If we are to have a resolution on this, and it should be a bipartisan resolution, I would only offer, if the majority leader would be inclined to do so, if he would be interested, he could take down his amendment, work it out with the minority leader, get a bipartisan amendment, and Senator NICKLES and I are ready to proceed with our amendment. It is pertinent to the trade bill.

Mr. DOLE. I think that might be a good suggestion. I have a feeling some may want to speak first, but I would certainly be willing to do that.

I guess the point I would make is that, as I have read before in the Carlucci note that I received yesterday, if we had been stiffed by the administration, then I think this resolution would certainly be, or something like it, appropriate. Maybe I would word it differently. But spanking the administration is not without precedent. Speaking our minds in the Congress is not without precedent. We ought to do it.

But, normally, if it is going to be effective, it ought to be bipartisan, and there ought to be a reason for it, and it ought to be timely. In my view, this is not particularly timely. We are being consulted with.

It would seem to me that there were some very good statements made yesterday at the meeting with the President. The distinguished majority leader made one. The Speaker made one. The distinguished Member from Washington and my good friend TOM FOLEY made a statement. The distinguished chairman of the Foreign Relations Committee, Senator PELL, made a statement. There were a number of good statements made, that I think may have had an impact on the thinking of the administration officials who were there—the Secretary of State, the chairman of the Joint Chiefs of Staff, the Secretary of Defense, as well as the President, the Vice President, and a number of others.

So I think my only quarrel, in addition to the language itself, is that it is premature. With the House indicating they would not act until after the Fourth of July recess—and we are not bound by what the House does—apparently there is a recognition there that we had some time when we return.

EXHIBIT 1

CONCURRENT RESOLUTION

Expressing the sense of the Congress with respect to the protection by the United States of reflagged Kuwaiti tankers in the Persian Gulf, and for other purposes.

Whereas the United States has a vital strategic interest in the export of oil from the Persian Gulf region;

Whereas the United States has long-term important strategic and geopolitical interests in the Persian Gulf region, including the security and stability of the states in the region, the pursuit of which requires the freedom of navigation in the Persian Gulf and adjacent waters and the prevention of hegemony in the region by Iran;

Whereas the continuation of the Iran-Iraq war constitutes a grave threat to these interests;

Whereas the expansion of the Iran-Iraq war threatens the territorial integrity and sovereignty of the Persian Gulf states, and, in particular, the pattern of intimidation practiced against noncombatant states, especially recent attacks by Iran to intimidate Kuwait, has raised serious and legitimate concerns;

Whereas the President has proposed the protection, through the use of convoy escorts by United States Navy ships, of Kuwaiti-owned tankers fully reregistered as U.S. vessels.

Whereas the Congress has examined the rationale for this proposal and the specific manner in which it would be implemented, including a careful review of the report entitled "Report On Security Arrangements in the Persian Gulf", which report was submitted by the Secretary of Defense to the Congress at its request. Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring),* That it is the sense of the Congress that—

(1) The Administration should continue to assess the threat of terrorist attacks, mine warfare detection and defense, and the need for any required facilities for land-based aircraft which may arise from the reflagging exercise;

(2) the United States should seek a settlement of the Iran-Iraq war through all diplomatic means;

(3) the United States should pursue, through the United Nations Security Council and other international diplomatic channels, efforts—

(A) to effect mandatory sanctions against any combatant state which fails to cooperate in the establishment of a negotiated cease-fire and withdrawal; and

(B) to promote a moratorium by Iran and Iraq on attacks against nonbelligerent shipping in the Persian Gulf, as part of a comprehensive approach to ending the war;

(4) the United States should deploy such naval forces in, or proximate to, the Persian Gulf as may be necessary to protect the right of free transit through international straits, and should work closely with our allies and friends in Europe, Japan and in the Persian Gulf, to reestablish stability, security, and peace in the region;

(5) in implementing the policy described in clauses (1) through (3), the President should take such steps as he deems necessary to achieve the cooperation of interested parties, particularly naval powers among the major importers of Persian Gulf oil and the nations of the Gulf Cooperation Council;

(6) the President should consult further with Congress before taking additional concrete steps, including implementing the reflagging of Kuwaiti vessels;

(7) the United States should preserve its military flexibility in the Persian Gulf, and should not commit itself exclusively to any protection regime, until exploring further cooperative efforts, involving other naval powers and the regional states, to ensure the free transit of oil.

SEC. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President.

Mr. DOLE. Mr. President, so that I might permit a couple of people who want to be here to arrive, 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. KERRY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. SYMMS. Objection.

Mr. DOLE. Objection.

The PRESIDING OFFICER. Objection is heard.

The clerk will call the roll.

The legislative clerk resumed the call of the roll.

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

Mr. SYMMS. Objection.

The PRESIDING OFFICER (Mr. ADAMS). Objection is heard. The clerk will continue to call the roll.

The legislative clerk resumed the call of the roll.

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

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

Mr. BYRD. Mr. President, I ask unanimous consent that the time for debate on the pending amendment be limited to 30 minutes today, to be equally divided between the distinguished Senator from North Carolina [Mr. HELMS] and the distinguished Senator from Virginia [Mr. WARNER] on one side, and myself and my designee [Mr. PELL] on the other side and that at the conclusion of 30 minutes the conference report on the supplemental appropriations bill be laid before the Senate.

What this would mean, Mr. President, is that the 30 minutes would be for debate and once that 30 minutes has lapsed the Chair would automatically lay before the Senate, under the request, if it is granted, the supplemental appropriations bill conference report.

There is a time limitation on that conference report. I assume that would require a couple of hours, or a little more, perhaps, including rollcall votes.

Mr. HATFIELD advises that if all time is used in the agreement it would require about 4 hours or a little more, not counting the time required for rollcall votes.

It would seem to me that the Senate would not be coming back to this amendment today. If there is a disposition following the conference report—and we will have to wait to see what the House will do—to go back on the trade bill, I would certainly be agreeable to that, and to decide the pending amendment at that time. But there may be other amendments that we can proceed with until we hear from the House as to what action will be taken on the conference report.

The PRESIDING OFFICER. Is there objection?

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I am not going to object, but I would like to get the floor for 5 minutes. At this time I am chairing a committee which is in session.

Mr. BYRD. Mr. President, I ask unanimous consent that we may have 20 minutes on this side and yield 5 minutes to Mr. KENNEDY of the 20 minutes on this side on another matter. He can take his 5 minutes when he wishes.

The PRESIDING OFFICER. Is there objection?

The Chair hears none. Without objection, it is so ordered.

It is the understanding of the Chair that there is 15 minutes to the majority and 15 minutes to the minority, plus 5 minutes to the Senator from Massachusetts for a matter of his choosing, thereafter the time to be divided equally and controlled by Mr. HELMS of North Carolina and Mr. WARNER of Virginia for the minority and Mr. PELL of Rhode Island for the majority. That is the Chair's understanding of the unanimous-consent request. Thereafter, there will be laid

before the Senate immediately the supplemental appropriations bill, which will then be subject to debate and further proceedings. It is the understanding of the Chair that there has been no time agreement as yet on the supplemental appropriations.

There is a time agreement on the supplemental appropriations but by that the Chair means there was not a fixed hour but there were time agreements and limitations on specific amendments and on the total bill to be debated.

Is there objection? If not, then it is so ordered. The Senator from Massachusetts is recognized for 5 minutes.

Mr. KENNEDY. I thank the Chair and the majority leader.

(The remarks of Mr. KENNEDY are printed later in the RECORD.)

## OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1987

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from Rhode Island.

AMENDMENT NO. 368

Mr. PELL. Mr. President, first I would like to congratulate the majority leader on the amendment he has laid down. It is not a question of undercutting our President. We only have one President, I would agree. He is our President. But it reminds me of the phrase of Carl Schurz of some years ago when he said, "our country, right or wrong. When right, to be kept right; when wrong, to be put right." And when we see the country going in the wrong direction, we have an obligation just as heavy and deep as the President's to try to get the ship of state, our ship of state, our country on the right course. Yesterday at the White House, at the so-called leadership meeting, I was struck by the fact that not one congressional Republican spoke, spoke in favor of flagging and every congressional Democrat who spoke against the policy of flagging.

I think the viewpoint of the public at large, the Senate, and certainly of the Foreign Relations Committee was clear yesterday when an amendment sponsored by Senator MURKOWSKI and myself, a bipartisan measure, passed the Foreign Relations Committee by a vote of 11 to 8, and this amendment without any qualifying clauses, sense of the Senate, mandated that for 12 months there would be no flagging of vessels in the Persian Gulf.

Mr. JOHNSTON. Will the Senator yield?

Mr. PELL. Certainly.

Mr. JOHNSTON. I notice on page 3, paragraph 3, the resolution states that "the United States should deploy such naval forces in or proximate to the Persian Gulf as may be necessary to protect the right of free transit through the Strait of Hormuz." The operative words are that we should deploy naval forces to protect free transit. Now, my question is, is that not a greater undertaking, if followed, than that proposed by the administration because the administration says in effect protect the right of free transit only for those limited number of ships which have the American flag, whereas this seems to say deploy the naval forces to protect all ships and all right of passage. Am I reading that correctly?

Mr. PELL. The Senator is right that it would have a greater responsibility. What we are objecting to particularly is the flagging. One peculiarity of the flagging operation is it means that American-owned ships that are flying a flag of convenience from Honduras, Liberia, or Panama do not get protected but Kuwaiti ships flying old Stars and Stripes as the flag of convenience do get protection. My view is all the ships should be protected or not protected, but certainly any priority should go to American-owned ships, not Kuwaiti-owned ships.

Mr. JOHNSTON. The Senator is saying in effect that the policy of the administration does not go far enough and obversely the policy of the administration would be safer than this or this would be more dangerous than that, in that it calls for a greater undertaking. Am I not correct?

Mr. KERRY. Will the distinguished Senator from Rhode Island yield for a minute?

Mr. PELL. Yes, for a minute.

Mr. KERRY. If I can address the question of the Senator from Louisiana, I think the distinction is severalfold. First of all, in this resolution there is no offer that the United States will enter the waters of Kuwait. There is a statement that there would be an enforcement under international law as we are currently enforcing and ought to enforce it of the right of transit in international waters. And in international waters we have an obligation today and ought to have an obligation to jointly protect the freedom of navigation, upholding a longstanding principle for which we have always fought. The distinction, however, is this administration is singling out one nation, reflagging the ships of that nation, requiring us to enter the waters of that country in a way that actually tilts us against one of the participants in the war and therefore draws us into the conflict. And there is a very real distinction.

Mr. PELL. We are on limited time so I would like to finish my statement if I could.

Mr. JOHNSTON. I thank the Senator for yielding.

Mr. PELL. What I am talking about here primarily is the reflagging. Reflagging is needlessly provocative. It is an exaggerated response to an exaggerated threat. Less than 1 percent of the ships going through the gulf have been attacked—less than 1 percent in the period of 6 years. About 40,000 vessels have traversed the gulf, of which 314 have been attacked. And so to my mind the risk exceeds the benefits from it and I would very much hope that the amendment pass.

I now yield to the Senator from Tennessee 5 minutes.

Mr. SASSER. I thank the distinguished chairman of the Foreign Relations Committee.

Mr. President, the amendment we are offering today is a resolution expressing the sense of Congress that the reflagging of the Kuwaiti tankers and granting them the protection of the United States Navy is unwise, is unnecessary, and is unsound, and, at the very least, that it be delayed until there have been additional consultations with our allies and until it is demonstrated that there is no alternative to reflagging.

Shortly after the *Stark* tragedy, I journeyed to the Persian Gulf at the request of the majority leader. While there, I met with four members of the senior leadership of the Government of Kuwait. During my conversations with them, it became very clear that they were seeking to orchestrate the foreign policy of the United States by playing to our weakness. They were successfully manipulating the United States into a more active role in the Iran-Iraq war.

Make no mistake about it: This whole business of reflagging and the whole business of escorting has nothing to do with oil coming out of the Persian Gulf. The oil is coming out of the gulf. There has been only one tanker lost there since 1984. Only $10 million worth of damage has been done to Kuwaiti tankers of the past year, and this is a country in which the leaders' individual net worth exceeds $30 billion.

This should be clear, also, Mr. President: No one is suggesting that the United States' presence in the Persian Gulf should be diminished. Indeed, we do have an obligation to maintain a substantial naval presence there; and I, along with many of my colleagues, would support an increase in United States naval strength in the Persian Gulf. But I submit that this whole scheme of United States flags being flown on Kuwaiti tankers is simply a ploy on the part of the Kuwaitis, carefully crafted, to pull the United States more effectively into the Persian Gulf war. They know that what they must do to draw us into this ploy is to first make an advance to the Soviet Union. This was done. They arranged to lease three Soviet tankers for a period of 1 year.

Thereafter, the administration rose to the bait and, without proper consultation, without a complete intelligence

analysis, without a clearly defined, well-thought-out policy, we committed ourselves to protecting oil tankers of the country of Kuwait and agreed to put the American flag on these Kuwaiti ships.

After some reconsideration, it appears that the administration is now digging in its heels. Despite the deep concerns and reservations on both sides of the aisle in this body, the administration is going to start escorting these Kuwaiti tankers in just 2 weeks. That is why the Senate must go on record as opposing this unwise and unnecessary action.

If the administration goes forward with this program of reflagging tankers, any other country with a particular agenda will start playing their Soviet cards in order to manipulate the United States. That is one of the risks the administration takes in going forward and taking the bait that the Kuwaiti leaders have so skillfully laid out. It invites every other country in the world to start doing it, and particularly every Third World leader to think: Well, if the United States can be led around so easily by a tiny country like Kuwait, maybe we should bring in the United States on our own policies.

Mr. President, this is an effort on the part of the Kuwaits to bring us into the Persian Gulf war.

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

Who yields time?

Mr. HATFIELD. Mr. President, will the Senator from North Carolina or the Senator from Virginia yield me 5 minutes?

Mr. HELMS. I am delighted to yield 5 minutes to the Senator.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 5 minutes.

Mr. HATFIELD. Mr. President, I appreciate the opportunity to say a few words, because I, too, have deep concern about our policy in the Persian Gulf.

But Mr. President, there is another issue here and I think we ought to face up to it. The Senate oftentimes goes through a lot of motion, a lot of charade, without really doing anything. This resolution is just such an empty gesture.

It may look like the Senate is demonstrating some great courage, but this resolution actually demands little or nothing. Read the language of the resolution:

It is pure dishwater.

The Senate Foreign Relations Committee has done something meaningful. Yesterday, it passed two resolutions, both with teeth, both with meaning. In fact, it passed a bill I originally introduced—it passed an amendment to invoke the war powers resolution if the reflagging arrangement is implemented.

Mr. President, Congress went through the whole resume of history, of war powers, and Presidential wars more than 10 years ago. After a lot of work and a lot of deliberation, we established a procedure, a very clear procedure, that made Congress as accountable as the White House in matters of war. Mr. President, we created the war powers resolution. Why do we not make war powers the issue?

Instead, we have one of those sense-of-the-Senate resolutions, and it shirks our responsibility. This is hands-off foreign policy.

Mr. President, I have not waited until now to offer some suggestions which could make this resolution meaningful. I tried all day long to work with the sponsors of this amendment to adopt some kind of meaningful language. I could not make any headway, and now we have a perfecting amendment that cuts off any attempt at making this meaningful.

Let no one on either side of the aisle believe that the Senate of the United States is communicating to the world or to the American people or to the White House that we believe this policy should be put on hold. We are not demanding delay; we are running away.

Mr. President, we are washing our hands of this policy with a lot of rhetoric, a lot of words that really are not worth the paper on which they are written.

Let us not kid ourselves. Let us not try to fool ourselves, let alone the public. If we really want to put this administration to the test on this policy, let's do it. If we want a delay, let's legislate a delay. But this charade will lead us only closer to disaster.

Above all else, we ought to demand compliance with the war powers resolution. Let the clocks start ticking. Over 300 ships have been attacked. The Persian Gulf is a war zone for all intents and purposes, and we are in the middle of it. Let us start the war powers clock, if, that is, we have the guts to do it. The truth is that we do not want to take that position. We do not want accountability; we just want to be able to criticize.

I am sorry I cannot support this resolution. I wish I could join in the effort, but to me this is one of those charades we go through to make us feel good without doing anything. All kinds of signals of action are there, but when you read the fine print, the resolution says and does nothing.

Let us go back to the Senate Foreign Relations Committee. Its members have said something. They have said it on two different vehicles. I commend them, and I suggest we follow their lead.

But this is pure laissez-faire. We are washing our hands. Of course we can criticize the President later on if the policy does not work out, but that is all this resolution does.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from Rhode Island has 4 minutes and 14 seconds remaining.

Mr. PELL. Mr. President, I promised earlier Senator KERRY 3 minutes and Senator GLENN 1 minute.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 3 minutes.

Mr. KERRY. Thank you, Mr. President.

Mr. President, I have enormous respect for the Senator from Oregon. I have worked with him on a number of issues. But I do disagree with him with respect to his position on this issue.

I am a member of the Senate Foreign Relations Committee as is the Chair. I worked not only to get out something that would be meaningful, that we could act on out of committee but it became clear that there were members of the committee who were not going to allow that to come to the floor.

This is the first time that the U.S. Senate, known as the world's greatest deliberative body, is talking on the floor, engaged in meaningful debate on a subject of utmost importance to the people of this country and indeed to the world. This is the first time and we have a half hour.

Now, I do not think that it is meaningless for the U.S. Senate to consider on the floor before the American people whether or not we are going to choose a policy or permit this administration to continue to go down a road which they clearly have said they intend to that could put us into that position.

Now, I hear countless colleagues frustrated saying what are we going to do, we are in a box, the President has put us in a box, the credibility of this Presidency is on the line, do not pull out the credibility from underneath the President.

That is an invitation to do nothing. If we are stuck waiting for this administration to act, after all that we have seen in their unwillingness to act, we are stuck with this policy.

I believe that it is our responsibility in this Senate to send a message. That is not meaningless in this resolution, if we say the U.S. Senate says hold the reflagging in abeyance. If that is meaningless, then we should not pass anything in the U.S. Senate.

Now, I refuse to believe that this Senate does not have the ability to say to the President of the United States that this is a bad policy and that we

ought to look for alternatives before it is too late to look for alternatives.

You do not ask the Senate or the country to ratify bad policy to uphold the credibility of a President who has made bad judgment. That is senseless, and that is precisely what we are being asked to do.

Not one of the reasons that we have been given—freedom of navigation, freedom of flow of oil, the lack of Soviet influence—not one of those stands up to scrutiny. The oil has not been stopped.

Iraq is the country that has commenced the tanker war. Iraq is the country that has had two to one the number of attacks over Iran. And yet here we are responding only to the Iranian attacks and somehow pretending that by flagging the freighters that belong to an ally of Iraq, we are not going to be tilting toward one of the combatants in the region.

I just think that is wrong, Mr. President, and it is clear to me that we need to speak out and there is an important need to do it.

Mr. President, for the past week, considerable time, effort, and study has been devoted to assessing the administration's proposal to reflag 11 Kuwaiti oil tankers.

During this period of time, Congress has attempted to obtain some very critical answers to very serious questions associated with this initiative. The answers have not been forthcoming. And far from easing legitimate congressional concerns that all other possible options be explored thoroughly, the rhetoric and intransigence of the administration has served only to heighten these concerns.

The simple fact of the matter is that we are not pursuing a coherent or intelligent policy in the Persian Gulf.

The simple fact of the matter is that we are paying the price for the incredible blunder this administration made in its covert arms sales to Iran.

The simple fact of the matter is that the administration is on the verge of compounding an earlier blunder with an equally egregious blunder. The difference this time around is that the administration wants the Congress to rubber-stamp this folly.

Mr. President, the simple fact of the matter is that we should not be forced to ratify bad policy to uphold the credibility of bad judgment. That is why we were elected to our positions of trust by our constituents.

In simple terms, the administration's reflagging proposal gives substance to that old adage that "fools rush in where wise men fear to tread."

The most cogent and sobering analysis of the reflagging proposal that I have read is the report submitted to the distinguished majority leader by the distinguished chairman of the Senate Armed Services Committee, SAM NUNN. I would think the chairman's report would be must reading for all in this body who are seriously attempting to evaluate the short- and long-term consequences of the administration's proposal.

We have heard arguments from those who support, without question, the reflagging proposal, that we have responsibilities as a superpower. We are told these responsibilities oftentimes require, if not demand, unilateral action on our part, particularly in the deployment of our military assets.

Yet, there is not anyone in this body who understands the responsibilities and role of a superpower better than Senator NUNN. Nor has there been any Senator, Democrat or Republican, who has contributed more to maintaining our superpower status and military posture in the world than the distinguished chairman of the Armed Services Committee. That is why his analysis is so important, because it is very clear from his views that being a superpower does not require that we also be stupid power.

Mr. President, ever since the Iran-Iraq war erupted in 1980, it has been the policy of the United States to exercise strict neutrality in this conflict. Our policy had been clear and coherent. There should be a negotiated solution to the conflict. There should not be a victor.

As long as Iran enjoyed such an overwhelming advantage in the conduct of the land war, our policymakers realized the ayatollah would not have any incentive to negotiate an end to the war. Supposedly, this was the reason for the administration launching "Operation Staunch" to prevent arms from going to Iran.

Yet, it was this administration which undermined a sound policy when it engaged in its arms for hostage deal with what the President himself had depicted as "the world's leading terrorist nation."

First, we had the tilt toward Iran, with unsettling consequences for our friends in the Persian Gulf. Now we have the tilt toward Iraq. It is small wonder that our allies are so unwilling to risk their credibility by joining us in an endeavor that has no sound policy basis. Which way will we zig tomorrow? Which way will we zag the day after?

Nobody is arguing that we don't have vital interests in the Persian Gulf. We do.

Nobody is arguing that we should abandon the Persian Gulf. We have not and we won't. We should not and we will not.

If we back down from an ill-conceived commitment to reflag Kuwaiti tankers and provide United States Navy escort for these tankers, will the Iranians have succeeded in driving us from the gulf? Hardly, since we already maintain a sizeable military presence both in the gulf and in the region itself. That is a specious argument.

The issue is not whether the United States will continue to exercise a significant military presence in that part of the world. The issue is whether that military presence is utilized intelligently.

The administration has focused on five areas to justify its proposal.

First, they say we need to ensure the free flow of oil to protect the world supply.

Second, we are defending the principle of freedom of navigation.

Third, we need to limit the Soviet presence and influence in the Persian Gulf.

Fourth, we need to demonstrate we will not tolerate Iranian intimidation of Iraq's moderate Arab supporters.

Fifth, we need to reestablish United States credibility in the Arab world after the covert sale of arms to Iran. Those are the reasons they assert for their reflagging.

Yet, reality, as is often the case, paints a much different picture.

First, there has not been any appreciable diminution in the amount of oil coming out of the Persian Gulf. We know that only 1 percent of the tanker traffic in the gulf has been disrupted and 70 percent of this 1 percent has resulted from Iraqi attacks on tankers carrying Iranian oil.

Second, the administration's proposal would have us defending only freedom of navigation for Kuwaiti tankers and not for tankers of the various nations carrying Iranian oil—including those of NATO allies such as Greece and Turkey.

Third, for political, economical and religious reasons, the ability of the Soviets to exercise greater influence in the Persian Gulf is limited. Sale of arms gave them influence.

Fourth, Kuwaiti tankers have been targeted by Iran in retaliation for Iraqi attacks on tankers of any flag carrying Iranian oil.

Fifth, the administration is proposing a policy which is not sustainable to begin with, thereby increasing the likelihood that U.S. credibility will be damaged even further. That is the predictable outcome of any ill-conceived policy.

It is not a coincidence that immediately after the news of administration's clandestine arms sales to Iran broke in November, the Kuwaitis turned to Moscow for protection of their tankers in the Persian Gulf. At least the Soviets had the good sense to provide three Soviet tankers to carry Kuwaiti oil out of the Persian Gulf, rather than enter into a reflagging agreement.

We have been told, that the original Kuwaiti proposal was for five of their tankers to be reflagged under the Soviet flag, and six to be reflagged

under the U.S. flag. But apparently that was just too much for this administration to swallow. Not only did we not pursue other options, we jumped right in and said no—we will reflag your 11 tankers under the American flag.

The Kuwaits very skillfully capitalized on the Iranian arms sale blunder to get us into making an equally foolish commitment.

Mr. President, I was struck by an article which appeared in the June 29, 1987, edition of the New York Times detailing how senior U.S. military officers are troubled by the administration's plan.

According to the Times article:

* * * many admirals and generals in and out of Washington admit misgivings about the Administration's re-flagging policy because they do not know how long it will take nor where it will lead. More than a dozen senior officers spoke of their concerns on the condition they not be identified.

The article noted that the United States had officially taken a neutral position and uphold the principle of freedom of navigation with a small but representative force of warships in the gulf. An admiral said, "This official policy of neutrality was undone by the Iran-Contra affair and now by the reflagging scheme."

The admiral was quoted further as stating:

By reflagging the Kuwaiti ships the United States has placed itself on the side of Iraq. This may mend fences with the gulf state Arabs, but it is apt to create the very confrontation which for years we sought to avoid in the region.

Everyone, even the administration, expects Iranian retaliation for this policy, whether it will take the form of direct attacks on U.S. naval vessels, or terrorist attacks against American targets.

As the Times article pointed out:

The danger of escalation as the result of a hostile Iranian act either at sea or ashore also concerns the senior military leadership.

What are the second and third order of effects if Khomeini attacks our forces and we strike back? a general said. The danger of an initial violent confrontation with Iran may have been recognized in the White House, he said, but he wondered how much thought had been given to where a repetitious and every-increasing spiral of violence would lead.

Those are the very concerns that many of us share. We have asked the same question and have not obtained any answers as to where all this could lead us eventually.

We say we support a resolution of the Iran-Iraq war in which there is not a victor. We deplore attacks by any nation on tankers and ships carrying noncontraband cargo in the gulf. Yet, while raising the spector of Iranian attacks on Kuwaiti tankers, we remain silent on Iraqi attacks on neutral shipping carrying Iranian oil.

In 1982, we undertook a misison in Lebanon as part of a neutral, multilateral peacekeeping force to escort PLO fighting forces from Lebanon. We entered Lebanon as a neutral force. However, the mission of these forces changed. We were told by the administration that we were remaining in Lebanon to assist the Gemayel government in its efforts to exercise complete control over great Beirut.

At that point, we ceased being a neutral, peacekeeping force. We became the supporter of one party to an internal conflict. As a consequence, 241 U.S. Marines lost their lives because a President—an administration—had decided to change the mission in Lebanon. Ultimately, the President withdrew from Lebanon, our credibility damaged severely because a determination had been made to side with a government embroiled in a civil war.

This time, there is not any pretense. We have forgone any position of neutrality, in becoming a willing ally of one of Iraq's key supporters in the Persian Gulf war—Kuwait.

The PRESIDING OFFICER. Who yields time?

The Senator from Virginia.

Mr. WARNER. Mr. President, I yield such time as I may require.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WARNER. Mr. President, I look back on the manner in which the Senate has dealt with this issue and I commend the leadership, both the majority and the minority leader, for the manner in which they in a very bipartisan spirit first designated the Senator from Tennessee, the Senator from Ohio, and myself to go out and do an inspection of this area and talk to the leaders in that area, and on our return at each time the majority leader and the minority leader came and received those reports, studied them, and we did not seek a lot of publicity. We slowly built up a body of fact, a body of opinion to share it with our colleagues.

Likewise, now the American public is beginning to study this very serious situation because the bottom line is the potential loss of life of American service personnel. There are indeed strategic considerations and economic considerations, but the bottom line is that we may be putting people in harm's way for very valid reasons.

Now our President has made a decision. It seems to me that the Senate can be far more effective in working with the President if we do so on a continuing bipartisan approach and not to put our signatures, our votes behind a rather narrowly drawn resolution premature in many ways because, as I say, the public is working in their study program as are many of the Members of this body continuing to study and analyze this.

Further, Mr. President, the distinguished Senator from Ohio and the Senator from Tennessee I think would agree with me that the Gulf States are watching every move. Indeed that whole area of the world is watching every move this Nation makes and, although this resolution is drawn as we say in nonbinding terms, it could well be totally misunderstood once that message passes across the ocean to that part of the world and the headlines would read the Congress challenges the President, the Congress disagrees with the President and the Senate of the United States, which has a special responsibility as a body in the area of foreign policy, would then go on record not in a bipartisan way but in a partisan way and that message could well be misinterpreted.

This is a very fluid situation, with a number of dynamics. Each morning we awaken to find a different set of facts, and I think that this body can have its most constructive role in helping America, in guiding a President if we do not go on record today with this narrowly drawn resolution.

Mr. President, our colleague from Louisiana sought recognition for a minute or two.

Mr. JOHNSTON. Mr. President, I will wait until next week.

Mr. WARNER. Fine.

The PRESIDING OFFICER. The Senator from Ohio has been yielded time by the Senator from Rhode Island, I believe the remainder of the time; is that correct?

Mr. PELL. I would ask whether the minority could give us a couple minutes off their time.

Mr. WARNER. I am not at liberty to do that.

Mr. PELL. Senator DOLE indicated he would.

Mr. HELMS. That is fair; 2 minutes on each side additional?

Mr. PELL. No; we are hoping to have 2 minutes from the Senator's side.

Mr. HELMS. No I am sorry about that.

Mr. PELL. I yield 1 minute.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. GLENN. I am sorry. Around here you can hardly say "Hello" in 1 minute. I will do my best.

I say the Senator from Oregon asked a question. He said this has no meaning. I disagree with that.

I think asking to be held in abeyance this decision the President has made is quite justified and for some of the same reasons the distinguished Senator from Oregon mentioned. We would like to see this in the Senate under the War Powers Act. How can we say it does not apply to the War Powers Act when 37 Americans have already given their lives and I say along with him the War Powers Act should apply here if we are going to keep ships in that

area. I agree with keeping ships in that area myself.

The distinguished minority leader said the Democratic side was firing partisan cannons prior to the Fourth of July. I say the cannons have already gone off. What we are trying to do is take some action here that may preclude additional lives being lost in that area.

The question is policy. What is our policy in that area, if any, I would submit. The urgency about going ahead now is that the tactics are going ahead during this Fourth of July break and I do not view this as a partisan issue.

The President has not consulted the Congress on this. Administration officials I talked to personally are against the flagging, but they are carrying out the Reagan policy and the problem with no flagging to mid-July is that the tactics are still going ahead.

The President told leaders yesterday the United States must be determined that there are a number of questions regarding flagging we would like to see answered.

I will save the remainder of my remarks for a time after the break when we do have more time.

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

The Senator from Virginia has 6 minutes 44 seconds.

The Senator from North Carolina.

Mr. HELMS. Mr. President, I thank you very much.

To get the perspective on what we are talking about here, may I ask the Chair to state for the RECORD the pending business?

The PRESIDING OFFICER. The pending business is the amendment by the Senator from West Virginia, the majority leader, amendment No. 368. Its purpose is to express the sense of the Congress with respect to——

Mr. HELMS. If I may interrupt the Chair, I apologize, but is it not a perfecting amendment to the Moynihan amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. HELMS. I thank the Chair.

Mr. President, it is so patently obvious what is going on here this afternoon. One needs a program to tell who the players are and what the player's position is at any given moment. They change every hour, on the hour. But we know the name of the game. It is "Bash Reagan." Hit the President, kick him, come down from behind that tree and shoot the wounded.

Now, as the distinguished Senator from Oregon, Mr. HATFIELD, said a few minutes ago, it is perfectly apparent that this is a charade. Maybe it will catch the headlines tomorrow morning in the Washington Post, and Dan Rather will have it this evening on the evening news, but it is without substance. I say again, the name of this game is "Bash Reagan."

I have here a page from the CONGRESSIONAL RECORD of May 28. It is quite revealing. As the Chair has just stated the underlying amendment was submitted by the distinguished Senator from New York [Mr. MOYNIHAN], and the able majority leader offered a perfecting amendment to that. The latter is now pending.

Mr. President, on May 28, there was a discussion on the Senate floor between the two Senators from New York. Mr. MOYNIHAN, an able Senator and a friend of mine, made this statement, in part. He said:

> Mr. President, if we wish the Persian Gulf to become a Soviet lake, that fact of geopolitics, that irreversible fact of geopolitics, is upon us at this hour.

Senator MOYNIHAN's statement on May 28, was exactly right. It is correct today. But today he has offered an amendment, to which the majority leader offers a perfecting amendment, knowing that it is going nowhere. On this Wednesday afternoon, when the Senate is scheduled to recess for the Independence Day holiday, this "Bash Reagan" charade comes over the horizon. It has come up, and it will be pulled down. Then we will have the supplemental appropriations conference report before us and presumably we will then go home.

So this is purely headline material and TV newscast material and nothing else. It is a "Bash Ronald Reagan" exercise.

One Senator just now spoke of what he called bad policy in the Persian Gulf. Well, I am not totally thrilled about it either, but there is no "good" option available. There are risks, profound risks, no matter what is done or not done. In any event, I have not heard one suggestion from any of the President's critics as to what is good policy. Nobody says anything about that.

We hear all these critiques, but there is only one man under the Constitution who has the responsibility for foreign policy, and that is the President of the United States. The Congress carps and complains, and hamstrings and obstructs in Central America, Africa and elsewhere. Congress does everything to harass the President. It is certainly true in the Persian Gulf.

Now this Senator, had I been devising the policy, I would have stipulated that the Japanese would pay its proportionate share of the cost of protecting the Persian Gulf that provides such a large percentage of oil that Japan gets. The same would be true with Europe.

The Soviet interest in the Persian Gulf is just like Senator MOYNIHAN described it on May 28:

> If we wish the Persian Gulf to become a Soviet lake, that fact of geopolitics, that irreversible fact of geopolitics, is upon us at this hour.

Mr. President, I ask unanimous consent that at the conclusion of my remarks the discussion between Senator D'AMATO and Senator MOYNIHAN on May 28, 1987, be printed in the RECORD.

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

Mr. HELMS. May I ask how much time I have remaining?

The PRESIDING OFFICER. The time remaining is 2 minutes and 1 second.

Mr. HELMS. You may ask what is the Soviet interest in the Persian Gulf. Of course, it is to disrupt Western oil supplies. Of course, it is to destroy United States influence among Arab States. Of course, it is to embarrass the United States whenever and wherever possible.

Meanwhile the Iranian interest in the Persian Gulf is to continue the war for as long as it takes to install an Islamic fundamentalist government in Iraq; second, to spread Islamic fundamentalism throughout the Middle East; and third, destroy United States influence in the Persian Gulf and in the Middle East.

Now, this Senator is not going to vote to cut the legs off the President of the United States in his conduct of a difficult phase of foreign policy. I am not going to play politices with it. I would not have if Jimmy Carter were President now, nor will I do it in the case of any President, whatever his political affiliation. There is too much at stake.

The results, if the President of the United States is undercut by Congress, are obvious. First, we will cause the gulf states to question further the value of American commitment and friendship. Second, we will create a void for the Soviets to extend their influence. Third, we will send a signal of weakness on the part of the United States, and such a signal would only encourage Iranian attacks. Finally, Mr. President, the United States will be perceived as cutting and running in the face of Iranian threats.

A simple problem? Of course, it is not. The President is doing the best he can with an enormous responsibility. I will say again, for the purpose of emphasis, that one man has the duty and the authority under the Constitution to conduct foreign policy. He is the President of the United States.

Mr. President, I yield back the balance of my time.

EXHIBIT 1

Mr. MOYNIHAN. Mr. President, I rise in support of the proposal to table this measure, which is certainly well intended and thoughtful. But it seems to me to be very much against the interests of the United States and of the free world as we properly describe it.

Mr. President, if we wish the Persian Gulf to become a Soviet lake, that fact of geopolitics, the irreversible fact of geopolitics, is upon us at this hour. The Soviets have, with astonishing dexterity and deftness, moved in on Kuwait, now head of the Islamic Conference, and offered to protect Kuwait against its non-Arab neighbor, the massive state of Iran. The workers in the oil fields actually are Arab in Iran but the nation, of course, is not. Iran is a Shiite nation whereas Kuwait is predominately a Sunni nation. And now, the Kuwaitis have responded to the Soviets as never before in their history.

The distinguished Foreign Minister of Pakistan was in this Capitol not a week ago and spoke with a number of us on the Committee on Foreign Relations and the Armed Services Committee. He described things about which I think his confidences should be kept, but his purposes should be understood. They are alarmed at the Soviet penetration of the Middle East. They have it as directly affecting their capacity to support the mujahideen in Afghanistan. They see the possibility of being outflanked completely and the United States being effectively excluded from the region.

I need not remind my distinguished friend, the Presiding Officer, that Aden, the British protectorate which defened east of the Suez for a century and more in world politics, has fallen to a pro-Soviet, Soviet-supported, Soviet-maintained regime that, in effect, approaches the Persian Gulf.

I repeat, Mr. President, the distinguished and learned Senator from Louisiana has stated his case very well, but I would like to add the Afghanistan dimension, the Pakistan dimension, the Islamic Conference dimension. And, I repeat, if you would like to see the Persian Gulf become a Soviet lake, here is the place for the United States Congress to commence that process.

I thank the Chair for his courtesy.

The PRESIDING OFFICER. The Senator from New York, Mr. D'Amato, is recognized.

Mr. D'AMATO. Mr. President, I intend to ask unanimous consent that the amendment be withdrawn. But, before I do, I feel compelled to make several observations.

At no time and in no way does this amendment indicate that the United States should abdicate its responsibility or its role in the Persian Gulf. That just simply is not the case. I wonder how it is, when an attack made by the Iraqis on the U.S.S. *Stark*, flying our flag, a naval ship of war, how we can make the quantum leap from that kind of an attack by the Iraqis that if we flag the Kuwaiti ships somehow, miraculously, we are demonstrating our strength and that we are calming the troubled waters down. I do not think we are doing that. I think we are exasperating the situation.

I wonder if we are not saying that this flag becomes—our great flag, the flag that we love, that stands for this Nation, the pride, the sacrifice—now it is somehow the flag of convenience. The flag of convenience. Give it to the Kuwaits so that maybe they will not call on the Russians, the Soviets.

I am not asking that we abandon our commitment to this region. What this amendment did seek and does seek to do was to say that we want those who have an equal stake to share in the responsibility.

Yes, we are the superpower, but I wonder if this is the way to go about it, by placing our great flag on Kuwaiti ships, or, for that matter, who else after this?

Mr. President, I ask unanimous consent that my amendment——

Mr. MOYNIHAN. Would the distinguished Senator yield for one thing before he proceeds?

Mr. D'AMATO. Certainly.

Mr. MOYNIHAN. Mr. President, I would like to advise my able friend from New York that I spoke as I did and meant what I said. I spoke with the thought of what message such an amendment would send, not the substance. The substance is one on which persons of generally common views can have somewhat different positions.

Mr. D'AMATO. Mr. President, I ask unanimous consent that my amendment be withdrawn and I advise that I will offer a resolution at a later time.

Mr. ADAMS. Mr. President, there is nothing in the language of this resolution that I disagree with. But I do disagree with the idea of a nonbinding sense of the Senate resolution and I do disagree with the parliamentary situation we confront which make it unamendable.

The situation in the Persian Gulf is both complex and confused. But there are at least two elements of that situation which are clear: first, despite widespread congressional concern and opposition, this administration intends to move ahead with its proposal to provide protection for reflagged Kuwaiti tankers; and second, this Congress, despite an obligation to make a final and binding judgment on that policy, is—at least at the moment—content to make a rhetorical statement which has minimal meaning and involves minimal political risk.

Mr. President, that is just not enough. It is just not enough.

After we adopt this amendment, we may be able to say that we expressed an opinion and if the President did not listen, well at least our hands are clean. That is, of course, true. But it is also true that we can—and should—do more than express an opinion. We can act—indeed we are obligated to act—in a binding way. If we fail to do so, then our traditions as an institution will have been destroyed, our obligations as a legislative body will not have been discharged, and our role in shaping national policy will have been diminished.

Mr. President, in the 1970's we adopted a law over the objections of a previous President which requires the Congress of the United States to do more than make a rhetorical statement in situations like this. That law requires—requires, Mr. President—that the Congress of the United States specifically approve, within 60 days after initiation, any policy which places our forces in "situations where imminent involvement in hostilities is clearly indicated." Mr. President, if imminent involvement in hostilities is not clearly indicated by the President's policy in the Persian Gulf then we might as well solve the budget deficit by eliminating the Department of Defense because we aren't likely to ever get into a situation involving hostilities.

The President of the United States has, so far at least, declined to furnish the Congress with the report required by law. But the law does not release the Congress from our responsibility simply because the President has failed to discharge his. Under the law, the Congress has 60 days in which to approve the policy and that 60-day period begins "after a report has been submitted or is required to be submitted."

A few weeks ago, Senators HATFIELD and BUMPERS introduced legislation which would have made it clear that if the United States provides protection to reflagged ships, that would create a situation which would require such a report and start the 60-day clock ticking. Yesterday, the Senate Foreign Relations Committee favorably reported that legislation to the full Senate.

I sponsored that legislation in the committee. I did so not because I either support or oppose the President's proposal but because I support uniting our Nation behind whatever policy we finally adopt and because I oppose attempts to minimize the role of Congress in making decisions which effect the future of our Nation and our people.

If the slate was clean, if we were back a few months ago in time, I would not have adopted the President's policy. Just yesterday, Senator NUNN, in his capacity as chairman of the Armed Services Committee, provided the Senate with a report which pointed out the strategic flaws in that policy. Given those flaws, I certainly endorse, at a minimum, efforts to delay the reflagging. But that suggestion was taken to the White House by the bipartisan leadership of the House and the Senate—and the suggestion was not accepted. the nonbinding amendment now before us simply makes another suggestion. I have no problem with that. But if this suggestion is again ignored and if the President does go through with protecting those reflagged vessels, then the time for suggestions has passed and the time for action will have come. And the way to take action is for Congress to start that 60-day clock ticking.

Now Mr. President, I am not attempting to prejudge what decision we might make in that 60 days. While I would not have initiated the policy the President has, if it is a fact of life then we have to deal with that reality and consider the costs of rejecting or accepting the commitment made for the Nation by the President.

Let me make one final point. I have already indicated that if I were the President of the United States I would not have done what he has done. Let me now indicate that if I were the President of the United States, I would have already reported to the Congress that my policy would place

American forces in a situation of imminent hostilities. I would do so because we have learned—all too painfully—that no policy can succeed if the Nation is not united behind it. Congressional approval of an act authorizing the continued use of our forces to protect those reflagged vessels would help create that unity. Congressional rejection of such an authorization would indicate that unity is not possible and withdrawal of our forces—though not risk free—is less costly than the continuation of a policy which is doomed to defeat.

Mr. President, there is nothing wrong with passing this nonbinding sense of the Senate language. But there is something wrong if we delude ourselves into believing that it is a substitute for meaningful action. The Congress can try to dodge a decision, but the President has made one. If he follows through with his policy, then we ought to follow through with our obligation to either approve or reject the deployment of U.S. forces in what amounts to a war zone in the Persian Gulf. I promise my colleagues that I will do everything I can to make sure that the Senate addresses this issue and accepts that responsibility if the President does not accept the repeated calls the Congress has made for a delay in implementing his policy.

Mr. RIEGLE. Will the Senator from North Carolina yield for a question?

Mr. HELMS. I have no more time.

The PRESIDING OFFICER. All time for debate has expired.

## SUPPLEMENTAL APPROPRIATIONS, FISCAL YEAR 1987—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the conference report on the supplemental appropriations. The clerk will report.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1827) making supplemental appropriations for the fiscal year ending September 30, 1987, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

(The conference report is printed in the House proceedings of the RECORD of June 27, 1987.)

The PRESIDING OFFICER. Under the previous order, there will be 20 minutes, equally divided, on the conference report.

Who yields time?

Mr. STENNIS. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Mississippi is recognized for 5 minutes.

Mr. STENNIS. Mr. President, I submit a report of the committee of conference on H.R. 1827 making supplemental appropriations for the fiscal year ending September 30, 1987, and for other purposes, and ask for its immediate consideration.

The PRESIDING OFFICER. The conference report is pending before the body.

(Mr. DASCHLE assumed the chair.)

Mr. STENNIS. Mr. President, we meet today to present to this Senate the 1987 supplemental conference report on H.R. 1827, which reflects the recommendations of the House and the Senate conferees. This bill, which now provides a total of approximately $9.4 billion in new budget authority and $3.0 billion in outlays for fiscal year 1987, reflects the careful thought and hard work of all the managers of the House and the Senate.

Mr. President, I am not claiming any credit at all for this, but I have been around in the Appropriations Committee a good number of years and I have never seen a more thorough and a finer job of work done on a bill that was somewhat difficult, to some extent. I marvel at the amount of digging and real hard work that was done by the Members, both from the House and the Senate. It is a relatively small matter here, but I am proud of the thoroughness with which they tackled this problem and what they have produced here.

I have the numbers here. The conference report involved the direct participation of 28 Members of the Senate Appropriations Committee, as well as 21 Members on the part of the House.

Before I turn for a brief discussion of the conference report regarding the bill, I wish to highlight the three objectives which H.R. 1827 has now accomplished.

First, this supplemental appropriation bill now reflects a serious imposition of fiscal restraints during a period of budgetary discipline. It is $2.7 billion and is also below the Senate-passed bill by $380 million in budget authority and $21 million in outlays.

Second, H.R. 1827 reflects a serious effort at funding only those programs which are truly urgent or mandatory, so as to require action in a supplemental appropriation.

Finally, this same bill reflects a serious effort by the conferees to fashion a product which will not be vetoed.

I think the President is entitled to credit for a statement that he made last year, which, in effect, on that score, approves the bill. The Members themselves were anxious to meet an agreement that avoided further consideration by both Houses.

I would like to briefly discuss the conference report regarding the fiscal year 1987 supplemental in this bill previously mentioned.

Briefly stated, the conferees are recommending a total of 1987 supplemental appropriations of $9.4 billion, primarily consisting of $748 million for defense programs; $159 million for foreign assistance programs; $6.5 billion for nondefense domestic programs; $409 million for increased pay costs; $1.2 billion for Federal Employee Retirement System contributions; and $355 million for the homeless initiative.

In conclusion, Mr. President, the conferees' specific actions are discussed in detail in the accompanying report. I would like to submit this report for final Senate action, in hopes that it can be passed today.

Mr. President, those are the highlights, the high points, and the condensed reasons given for each of these steps that were taken and, in my humble judgment, the amounts were fully justified and reductions were carefully and systematically made—justified first and made second.

I hope that this entire bill can be approved by the body. The House has already approved this report and I look forward to the time—I wish there was more time available to present it in detail. But it is not necessary. We are not rushing by here without allowing a reasonable amount of time, under these facts and circumstances.

So I present this report on behalf of all the membership that worked on it. We have more than one Member beyond me here who would be glad to answer questions if there is any on whatever broad approach.

I hope our previous chairman here, who did so much, I hope he will address the Chamber on this report. He contributed to it.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, I yield myself time. I thank the Senator from Mississippi for moving this very complex and difficult resolution, the supplemental appropriation bill, to this point where we now can resolve the questions and the issues in this bill.

Mr. President, the conference report on H.R. 1827, the fiscal year 1987 supplemental appropriations bill, was printed in the RECORD of Saturday, June 27, has been printed as House Report 100-195, and is available to all Senators.

The conference agreement provides a total of $9,377,119,976 in budget authority. This amount is more than $2.7 billion below the President's request, and more than $382,000,000 below the level of the Senate-passed bill. It is $126 million above the level established by the House after their 21 percent across-the-board cut.

In terms of outlays, the conference agreement has been scored by CBO as yielding $3,018,072,000. This is more than $162,000,000 below the President's request, $429,448,000 below the

House, and $20,537,000 below the Senate level.

While the administration still has some objections to individual provisions of this bill, it has been communicated that the administration will not oppose this measure here on the Senate floor, and that the bill will be signed.

Mr. President, I ask unanimous consent that two summary tables comparing the bill's totals and highlighting its major components be printed in the RECORD.

Mr. President, I believe there are 82 amendments remaining in disagreement that require further action by the Senate. I hope we will move quickly to adopt the conference report so that we may proceed with the disposition of those amendments.

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

FISCAL YEAR SUPPLEMENTAL APPROPRIATIONS (H.R. 1827)

[As of June 30, 1987]

| Version | Fiscal year 1987— Budget authority | Outlays |
|---|---|---|
| President's request | $12,104,054,862 | $3,180,102,000 |
| House-passed | 9,250,928,500 | 3,447,520,000 |
| Senate-passed | 9,759,478,500 | 3,038,609,000 |
| Conference agreement | 9,377,119,976 | 3,018,072,000 |
| Conference agreement compared to: | | |
| President's request | (2,726,934,886) | (162,030,000) |
| House-passed | 126,191,476 | (429,448,000) |
| Senate-passed | (382,358,524) | (20,537,000) |

Note: Numbers in parenthesis ( ) are negative.

FISCAL YEAR SUPPLEMENTAL APPROPRIATIONS BILLS (H.R. 1827)

[As of June 27, 1987]

| | Fiscal year 1987 budget authority | | | |
|---|---|---|---|---|
| | President's request | House passed | Senate passed | Conference |
| Title I: Program | 10,887,903,862 | 9,100,064,290 | 7,874,296,969 | 7,449,775,976 |
| Title II: Increased Pay Costs | 197,542,000 | 456, 852,500 | 408,323,000 | 408,536,000 |
| Title III: Retirement Contributions | 1,018,609,000 | 1,136,927,000 | 1,149,358,600 | 1,163,781,000 |
| Title IV: Homeless Initiative | 0 | 425,000,000 | 327,500,000 | 355,000,000 |
| Title V: General Provisions | 0 | −1,867,915,290 | 0 | 0 |
| Total | 12,104,054,862 | 9,250,928,500 | 9,759,478,569 | 9,377,119,976 |
| Major Program Supplementals (Title I): | | | | |
| DOD Military Items: | | | | |
| Military personnel | 441,900,000 | 490,372,000 | 0 | 0 |
| Operations and maintenance | 603,000,000 | 457,500,000 | 612,000,000 | 543,500,000 |
| Procurement | 553,700,000 | 313,700,000 | 0 | 122,000,000 |
| RDT&E | 694,000,000 | 54,600,000 | 156,000,000 | 82,000,000 |
| Chemical agents and munitions destruction | 250,000,000 | 0 | 0 | 0 |
| Military construction | 250,000,000 | 0 | 0 | 0 |
| Subtotal, DoD-Military | 2,792,600,000 | 1,316,172,000 | 768,000,000 | 747,500,000 |
| Foreign Assistance Items: | | | | |
| ESF: Assistance to Central America | 300,000,000 | 0 | (300,000,000) | (300,000,000) |
| Other Economic Support Fund (ESF) | 97,000,000 | 0 | 1,000,000 | 1,000,000 |
| Southern Africa | 0 | 0 | 50,000,000 | 50,000,000 |
| Contributions to International Financial Institutions | 292,846,486 | 0 | 257,813,486 | 257,813,486 |
| Military assistance | 261,000,000 | 0 | 0 | 50,000,000 |
| FMCS: Direct credits and forgiven loans | 200,000,000 | 0 | 36,000,000 | 13,000,000 |
| Peace Corps | 0 | 0 | 7,200,000 | 7,200,000 |
| Export-Import Bank | −100,000,000 | 0 | −200,000,000 | −220,000,000 |
| Subtotal, foreign assistance | 1,050,846,486 | 0 | 152,013,486 | 159,013,486 |
| CCC reimbursement for net realized losses | 6,653.189,000 | 6,563,189,000 | 6,653,189,000 | 5,553,189,000 |
| CCC emergency loans | 0 | (155,000,000) | (155,000,000) | (180,000,000) |
| Administration of foreign affairs: s&e | 59,750,000 | 61,750,000 | 0 | 61,750,000 |
| Contributions to international organizations (language) | 0 | 0 | 0 | 0 |
| Immigration and Naturalization Service: s&e | 147,793,000 | 147,793,000 | 147,793,000 | 137,216,000 |
| MARAD: Federal ship financing fund | 73,000,000 | 73,000,000 | 0 | 0 |
| Corps of Engineers: O&M, general (by transfer) | (−66,750,000) | 66,750,000 | (−66,750,000) | (−66,750,000) |
| VA compensation and pensions | 80,200,000 | 80,200,000 | 80,200,000 | 80,200,000 |
| VA loan guaranty revolving fund | 100,000,000 | 0 | 100,000,000 | 100,000,000 |
| HUD: Housing for elderly fund (borrowing auth) | −90,731,000 | 0 | 0 | 0 |
| HUD: Rent supplement (contract authority) | −389,340,000 | 0 | −389,340,000 | −389,340,000 |
| HUD: Rental housing | −72,873,000 | 0 | −72,873,000 | −72,873,000 |
| FEMA disaster relief | 0 | 0 | 57,475,000 | 57,475,000 |
| MASA | 0 | 0 | 0 | 300,000,000 |
| Timber purchase election (rescission) | 0 | 0 | −30,000,000 | −30,000,000 |
| Student financial assistance (by transfer) | (287,000,000) | (287,000,000) | (287,000,000) | (287,000,000) |
| Family social services | 43,000,000 | 121,644,000 | 121,644,000 | 121,644,000 |
| Family social services (by transfer) | (54,727,000) | (43,583,000) | (43,583,000) | (43,583,000) |
| FAA operations | (50,000,000) | 55,200,000 | (50,000,000) | (50,000,000) |
| FAA Airport and airways contract authority | 0 | 0 | −150,000, 000 | 0 |
| IRS funding | 80,000,000 | 80,000,000 | 80,000,000 | 80,000,000 |
| USPS: Payment to the postal service fund | 79,177,000 | 79,177,000 | 0 | 0 |
| All other program items, net | 281,292,376 | 455,189,290 | 356,195,483 | 544,001,490 |
| Subtotal, nondefense domestic | 7,044,457,376 | 7,783,892,290 | 6,954,283,483 | 6,543,262,490 |

Mr. HATFIELD. Mr. President, we are proceeding under a unanimous-consent agreement that is divided into different parts and I am, in a few moments, ready to yield back whatever time I have at my command on the matter relating to the introduction of the conference report in order for us to vote on it and then be ready to take the next step in dealing with the controversial issue. But before I do that I would like to yield whatever time nec-

essary to the Republican leader and then I would yield 2 minutes to the Senator from North Dakota.

Mr. JOHNSTON. Mr. President, will the Senator yield me 1 minute?

Mr. STENNIS. Yes; I yield to the Senator.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I would simply like to explain further that that statement in the report, in the conference report on page 30 to the effect that the conferees agree, as an exception to the terms of section 5 hereof, that this provision does not affect the additional $5 million made available for phase A/B definition studies of a shuttle-derived heavy lift launch vehicle in the 1987 NASA operating plan as approved by the committees on appropriations.

The $5 million to which that refers, Mr. President, was previously appropriated money and that appropriation is an exception to the language in section 5, but that only, that $5 million appropriation is an exception. That the shuttle-derived heavy lift launch studies beyond that would be subject to the terms of section 5. I think that is very clear in the report.

THE HEAVY LIFT VEHICLE

Mr. President, section 5 of the conference report also addresses the very important issue of whether the advanced launch system or heavy lift vehicle will be designed to support early deployment of SID. The short answer is, it will not.

This issue requires some background explanation. On March 19, 1987, my staff and Senator PROXMIRE's staff issued a staff report called, "SDI: Progress and Challenges, Part Two". That report focused on early deployment of SDI and revealed a dramatic shift in the DOD plans for a heavy lift rocket.

In 1986 there were no plans for building a heavy lift rocket inexpensive enough to support SDI deployment until after the turn of the century. The space station was compatible with the space shuttle and the Air Force and intelligence community had no requirement for a heavy lift rocket in the early 1990's. That situation has not changed to this day, I can assure my colleagues of that, because I have personally queried the relevant experts in open and closed hearings. However, with the political push late last year for early deployment of SDI, the DOD radically altered their plans for a heavy lift vehicle. Otherwise, SDI would have no means to lift the SDI system into orbit in the early to mid-1990's.

SDI increased its fiscal year 1988 budget request for space transportation and support more than ten-fold from the current level and put the heavy lift rocket on a hurry-up schedule to make it available for early deployment of SDI in the early to mid-1990's. Part of that effort was the administration's submission of an fiscal year 1987 emergency supplemental budget request of $500 million for SDI, including $250 million requested for low-cost space transportation.

The Senate staff study explained how from the beginning the SDI Organization has said SDI deployment would require an order of magnitude—factor of 10—reduction in launch costs to orbit if such deployment was to be affordable. The problem is, the necessary advanced launch vehicle technologies may be available by the turn of the century, but won't be available in time for early SDI deployment. Therefore, the Air Force was planning to ask contractors in a program research and development announcement [PRDA] to submit proposals to build a heavy lift vehicle with an ultimate goal of a factor of 10 reduction in launch costs for the turn of the century but also with an interim goal of a factor of 3 reduction in launch costs to support early SDI deployment in the early to mid-1990's. Understand that building a new rocket system in 5 years is a difficult and risky assignment. The space shuttle required 10 years. It should be noted that Gen. James Abrahamson, the SDI Director, personally rewrote the PRDA to accommodate SDI.

What especially disturbed me was that the draft PRDA contained in correspondence of April 14, 1987, between Air Force Secretary Aldridge and Dale Myers, Deputy Administrator of NASA, called for the heavy lift vehicle to have a "partial capability to substantially reduce costs by the 1994 timeframe, should a national decision to implement the initial operational capability of a strategic defense deployment be made by 1988 or 1989."

Thus, while SDI was telling Congress this year that there was no reorientation toward a near-term deployment in the fiscal year 1988 budget request, the aerospace contractors were going to be told to design the heavy lift vehicle or advanced launch system [ALS] now to support an SDI deployment decision in 1988 or 1989. I raised this point with General Arbrahamson in a closed hearing of the Energy and Water Appropriations Subcommittee that dealt with SDI. General Abrahamson explained that the draft PRDA should not have made reference to a deployment decision on SDI in 1988 or 1989. He told me that was an error and he would see to it that the PRDA was changed to delete that reference.

Imagine my surprise when the PRDA was issued on April 30, 1987, with the reference to an SDI deployment decision in 1988 or 1989 intact and the aerospace contractors directed to tailor their design for the ALS to include an interim capability for SDI early deployment.

I wrote General Abrahamson on May 11, 1987, asking for an explanation. He responded by letter of May 19, 1987, stating:

> While I believe that I may have worded the PRDA in a more delicate way, given the controversy about SDI . . . as a program manager who understands how to build on today's technology while phasing in tomorrow's technology, as well as searching out a way to insure that the nation receives a partial benefit from initial investments in space transportation while on the path to a long term, high payoff vehicle . . . I make no apologies. The structure of the PRDA and the plan we have to reduce the cost of space transportation for this nation is the right one and should be funded in the FY87 supplemental.

The conference report is carefully written to rectify the error that was included in the PRDA by eliminating the inclusion of an interim design goal for the advanced launch system [ALS].

The House provided none of the funds requested for SDI. The Senate provided $131 million for the heavy lift vehicle but included statutory language to ensure that SDI early deployment would not dictate or influence the design of the ALS. The conference agreement provides $75 million for ALS along with compromise bill language. However, the Senate language achieved three basic points, all three of which are retained in the conference report.

First, DOD and NASA must enter into a joint agreement as how to proceed on the ALS.

Second, any ALS variant must embody advanced technologies and be designed to achieve a factor of 10 reduction in launch costs. The original Senate language said any ALS must reduce the launch cost by a factor of 10. Conceding that the advanced technology might not yield a factor of 10 reduction in practice, the conferees amended the language to say an ALS variant must have a design goal of a factor of 10 reduction in launch costs.

This change conceivably might permit SDI to argue that the ALS they sought for SDI early deployment, as prescribed in the PRDA, meets this statutory requirement because it has an ultimate goal of a tenfold reduction in launch costs, while also having a much less ambitious interim goal for the early 1990's to accommodate SDI early deployment.

Anticipating that argument, the conferees added report language that explicitly repeats the PRDA's requirement for an interim goal and states, "Funds previously appropriated and those made available for the Department of Defense are not provided to achieve this interim goal."

In short, the ALS design will not be sacrificed on the altar of early SDI de-

ployment. We will proceed with the best rocket we can build using the most advanced technologies we can muster. We will not hamstring our engineers with an interim goal necessitating a hurry-up schedule for the sake of early SDI deployment.

The third objective of the Senate language which was retained in the conference report is to say that no funds appropriated for the ALS Program under this act may be used to facilitate any early deployment of SDI.

Finally, reported language was included to say that as a limited exception to the terms of section 5 the $5 million already approved by the Committee on Appropriations for studies on a shuttle-derived heavy lift launch vehicle may be spent for that study. Any other moneys for a shuttle-derived vehicle will be subject to section 5.

The PRESIDING OFFICER. The Senator's time has expired.

Does the Senator from Oregon or the Senator from Mississippi yield time?

Mr. STENNIS. I yield 2 minutes.

Mr. BURDICK. Mr. President, finally, we have the supplemental appropriations bill before us for what, I hope, is the last time. We have been talking about it since the beginning of the 100th Congress. At this point, the year is half over and it is high time that this bill be enacted.

Most importantly, it contains $5.6 billion for the Commodity Credit Corporation. This money is needed so that the CCC can make payments required by law and by contract to farmers and others in the agricultural industry. Those payments have been held up since May 1.

The longer these payments are held up, the worse it is for the farmers involved. The longer we proceed in this fashion, the more farmers who become involved.

For those farmers who are due payments, I have great sympathy. It is clearly not their fault. The Government has promised them payments in return for farming a certain way, and the Government has reneged. One can blame the administration or one can blame Congress, but one cannot blame the farmer.

Therefore, since it is not the farmer's fault and since it is clearly the Government who has messed up here, it is incumbent on the Government to make good. One way to do that at this point is to give the farmers interest on the payments that they had due them. It is only fair, because if they had received the money on time, they could have earned their own interest or they could have paid off their debts on time without accruing interest.

So, it is my strong hope that Secretary Lyng will pay interest on these payments. I understand that he has that authority, even though he does not believe he is required to pay interest. There has been talk of late, about amending the Prompt Payment Act to make sure there is no doubt that the CCC should make interest payments. Frankly, there is no time for that issue right now.

Right now, the Secretary needs to get the payments to the farmers, and he needs to provide interest on the late payments. With the passage of this supplemental appropriations bill, I call on the Secretary to be compassionate toward the American farmers. It is the least we can do.

I would also like to address, briefly, the Rural Electrification Administration issue contained in this bill. The provision states that all REA-guaranteed, FFB borrowers may prepay, at their option, their loans without a prepayment penalty. This is an issue that has been kicked about for quite some time and the administration has done everything possible to thwart the desire of Congress on this matter.

Well, the matter is now clear. Any borrower may prepay if it so chooses. No additional regulations are required or should be issued by the administration. No stipulations or qualifications are contemplated. The language is clear and forthright. I look forward to the Rural Electrification Administration carrying out this provision with no delay.

Mr. President, I thank my colleagues for their patience and I urge speedy action on this bill.

VETERANS' PROGRAMS

Mr. CRANSTON. Mr. President, as chairman of the Veterans' Affairs Committee, I am very pleased with the outcome of the conference on the fiscal year 1987 Supplemental Appropriations Act with respect to funding for Veterans' Administration programs. In particular, I am very pleased, and would like to comment specifically on the fact that the conference report contains a total of $295 million for VA employee salary and benefit costs—$157 million to defray fiscal year 1987 costs from the January 1987 Federal civilian pay raise and $138 million for the fiscal year 1987 costs of the new Federal Employee Retirement System (FERS)—$30 million for the Veterans' Job Training Act program, and $100 million for the VA Loan Guaranty Revolving Fund, as well as permitting certain VA hospital computer maintenance acquisitions to proceed.

I am particularly pleased that the conferees have retained the full amounts provided in the Senate version of the measure with respect to the increased VA employee salary and benefit costs in the Medical Care and General Operating Expenses accounts. Although the House-passed version contained provisions apparently making appropriations in the same amounts provided by the Senate for these areas, the House version also contained a provision imposing a 21-percent reduction in all of the amounts being appropriated for the discretionary accounts, including these VA accounts. The conferees' decision to drop the across-the-board cuts in these appropriations will make available critically needed funding for veterans medical care and the administration of VA benefits programs.

PERSONNEL COSTS

Mr. President, as a result of the January 1987 Federal civilian pay raise, VA personnel costs for the work force for which funds were appropriated in the fiscal year 1987 continuing resolution (Public Law 99-591) increased by a total of $165 million. In addition, increased fiscal year 1987 VA pay costs under the Federal Employees' Retirement System Act of 1986 (Public Law 99-335) totaled $140.8 million.

Specifically regarding the VA's Medical Care Account, which funds the operations of the VA's nationwide system of health-care facilities, the January pay-raise costs for the personnel who staff those facilities will total $149.4 million in fiscal year 1987. The administration requested supplemental appropriations of only $74.7 million for this purpose, thus proposing to require the VA to absorb the remaining $74.7 million. Fortunately, the conferees, in recognition of the vital importance of the additional appropriations, included the entire amount in the conference report.

The supplemental appropriation for the VA's Medical Care Account is essential to enable the VA to provide the quality health care which veterans have earned through their service to our Nation and for which Congress mandated their eligibility and to maintain the congressionally intended staffing level of 194,140 FTEE. In my floor statement of June 2 upon Senate passage (S. 7432), I outlined some of the dire difficulties that would be entailed were this supplemental not provided.

Both Houses have also wisely rejected the administration's proposal to rescind $75 million in medical care funds already appropriated for fiscal year 1987. This proposal would have caused a decline of 1,400 fewer FTEE this year and 212,000 fewer outpatient visits and 15,463 fewer inpatient episodes of care.

With respect to the VA's general operating expenses account, which provides funding for the operation of the VA's 58 regional offices and of VA central office other than the operations of the Department of Medicine and Surgery, the total additional funding required for the January pay-raise and FERS costs is $20.2 million. Although VA regional offices already are very thinly staffed at present and are encountering severe difficulties in proc-

essing veterans' claims for benefits in a timely fashion, and particularly in administering the VA Home Loan Guaranty Program effectively, the administration's proposal contained only $9.2 million for those costs. Thus, the conference agreement very wisely and appropriately includes $1.3 million above the administration's request for this account.

DECENTRALIZED HOSPITAL COMPUTER PROGRAM

The conference agreement retains the Senate provision extending through fiscal year 1988 the availability of $34,178,000—instead of the $44,178,000 as proposed by the House—in the 1987 medical care appropriation for automated data processing equipment and support contracts. Also, the conference agreement deleted language proposed by the Senate rescinding $10 million for ADP equipment and support contracts and restricting the obligation of funds for the procurement of computer hardware to facilities where the capacity of existing systems has been reached and the procurement of additional or replacement equipment is necessary to maintain patient care.

The House-Senate conferees, in agreeing not to rescind the $10 million for medical computer programs, directed that the VA make these funds available for beneficiary travel and noted that 1987 beneficiary travel costs will exceed the $68 million currently available for that purpose by at least $10 million.

Mr. President, in my view, this agreement on ADP acquisitions is far preferable to the approach of rescinding any or all of the $44.2 million in fiscal year 1987 DHCP funding pending further study of the advisability of the VA moving ahead further toward the systemwide application of DHCP. As I pointed out at the time of Senate passage of the bill, I believe that the VA's ability to purchase additional hardware for the DHCP system directly correlates to improved medical care for our veterans.

Mr. President, although this agreement is less desirable than the Senate's provision permitting the $34.2 million to be used to maintain its computer capacity, I believe that ultimately there will be no real alternative but for the VA to proceed with implementation of an improved, enhanced DHCP system.

It is important that we move ahead as quickly as possible to resolve the DHCP issues raised by the various congressional and agency reports on ADP. Therefore, I look forward to the release in mid-September of the report by the Office of Technology Assessment [OTA] on its independent assessment of VA medical computer systems and programs, including consideration of alternative computer system strategies and their implications for the quality and cost of patient care, which the House Committee on Appropriations asked it to undertake. The findings and recommendations of the OTA study will then need to be taken into consideration by the VA in terms of its ADP medical care program plan.

VETERANS' JOB TRAINING ACT

Mr. President, I am pleased that the conference agreement includes a $30 million supplemental fiscal 1987 appropriation for the Veterans' Job Training Act [VJTA] Program. An appropriation for this account is urgently needed because fiscal year 1987 VJTA funds are now virtually depleted.

As the Senate author of the original legislation proposing the establishment of this program, as well as subsequent measures to extend and improve VJTA, I am intensely interested in the support of this effective job-training program. I am thus deeply grateful to the Senator from Arizona [Mr. DECONCINI], a fellow Veterans' Affairs Committee member and ardent VJTA supporter, who in his capacity as a member of the Appropriations Committee offered the amendment in that committee to provide an additional $20 million in funding for VJTA.

Mr. President, I spoke at length on the importance of supplemental funding for this, the VJTA Program, when the measure was first before the Senate. The additional $30 million for VJTA for fiscal year 1987 should ensure that the nearly 10,000 more jobless veterans will be provided with the opportunity to participate in job-training programs under VJTA and thereby regain their financial independence. I believe that bringing this goal within the grasp of these veterans represents a truly wise investment of our Nation's resources.

VA HOME LOAN GUARANTY PROGRAM

I would also like to express my appreciation to Senator PROXMIRE for his leadership in successfully proposing an amendment, which I joined in cosponsoring, and which the Senate adopted and the conferees have retained, to provide the additional $100 million in supplemental appropriations required for the continued operation of the VA's Home Loan Guaranty Program. The administration forwarded a supplemental budget request for this amount on May 5.

HOMELESS VETERANS

Mr. President, various estimates indicate that a third of the approximately 350,000 homeless persons in America—some say half or more—are veterans. As chairman of the Veterans' Affairs Committee, I strongly believe that any special congressional initiative to deal with the tragedy of homelessness should include efforts to help deal specifically with the plight of those homeless persons who have served in our Nation's Armed Forces. Thus, I am delighted that the conference agreement contains in title IV, entitled the "Urgent Relief for the Homeless Supplemental Appropriations Act of 1987," an appropriation of $20 million to the VA's medical care account for the assistance of homeless veterans. Of that total, $15 million would go toward increasing the VA's capacity to furnish eligible veterans, primarily homeless veterans, with domiciliary care, a form of institutional care combining room and board with medical and rehabilitative services aimed at enabling the veteran to return to independent functioning in the community. The other $5 million would go toward the furnishing of contract halfway-house or other community-based psychiatric residential treatment, under section 620C of title 38, United States Code, to homeless veterans who are suffering from chronic mental illness disabilities.

The provision derives from two sources—an amendment proposed by my good friend, Congressman SONNY MONTGOMERY, the chairman of the House Committee on Veterans' Affairs, and agreed to by the House of Representatives on April 23, to allocate to the VA $20 million solely for the expansion of VA domiciliary-care programs, and an amendment which I joined the distinguished ranking minority member of the Budget Committee [Mr. DOMENICI] in offering, which the Senate adopted on May 28, and which, in part, would have appropriated $20 million, to be divided evenly for the two purposes stated in the conference report. The veterans' portion of our amendment derived from the veterans' portion of an amendment which I and Senator D'AMATO and others had offered, unfortunately without success, earlier in the day on May 28 to provide appropriations for certain homeless housing programs carried out by the Department of Housing and Urban Development and for the same purposes as the veterans' portion of the Domenici-Cranston amendment.

Both of the programs which would receive funding under this provision derive from legislation passed by the Senate this year—and in one pertinent respect by the Congress as a whole. In Public Law 100-6, the joint resolution enacted on February 12 making funds available primarily to FEMA's Emergency Food and Shelter Program, Congress enacted a provision offered by Senator MURKOWSKI to authorize the VA to provide halfway-house and other community-based contract treatment to certain homeless and other chronically mentally ill veterans and to appropriate $5 million to the VA for that purpose. On March 31, in section 105 of S. 477, the proposed "Homeless Veterans' Assistance Act of 1987," the Senate passed provisions, which I proposed in the Veterans' Affairs Com-

mittee, specifically requiring that the authority enacted in Public Law 100-6 be utilized to conduct a pilot program for homeless veterans who suffer from such disabilities, with expenditures of $5 million in fiscal year 1987 and $10 million in each of fiscal years 1988 and 1989 specified.

In that same bill, the Senate also passed a provision—section 107 of S. 477—aimed at expanding the VA's capacity to provide domiciliary care for homeless eligible veterans. Under that provision, the VA would be required, except to the extent that the Administrator of Veterans' Affairs may determine it to be impractical, to convert underutilized space in VA facilities located in areas with substantial populations of homeless veterans to 500 domiciliary beds for the care of veterans in need of domiciliary care.

Mr. President, I am very pleased that the conference agreement retains the various conditions I authored in the Senate provision to help ensure that the funding for domiciliary care is well-targeted on homeless veterans and that the expenditures for contract care for chronic mental illness are monitored without detriment to other VA health-care management functions.

With respect to the proportions into which the funding is divided, I believe that, in light of the fact that the House-passed measure contained no funding for the contract care for homeless veterans with chronic mental illness disability, the conference agreement on a 75 percent/25 percent split is a fair compromise.

Thus, I am grateful to the conferees for their fine work on this provision.

CONCLUSION

Mr. President, I wish to express my gratitude for the excellent work of the chairman of the Senate Appropriations Subcommittee on HUD-Independent Agencies [Mr. PROXMIRE] and the subcommittee's ranking minority member [Mr. GARN]—and their counterparts on the House Appropriations Committee, the HUD-Independent Agencies Subcommittee chairman [Mr. BOLAND] and ranking minority member [Mr. GREEN]. Our authorizing committee has been working very closely with Senators PROXMIRE and GARN on this supplemental appropriations measure. I am especially grateful for the many courtesies and great cooperation extended to me and the Veterans' Affairs Committee staff by the subcommittee staff, Tom van der Voort, Marion Meyer, David Schnare, and Stephen Kohashi.

Mr. CHILES. Mr. President, the conference report on the supplemental has been completed.

This supplemental conference report will add $2.6 billion to the 1987 deficit. A budget act point-of-order lies against the conference report, just as one did for the Senate-passed bill.

As I have stated in the past, the largest portion of this supplemental is for bills coming due. Things we knew about last year; for pay and retirement contributions which we have to make.

As I have said before, these are bills which must be paid. CCC needs to be funded. The pay raises have already been calculated into the deficit projections. We cannot turn our back on retirement contributions.

I do, however, complement the mangers of the bill. The conference report, while over $1 billion higher than the Senate-passed bill in budget authority, is some $44 million lower in outlays in 1987.

However, I hope that all members understand, the conference report we are acting on today is not only a commitment for additional spending in 1987—it also has the effect of using up the total available outlays in 1988.

The Appropriations Committee is not held harmless for the 1988 outlay implications of this supplemental. We calculate that in 1988, some $600 million in new outlays will result from this supplemental. That's about $200 million higher than in the Senate-passed bill.

Again, let me be clear. These outlays will be drawn from the total amount of outlays assumed for the Appropriations Committee in 1988.

I would like to have the scoring of the conference report entered into the RECORD.

SCORING OF SENATE-REPORTED 1987 SUPPLEMENTAL AGAINST SENATE CURRENT LEVEL

[Dollars in millions]

| | Budget authority | Outlays |
|---|---|---|
| Senate current level | 1,089,437 | 1,008,322 |
| H.R. 1827 (Senate scoring) | 9,765 | 3,018 |
| Mandatory items in bill already in current level: | | |
| Civilian pay raises | −358 | −373 |
| Veterans compensation | −80 | ——— |
| Special milk | −3 | −3 |
| Family social services | −110 | ——— |
| Coast Guard retired pay | 5 | ——— |
| FEMA disaster relief | −57 | −50 |
| CCC offset | −5553 | ——— |
| Net change to current level | 3,609 | 2,592 |
| Senate current level including H.R. 1827 | 1,093,046 | 1,010,914 |
| 1987 budget resolution | 1,093,350 | 995,000 |
| Difference | −304 | 15,914 |
| Senate-passed supplemental | 2,554 | 2,636 |
| House-passed supplemental | 3,663 | 3,072 |

Mr. JOHNSTON. Mr. President, with the permission of the distinguished senior Senator from North Dakota, the chairman of the Agriculture Appropriations Subcommittee, I would like to engage in a colloquy on the intent of the conferees in the conference agreement's provision of $9,441,000 for equipment for the Pennington Biomedical Research Center at Louisiana State University in Baton Rouge.

As the distinguished Senator knows, this center was made possible through the very generous donations of C.B. "Doc" Pennington who provided $26 million to construct this state-of-the art facility which was completed almost 1 year ago. Under the terms of the donation as I understand them, Louisiana State University now must come up with operating funds to open the center and see that it is fully equipped. Because of dire financial circumstances facing the State of Louisiana, in large part due to continuing low oil and gas prices, LSU has undergone heavy budget cuts totaling over $22 million.

My intent in adding funds for this project in the Senate, and I assume the intent of the conferees with respect to the funds added for this project in the conference agreement, was to provide a grant to LSU to help LSU meet its responsibility as outlined above.

Is this the understanding of the Senator from North Dakota?

Mr. BURDICK. Yes; this is my understanding. The conference agreement states that $9,441,000 is provided for equipment which is "necessary for the operation of the center."

Mr. JOHNSTON. Is it the view of the Senator from North Dakota that these funds can be used for any type of equipment, fixed or movable, including microscopes, telephones, photocopying equipment, desks, chairs and the like?

Mr. BURDICK. Yes; it is my understanding that these funds can be used for any type of equipment, and that of course would include any movable equipment such as that described by the Senator from Louisiana.

Mr. JOHNSTON. Is it the view of the distinguished subcommittee chairman that the funds provided can be used to defer the costs of installing and maintaining the equipment purchased?

Mr. BURDICK. Yes; that is my understanding.

Mr. JOHNSTON. I thank the Senator for this important clarification and would now like to direct the attention of the subcommittee chairman to that part of the conference agreement which states that "The conferees agree that these funds shall be made available to the center only if the University or the State provides assurance that the State or the University will provide the staff and funds and operate the center." I think it is very important that we clarify what "assurance" is required so that the administration of this grant does not become so encumbered that the funds are never made available.

Mr. BURDICK. I would say to my good friend, the Senator from Louisiana, who worked so diligently to see this provision through, that any arrangement sponsored by the State or the university to provide initial operating funds for the center would defi-

nitely be sufficient to satisfy the assurance called for in the conference agreement and would result in the prompt release of the $9.441 million provided.

Mr. JOHNSTON. I have a letter from the president of LSU in which he states that he is working out an arrangement with the State to provide initial operating funds through financing provided by the Louisiana Public Facilities Authority. Would this letter satisfy the conditions that assurance be provided that the State or the university will staff, fund, and operate the center?

Mr. BURDICK. Yes; the letter the Senator describes does satisfy the intent of the conferees. This is not the only way such assurance could be provided, but this letter does satisfy the intent of the conferees.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the text of this letter be inserted in full in the RECORD.

Is it the chairman's understanding that the conference agreement provides that this funding shall be provided by grant to Louisiana State University, and that there shall be no delay by the Department of Agriculture in providing this grant to LSU?

Mr. BURDICK. The Senator is entirely correct. It is certainly the intention of the chairman that these funds shall be provided by the Department of Agriculture to Louisiana State University by grant in as expeditious a manner as possible.

Mr. JOHNSTON. Finally, Mr. Chairman, am I correct in my understanding that there is nothing in this conference agreement that would preclude a further exploration of the relationship between the Pennington Biomedical Research Center and the Department of Agriculture to seek mutually beneficial areas of research and productive endeavor?

Mr. BURDICK. The Senator is correct. I would certainly hope that the research opportunities provided by the construction and equipping of what is said to be one of the finest nutritional research facilities in the country would be considered by the Department of Agriculture as a unique opportunity, and that, now that we have some time, the various parties will get together and consider how they might work together beneficially in the future.

Mr. JOHNSTON. I thank the Senator. Let me personally thank him, and the subcommittee's extremely capable staff members, Rocky Kuhn and Debbie Dawson, for their tireless support and cooperation throughout consideration of this provision. The Senator's support has meant a great deal to me, and I want the Senator to know that he has my deep personal thanks and gratitude.

The letter follows:

THE LOUISIANA STATE UNIVERSITY,
*Baton Rouge, LA, June 29, 1987.*

Hon. J. BENNETT JOHNSTON,
*Hart Senate Office Building, Washington, DC.*

DEAR SENATOR JOHNSTON: I want to express my appreciation to you for your assistance in obtaining funding for the Pennington Biomedical Research Center. These funds are essential to bringing this Center to its full potential in the shortest possible time.

I am currently working out an arrangement to provide initial operating funds through financing by the Louisiana Public Facilities Authority that will provide funds to initiate staffing and operation of the Center.

I understand that the conference agreement provides that these funds are available only for equipment, and only with the understanding that LSU will staff, fund, and operate the Center. I want to assure you with this letter that LSU will staff, fund, and operate the Center as a nutrition research center in accordance with the provisions of the attached Senate Concurrent Resolution which has recently been adopted by both houses of the Louisiana Legislature.

Sincerely,

ALLEN A. COPPING,
*President.*

A CONCURRENT RESOLUTION

(To express the support of the Legislature of Louisiana for the funding of the start-up and operating costs for the Pennington Biomedical Research Center)

Whereas, the state of Louisiana presently has, in the Pennington Biomedical Research Center, a preeminent facility for housing advanced biomedical research; and

Whereas, advanced biomedical research is vital to solving many of the medical crises of the people of our state; and

Whereas, research conducted at the Pennington Biomedical Research Center has the potential to be developed into new marketable technologies that can in turn stimulate the economy of the state; and

Whereas, the attendant opportunities for attracting superior graduate students would result in further development of the institutions of higher education in the state; and

Whereas, the reputation of Louisiana as a whole, and Louisiana higher education in particular, would be enhanced as a result of nurturing a world class research facility;

Therefore, be it resolved that the Legislature of Louisiana expresses its support for the funding of the start-up and operating costs for the Pennington Biomedical Research Center.

Be it further resolved that the legislature hereby urges and requests all persons, in both the public and private sector, who have been involved in seeking funding of start-up and operating costs for the center to work together in a continued effort to provide the necessary funding.

THE STAFFORD-AIKEN CENTER AT THE UNIVERSITY OF VERMONT

Mr. LEAHY. Mr. President. I note that in the statement of managers for the conference on the supplemental appropriations bill, there was an inadvertent error in the identification of the Microbiology Center at the University of Vermont. This center will honor two great Vermont Senators, the late Senator George Aiken and Senator Bob STAFFORD, who will be retiring from the Senate at the close of this Congress. The $6 million included in this bill will provide for the initial construction of this vital research center, and I wanted to make sure that the record is clear that this center will honor both of these great Vermonters.

Mr. BURDICK. Mr. President, the Senator from Vermont is correct. There is an error in the statement of managers. The Senator's amendment, which was adopted by the conference, provided for $6 million for a Stafford-Aiken Center at the University of Vermont. I was happy to support that amendment, and I am pleased that the funding was included in this conference agreement.

EQUITY REQUIRES USDA TO REIMBURSE

Mr. LEAHY. Mr. President, fortunately, we are taking final action today on the supplemental appropriations bill that contains desperately needed funds for the Commodity Credit Corporation [CCC]. Unfortunately, however, the fact is that through no fault of their own farmers and their cooperatives have received no payments from the CCC since May 1.

A few days ago, my good friend from Missouri, Mr. DANFORTH, addressed this issue and expressed the belief that the Prompt Payment Act applied to the CCC. I share Senator DANFORTH'S position on this issue and would like to take this opportunity to urge Secretary Lyng to act favorably to assure that interest cost incurred for loans that were forced to be made because of lack of funding on the part of the CCC will be reimbursed. The old common law concept of equity and restitution would clearly seem to apply in this case. Through no fault of their own, farmers and their cooperatives across the Nation have been financially injured. I believe USDA has the authority to rectify this injustice and I urge the Department to do so.

SECTION 505, H.R. 1827

Ms. MIKULSKI. Will the gentleman yield?

Mr. HOLLINGS. I yield to the gentlelady from Maryland, a member of the Appropriations Committee and of the conference committee.

Ms. MIKULSKI. I thank the distinguished chairman of the Commerce, State, Justice Appropriations Subcommittee for yielding. I simply want to engage in a short colloquy with him to clarify two points concerning section 505 of H.R. 1827.

After the House adopted section 505 and before this conference concluded, the Department of Transportation Maritime Administration published on June 22, 1987 a rule concerning payback of construction differential subsidy. Did the conferees intend that section 505 apply to that rule?

Mr. HOLLINGS. Yes; section 505 does apply to that rule, as is demon-

strated by the use of the word "implement" in the section.

Ms. MIKULSKI. I thank the gentleman for confirming what I understood to be the intention of the conferees.

Am I also correct in understanding that the prohibition in section 505 against conducting any adjudicatory or other regulatory proceeding or executing or performing any contract or participating in any judicial action applies only to the three vessels that repaid CDS pursuant to the 1985 payback rule?

Mr. HOLLINGS. The Senator is correct.

THE LEAHY MONTREALER AMENDMENT TO THE SUPPLEMENTAL APPROPRIATIONS BILL

Mr. LEAHY. Mr. President, the Senate is about to vote on the conference report on the urgent supplemental appropriations bill, which includes the amendment, I offered in the Senate on May 21, 1987 to restore Amtrak's Montrealer train service to Vermont.

Mr. President, on April 6, 1987 Amtrak cut off all passenger train service in the State of Vermont due to the deteriorated condition of 107 miles of track in Massachusetts and Vermont. I am grateful that the Senate voted unanimously to accept my amendment to provide $5 million to restore this vital track and get the trains rolling again in Vermont.

Following Senate approval of my amendment, I worked closely with Senator LAUTENBERG, chairman of the Senate Subcommittee on Transportation, Congressman CONTE of Massachusetts, the ranking Republican on the House Appropriations Committee, and Congressman WILLIAM LEHMAN, chairman of the House Subcommittee on Transportation, to see this matter through conference.

On June 11, I wrote to Congressman LEHMAN, the chief House conferee on transportation issues, and asked him to accept tough report language which I had written to ensure that Amtrak would spend the money provided wisely.

Mr. President, I ask unanimous consent that a copy of my letter to Congressman LEHMAN appear in the RECORD.

On June 17, 1987, the Subconference on Transportation accepted my report language, as well as modified statutory language which I proposed, after the House conferees suggested that some of my proposed report language be turned into bill language.

Mr. President, I ask unanimous consent that a copy of the revised statutory and report language which I proposed be printed in the RECORD, as it appears in the conference report itself.

Mr. President, the Leahy amendment will restore passenger rail service in Vermont and will also strengthen Vermont's rail infrastructure. These important provisions were not offered out of any nostalgia for passenger rail transportation. The Leahy amendment will ensure that Vermont's industry can again transport freight over the damaged track.

The tough rules which I proposed and which are part and parcel of this final conference report will ensure that the B&M does not profit from this appropriation.

First, the Leahy amendment would specifically prevent the Boston and Maine Railroad from increasing the value of its property for the purpose of a sale, due to the appropriation.

The amendment also orders Amtrak to take legal steps to ensure that the track is maintained in the future and that it take similar steps against any other railroad which fails to maintain track over which Amtrak trains run.

The Leahy amendment also makes it clear that Congress would prefer the sale of this track to a railroad with a proven record of maintenance and which is in a sound financial situation.

The Leahy amendment directs Amtrak to aggressively enforce its rights under its contract with the Boston and Maine. That contract calls on the B&M to maintain the track in question. An arbitation proceeding is underway to determine whether Amtrak can compel the B&M to perform maintenance services or refund money to the Government. The amendment directs that any funds recovered in these proceedings shall be used to offset the funds appropriated.

Mr. President, there are those who have criticized our efforts from the beginning. They are finally coming around to realize that this amendment will restore passenger rail service in Vermont, will strengthen the States economy, without providing any gain to any individual. I only wish we had their help throughout this important process.

All of Vermont is grateful to Senator LAUTENBERG and his staff members, Jerry Bonham and Pat McCann; Congressman SILVIO CONTE and his assistant Jeff Jacobs; and Congressman WILLIAM LEHMAN and his aide Greg Dahlberg. For every Vermonter, I wish to convey my thanks to everyone involved in helping restore rail transportation in our State.

The material follows:

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

For an additional amount for "Grants to the National Railroad Passenger Corporation", $5,000,000, to be derived from unobligated balances of "Redeemable preference shares" acquired by the Secretary of Transportation under the Railroad Revitalization and Regulatory Reform Act of 1976, to be available only for construction, rehabilitation, renewal, replacement, or other improvements deemed by the National Railroad Passenger Corporation to be needed to enable it to restore railroad passenger service between Springfield, Massachusetts and Montreal, Canada through Vermont: Provided, That any agreements entered into by the National Railroad Passenger Corporation for the performance of such improvements shall provide that the owners of any railroad lines so improved not construe the terms of any existing trackage rights agreement or any existing or future operating agreement between the National Railroad Passenger Corporation and the owners of any such railroad lines in a manner that would result in an increase in the rental or other payments made thereunder because of the expenditures made under this appropriation: Provided further, That any agreements entered into by the National Railroad Passenger Corporation for the performance of such improvements shall provide that the owners of any railroad lines so improved not seek to include the value of any expenditures made under this appropriation in the transfer price of any of the lines so improved: Provided further, That, notwithstanding any other provision of law, the National Railroad Passenger Corporation shall hereafter seek immediate and appropriate legal remedies to enforce its contractual rights whenever track maintenance on any route over which the National Railroad Passenger Corporation operates becomes inadequate or otherwise falls below the contractual standard.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees to grant to the National Railroad Passenger Corporation an additional $5 million to restore Amtrak's *Montrealer* railroad passenger service north of Springfield, Massachusetts. These funds are to be derived from unobligated balances of "Redeemable preference shares" that were previously reserved for projects of the Central Vermont Railroad and the Bangor & Aroostook Railroad. The conferees direct that the remaining $371,000 previously reserved for these railroads be made available for track rehabilitation needs of the Pioneer Valley Railroad.

The bill requires that the $5 million provided to Amtrak be made available only for the construction, rehabilitation, renewal, replacement, and other improvements needed to restore Amtrak service north of Springfield through Vermont to Montreal on reasonable business terms. The present route of the *Montrealer* includes two segments of track—Springfield to East Northfield, Massachusetts, and Brattleboro to Windsor, Vermont—owned by the Boston & Maine Railroad. Over the past several years, the condition of those two segments of track has been permitted to deteriorate to the point where passenger train service cannot safety be operated at speeds sufficient to make the service competitive or marketable.

The conferees understand that Amtrak has recently filed an arbitration action against the Boston & Maine Railroad, seeking to require that this track be maintained to the contractual standard. The conferees believe that Amtrak should have sough to enforce its contractual rights as soon as track maintenance became inadequate on this route, rather than waiting until deteriorating track conditions forced a cessation of railroad passenger service north of Springfield. The conferees direct that any arbitration award received by Amtrak in its proceedings against the Boston & Maine Railroad be used to offset the appropriation in this bill. The bill includes a permanent provision requiring that Amtrak not permit track conditions on other routes to similarly

deteriorate without seeking immediate and appropriate legal remedies.

During the time that Amtrak's case against the Boston & Maine Railroad is proceeding, the conferees believe that it is critical for Amtrak to restore service on the *Montrealer* route. The conferees intend that Amtrak use the funds provided in this bill to fashion an effective, long-term approach to the provision of high quality rail passenger service north of Springfield through Vermont. Options that Amtrak should consider include, but are not limited to, rehabilitation of all or part of the existing route, as well as the improvement of alternative routes between Springfield and Windsor.

It is the intention of the conferees that $2.2 million of the funds made available be used for track rehabilitation work between Brattleboro and Windsor, Vermont, and that the remaining funds be used either to rehabilitate the remaining track segment or to improve an alternative route between Springfield and Vermont.

It is anticipated that Amtrak will contract with the owners of the railroad lines proposed to be used for this rail passenger service for the performance of the necessary improvement work. The bill requires that Amtrak condition any such contract on an agreement by the owners of the railroad lines to be improved not to seek reimbursement from Amtrak or other third parties for any expenditures made with the funds provided in this bill. Specifically, the conferees intend that the owners of the railroad lines to be improved not be permitted to construe the terms of any existing trackage rights agreement or any existing or future Amtrak operating agreement in a manner that would result in an increase in the rental or other payments made thereunder by virtue of the expenditures made pursuant to this appropriation.

In addition, the conferees are aware that there is a possibility that the affected railroad lines may be sold or otherwise transferred in the near future. It is the conferees' intention that the Boston & Maine Railroad not receive any windfall benefit by virtue of its failure to adequately maintain these lines, and bill language has therefore been included to preclude the value of any improvements made with this appropriation from being included in any transfer price.

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U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
*Washington, DC, June 11, 1987.*

Hon. WILLIAM LEHMAN,
*Chairman, Subcommittee on Transportation, Committee on Appropriations, U.S. House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: On April 6, 1987, Amtrak suspended all passenger rail service in my State of Vermont. On May 21, 1987, the Senate approved my amendment to restore train service to Vermont, Western Massachusetts and Montreal.

I am writing to request your support for my amendment during the conference on H.R. 1827, the Supplemental Appropriations bill for FY 1987.

I know you have expressed some concerns about any potential precedents the amendment might set. Working with Congressman Conte, I believe we have come up with a solution.

Amtrak suspended its "Montrealer" train service north of Springfield, Massachusetts due to the deteriorated condition of the track between Springfield and Windsor, Vermont. This 107 mile stretch of track is owned by the Boston and Maine Railroad and is in such poor condition that the Montrealer was forced to slow to less than 30 mph on more than 2/3 of this normally brief journey. As a result, more than four hours were added to the Montrealer's journey.

Congressman Silvio Conte and I worked together to fashion the amendment I offered in the Senate. Our amendment would transfer $5 million from the redeemable preference shares account at the Department of Transportation to Amtrack to repair the damage track. All of us are concerned that this money is spent properly.

Over the past few weeks, Congressman Conte and I have worked with Amtrak officials to draft changes in the statutory language and write report language which will further ensure that the taxpayers' money is spent wisely in this effort. Our main concern is restoring passenger rail transportation without providing a windfall to the B&M.

Amtrak and the B&M have a service contract, which Amtrak claims has not been honored. Amtrak has asked a federal abitrator to compel the B&M to maintain the track in question or return Amtrak's payments for upkeep of the track. I support Amtrak's efforts to enforce its agreement with B&M, although I have been assured that this matter may take several years to resolve. All the while, there will be no passenger rail service in Vermont.

Working with Amtrak, we have developed an alternative to indirectly providing funds to the B&M to repair the damaged track. Instead, the Montrealer would be rerouted over Central Vermont Railroad tracks in Massachusetts. Rerouting may require construction of a rail connector in Palmer, Massachusetts. Rerouting the Montrealer over the CV track will allow Amtrak to continue its arbitration with B&M, and also make a new contract for service with a soundly managed railroad. Attached is a draft of the new language which would permit the construction and, generally, provided Amtrak further flexibility in restoring rail service north of Springfield, Mass.

The Central Vermont also enjoys trackage rights over the Northern tier of the damaged track owned by the B&M. Amtrak has suggested that it would prefer to contract with the CV for use of its trackage rights over this track, rather than maintain its current agreement with the B&M. Under this arrangement, Amtrak would be free to enforce its service agreement with B&M, while benefitting from a new agreement with the CV.

The track in Vermont, however, will require $2.2 million in repairs—repairs which must be made by the B&M. In order to prevent even this diminished windfall to the B&M, Congressman Conte and I have developed report language which will require Amtrak to pursue full repayment from B&M for the failure to maintain the track. Any money recovered by Amtrak in the arbitration process would be returned to the redeemable preference share account to offset the appropriation.

This compromise avoids setting a precedent which might influence other Amtrak contracts. The Boston and Maine would lose their contract for the Montrealer's trip from Springfield, Mass. to Windsor, Vermont to a soundly managed competitor with a proven maintence record. In addition, Amtrak would vigorously attempt to enforce its contract.

Every effort is being made also to prevent the B&M from benefitting from any potential increase in the value of its rail property, due to repairs funded in H.R. 1827. One-half of the repairs would be obviated by the rerouting in Massachusetts. And, the State of Vermont and the Central Vermont railroad are making every effort to secure a purchaser for the portion of the track located in my State. We all agree that a railroad must be found to purchase the deteriorated track, which is committed to maintaining the track over the long-term. The availability of these repair funds will certainly make that process easier.

I hope this letter addresses some of your concerns. More than 40,000 people rode the Montrealer in Vermont last year—40,000 individuals in a state of 500,000. Vermonters count on the Montrealer as an alternative to travel via the only two major airlines that serve our State.

Thank you in advance for your assistance.

Sincerely,

PATRICK LEAHY.

SPECIAL AGRICULTURAL WORKERS

Mr. SIMPSON. I do wish to comment on two items in the "managers language" of the conference report that pertain to the new immigration law.

I am reasonably satisfied with the compromise reached with the House on the DECONCINI amendment, which would have delayed the effective date of employer sanctions. The compromise managers language both achieves Senator DECONCINI's objectives and addresses my concerns about housing any statutory change to the new law. I would like to thank the bill managers, the Senator from Arizona, and the Immigration Service [INS] for their cooperation.

This conference report also contains managers language on the Special Agricultural Worker [SAW] Program. I do not agree with all provisions of this language, particularly the reference to the former managers language of the immigration bill's conference report.

The Immigration Service has had a long and very public regulatory process going forward on all of these issues, which I believe takes precedence over the legally nonbinding instructions that those of us who were conferees wrote in October of last year.

Nonetheless, INS has responded in a most thoughtful and generous fashion to the agricultural employer and interests of organized labor on this issue. I believe it is reasonable to ensure, for this first harvest season, that a sufficient number of workers be present to provide needed agricultural labor. However, we should not simply "open the doors" completely to potentially fraudulent claims to entry—particularly when the bill was passed purposefully to control such an occurrence.

I believe that INS has been more than reasonable in deferring many of the documentary requirements for SAW applicants in Mexico and allowing them to enter the United States

for 90 days in order to complete their applications in this country and perform agricultural labor. A SAW applicant in Mexico now need merely fill out an application form, pay the fee, have an interview, and then he or she may be granted immediate admission into the United States.

We should not loosen this requirement further, and I am confident that this is all that the Federal Government can presently do to address the problem of a potential labor shortage. It is now the responsibility of the growers and organized labor to produce the eligible workers and to assist them in obtaining their legal status.

We passed the SAW Program at the specific request of western agricultural employers and of the organized farmworker community: It is now time for these groups to actually be wholly involved in making it work. They have a heavy obligation here—not the Government.

DRUG TESTING

Mr. DECONCINI. Mr. President, I rise in support of the conference compromise that addresses the issue of drug testing of certain Federal employees, and urge my colleagues to support it.

Mr. President, I want to make it very clear to everyone in this Chamber that I support drug testing of certain Federal employees who occupy particularly sensitive positions, such as law enforcement agents; air traffic controllers; public health officers; doctors; workers handling nuclear materials and weapons; and others with critical national security positions. When I began to negotiate with the House on this drug testing provision I made it abundantly clear to Congressman HOYER; Senator MIKULSKI; Senator DOMENICI; and others that I wanted to make sure that our final package would go as far as we possibly could to protect against the "ticking time bomb" waiting to go off; to prevent another Conrail tragedy; to prevent an airline disaster waiting to happen; and to prevent that doctor at the public health service from showing up for work while under the influence of drugs. I also wanted to make sure that the lynchpin of Federal drug testing, that is, tough accurate, fair laboratory standards, be the backbone of any final compromise package. And finally, Mr. President, I insisted that the rights of those who would be the subject of drug testing would be protected throughout the drug testing process.

I am pleased to say that all of these safeguards are built into the conference compromise that is before the Senate.

Mr. President, the negotiations with the House on this drug testing matter were not easy ones. At times, tensions ran high, complicated significantly by an overzealous, misguided, and out-of-control civil division at the Justice Department that broke ranks with the administration negotiating team, time and time again, to try to dismantle and derail the drug testing negotiations. The final conference agreement has not caused the administration to dance in the street. But I believe it is safe to say that virtually all of the drug testing negotiators from the administration now agree that the conference agreement is a good package that will allow drug testing to move ahead in accordance with the President's Executive order issued last year.

Mr. President, I will not tie up the Senate with a long dissertation on the provisions of this drug testing compromise package. I will ask to place in the RECORD a section-by-section analysis of the compromise package for my colleagues to go over at their convenience.

Mr. President, the drug testing compromise contained in the final conference agreement on the supplemental is just that, a compromise. It may not be everything that this Senator wants, nor does it contain all of the provisions that the administration or the House conferees might have liked. But it meets this Senator's primary objective and that is to allow drug testing to go forward under responsible, accurate, fair, and equitable conditions.

Before I close I want to take just a moment to commend Congressman STENY HOYER of the House; Senator BARBARA MIKULSKI; and Senator PETE DOMENICI for their tireless work on crafting this compromise drug testing package. There were times when all of us wanted to throw up our hands and give up. But these three Members of Congress stuck to it; dealt in good faith with the administration and with the public employee groups to keep negotiations on track toward a successful conclusion. The overwhelming vote on the House floor last evening, 343–77, in support of this drug testing compromise is testament to the outstanding work of Congressman HOYER, Senator MIKULSKI, Senator DOMENICI, and the conferees on the supplemental. The lopsided vote last night confirms what has been said today, that is, that this is a drug testing plan that everyone can live with and which will work.

Mr. President, I am pleased to have played some small role in crafting the drug testing plan and I offer it to the Senate for its support as well. I want to also thank some key staff people who help make this possible, Rebecca Davies, Kevin Kelley, Bobby Mills.

The material follows:

SUMMARY OF DRUG TESTING AMENDMENT

Section 503(a)(1) provides that no funds appropriated by this Act or any other Act shall be available for implementing drug testing until:

(A) Secretary of HHS certifies:

(i) each agency has a plan in accordance with the Executive order and the law

(ii) the Department of HHS has published mandatory guidelines that:

(I) establish standards for all laboratory procedures using best available technology,

(II) specifies the drugs to be tested for,

(III) establishes standards for lab certification review and revocation of certification.

(iii) all programs comply Rehabilitation Act and title 5 of the law.

(B) The Secretary of HHS has submitted an analysis which:

(i) specifies the criteria and procedures for designating employees for drug testing,

(ii) the position titles which will be tested,

(iii) the nature, type and frequency of the drug tests.

(C) The Director of OMB submits to the Appropriations Committees agency-by-agency cost estimates for carrying out the drug testing Executive order and the law for a five-year period.

(a)(2) Defines those agencies which are included in this section. They include all Departments, the Office of the President, and the EPA, GSA, NASA, OPM, SBA, USIA, VA.

(a)(3) Establishes the procedure for the Secretary of HHS in issuing the mandatory of guidelines for laboratory procedures. It includes a public comment period of no less than 60 days and requires review and consideration of the comment before publishing them (at which time they become effective.)

(b)(1) Exempts the Department of Transportation, any agency with an agency wide testing program in effect when the Executive Order was issued, or any part of such agency which was testing from the restriction of (a).

(b)(2) Requires these agencies to be brought into compliance:

(A) with the Executive order within 6 months from enactment,

(B) with the mandatory guidelines within 90 days from when they take effect.

(c) Requires any agency that is not covered in (a) or (b) will comply with the requirements of this amendment before beginning their testing programs.

(d) Provides that any employee who requests so in writing will have access to any records relating to their drug test and any records relating to the laboratory certification and review process.

(e) Provides that the results of a drug test may not be released without the written permission of the employee unless it is disclosed to:

(1) the employees medical review official,

(2) the Administrator of the Employee Assistance Program,

(3) any supervisory official with authority to take an adverse action against the employee,

(4) pursuant to a court order when required to defend against a challenge against an adverse personnel action.

(f) Each agency is required to submit to the appropriate committees an annual report relating to their drug testing activities.

(g) Definitions of agency and Employee Assistance Program.

PEACE CORPS

Mr. CRANSTON. Mr. President, as a longtime and ardent supporter of the Peace Corps, I am delighted that the conferees on this fiscal year 1987 supplemental appropriations measure retained the Senate provisions for a supplemental fiscal year 1987 appropriation of $7.2 million for the Peace

Corps and to prohibit the expenditure of funds or relocating the Peace Corp's headquarters to office space outside of the Nation's capital. As a result, this measure will enable the Peace Corps to move toward the goal of a 10,000 volunteer force and to keep its headquarters office in Washington, DC, where it belongs. I spoke personally with several key House conferees to urge them to accept these Senate provisions and am deeply grateful to them and the other conferees on this measure for their support for these provisions.

FUNDING

Mr. President, the additional funding that would be provided in this legislation is crucial to the efforts of the Peace Corps in fiscal year 1987 to maintain its operations and to begin making progress toward achieving the congressionally mandated goal—in section 1102 of Public Law 99-83—of a Peace Corps volunteer strength of 10,000.

Despite the unprecedented growth in the populations in the nations of the developing world, the numbers of Peace Corps volunteers have declined over the past two decades from more than 15,000 volunteers in 1966 to 9,000 in 1970, to just over 5,000 in 1984. Currently, there are only about 5,500 men and women serving in the Peace Corps; yet the Peace Corps has over 2,400 more requests for volunteers from host countries, and nearly 500 more qualified applicants, than the agency's current budget allows it to use.

At congressional request following enactment of Public Law 99-83, the Peace Corps developed a 6-year plan to reach the 10,000 volunteer goal in a phased and realistic way. According to that plan, which was submitted to Congress on March 5, 1986, in fiscal year 1987 the Peace Corps would require an appropriation of $137.2 million. Following receipt of this plan, the Senate passed and Congress enacted legislation in section 1301 of Public Law 99-399 to increase the Peace Corps' fiscal year 1987 authorization of appropriations from $130 to $137.2 million.

On March 16, 1987, the chairman of the Foreign Relations Committee [Mr. PELL], the chairman of that committee's Subcommittee on Western Hemisphere and Peace Corps Affairs [Mr. DODD], the Senator from Arizona [Mr. DECONCINI] and from Vermont [Mr. LEAHY], both members of the Appropriations Committee, and the Senator from West Virginia [Mr. ROCKEFELLER], joined with me in a letter to the distinguished chairman of the Foreign Operations Subcommittee of the Appropriations Committee [Mr. INOUYE] outlining the need for this additional funding and urging his support for a $7.2 million supplemental fiscal year 1987 appropriations for the Peace Corps. This letter was printed in the CONGRESSIONAL RECORD for June 2, 1987, on page 14301.

During the current fiscal year, the Peace Corps has been hard hit by a number of unanticipated costs—from fluctuations in the exchange rates of international currencies and unforeseen increases in the agency's fixed costs—which in the absence of this funding would have a severe impact on the agency's ability to place new volunteers. In fact, Mr. President, without this funding, the number of Peace Corps volunteers would drop below 5,000—the lowest level since the Peace Corps was first launched.

I thus wish to express my deep gratitude and appreciation to Senators INOUYE and DECONCINI, and the other Senate and House conferees for ensuring that the additional $7.2 million was included for the Peace Corps.

In order to keep the Peace Corps moving toward the 10,000 volunteer goal, on March 25, 1987, I introduced S. 842 including provision to authorize a fiscal year 1988 appropriation for the Peace Corps of $146.2 million—the level called for in the 6-year plan. I am delighted that the Foreign Relations Committee included this legislation as well as two other provisions derived from S. 842—to provide the Peace Corps with the express authority to encourage contributions from the private sector in furtherance of Peace Corps activities and to promote the third goal of the Peace Corps, namely the promotion of a better understanding of other peoples on the part of the American people—in title VII of the proposed International Security and Development Cooperation Act of 1987, legislation which the committee favorably reported on May 22 and which is pending on the Senate calendar.

Mr. President, the Peace Corps is our most cost-effective program for fostering world peace and friendship. This additional funding would provide new opportunities for Americans to work toward that worthy goal as Peace Corps volunteers.

PEACE CORPS HEADQUARTERS

Mr. President, I am also delighted that the House accepted the Senate provision prohibiting the General Services Administration [GSA] from using funds in this or any other act to relocate the headquarters of the Peace Corps outside of the Nation's capital. I again extend my thanks to Senator DECONCINI, the chairman of the Appropriations Subcommittee on Treasury, Postal Service, and General Government, as well as to the subcommittee's ranking minority member, Senator DECONCINI, and to Senator INOUYE and the other conferees and to the key staff on both sides for their efforts with regard to this provision.

Due to the expiration later this year of the Peace Corps' current headquarters' lease and the unwillingness of the owner of that building to extend the lease, the agency must find a new location for its central office. Over the objections of the Peace Corps, GSA has taken steps to secure a site in Clarendon, VA, for that purpose.

Mr. President, on June 2, I discussed the issues regarding this matter extensively during the debate on the supplemental appropriations bill at the time of initial Senate passage, and those remarks appear in the RECORD for that day beginning on page 14304. I will not reiterate that discussion at this point.

I would like to note, however, that I plan to continue actively monitoring this issue and working closely with the members of the Appropriations Subcommittee in order to ensure that a cost-effective, convenient, and appropriate headquarters for the Peace Corps is provided in the Nation's Capital.

CONCERNING THE CCC SUPPLEMENTAL

Mr. KARNES. Mr. President, I rise today as a staunch supporter of the conference report on the supplemental appropriations. The time has come. The hour is here. Let us not delay any further as our farmers are anxiously awaiting checks they should have received weeks ago.

I commend my colleagues on the Appropriations Committee for their efforts to expedite the supplemental conference report. I agree with the distinguished managers of the bill who are obviously doing all they can to keep controversial matters from holding up progress of this legislation toward the President's desk. We have had enough delay on this bill to last for several legislative sessions already.

A number of issues remained as possible roadblocks to passage of the conference report before adjourning for the recess. I am very pleased to see that many of these issues have either been resolved or laid over for a later day on other legislation. I commend the members who, in a spirit of comity and cooperation, chose to put off their amendments so that we might take care on the emergency regarding CCC funding. As a member of the Agriculture Committee, I appreciate the magnanimous behavior of those members who chose to withhold their objections. Under other circumstances, I would have supported some of these efforts. In fact, I voted for a number of the items in technical disagreement when they were first attached to the supplemental. Specifically, I voted for Senator MELCHER's amendment requiring a study of the CPI and how it affects the elderly, and I will vote for it again in the future, at the appropriate time—when the Nation's farmers are not starving for needed CCC funds. However, there will always be another bill, another day.

Mr. President, I have spoken on this issue before more than once so I will keep my remarks brief. I will remind my colleagues that we added an amendment to the trade bill yesterday that would release us from returning to the CCC issue the same time next year. It was passed by a commanding vote of 80 to 15, which should send a strong signal of support to the House. As we take home the good news this weekend about passage of the CCC supplemental, we should also take back the message that we have a golden opportunity to put this issue behind us for good. When we return after the recess and send the trade bill to a conference with the house, I urge my colleagues who will be conferees will to hold this provision in the conference so that the CCC account will be made a viable and reliable program after all.

Mr. President, I know that the members of the Appropriations Committee and my colleagues on the Agriculture Committee are anxious to see this conference report move to final passage. Let's proceed to a final vote and finish the bill. I yield the floor.

Mr. BAUCUS. Mr. President, I am pleased that an agreement has finally been reached on the 1987 supplemental appropriations bill.

This has not been an easy task. At times, it seemed as though there might be no agreement at all.

I am very sympathetic to the problems that my colleagues on the Appropriations Committee have faced in their conference with the House.

I commend the managers of this bill for their tireless efforts to resolve the disagreements between the House and Senate that has brought us to this point today.

There are always scores of issues—large and small—on the table in a conference on a supplemental appropriations bill. This year was no exception.

FUNDING FOR THE CCC

Most importantly, this agreement breaks the deadlock that has held our farmers hostage. This agreement clears the way for farmers to receive urgently needed funding from the Commodity Credit Corporation.

Plain and simple, the situation that our farmers have been placed in has been totally unacceptable.

They upheld their end of the CCC bargain by taking some of their land out of production.

But the Government didn't keep up its end.

For 2 months, the due dates for government payments have come and gone and farmers have not been paid.

Farmers went deeply in debt and made tremendous investments in spring planting. Their creditors have grown tired of waiting and the situation has become desperate.

They now badly need the money that the Government owes them.

Our farmers have waited too long already and just can't afford to wait any longer.

I am pleased that, at last, farmers can get on with their work now that the logjams on this bill have been removed.

AGREEMENT ON SUPER COLLIDER SITE SELECTION STANDARDS

Finally, Mr. President, I am pleased that the conferees agreed to retain the Senate's provision related to the superconductor super collider project.

We should not let a project of truly national significance become a bidding war between individual States.

The Senate provision tells the Department of Energy to make sure that a final decision is made on its merits. It says "choose the best site, not the best bribe."

This agreement levels the playing field between the competing States. And it allows an honest decision to be made on where to locate this important new research project.

Once again, I commend the Senator from New Mexico [Mr. DOMENICI] for his leadership on this issue.

AMENDMENT NO. 33—NYS MARITIME COLLEGE

Mr. D'AMATO. Mr. President, I rise to offer a few comments on an issue of importance to our Nation's ability to maintain its international maritime presence: its merchant marine and the maritime educational facilities that train them.

State maritime academies are located in California, Maine, Massachusetts, the Great Lakes region, New York, and Texas. These schools provide trained personnel needed for maritime trade, as well as skilled officers available in time of emergency to assist our national defense.

I had added an amendment, No. 33, to the Senate version of this supplemental appropriations bill with respect to the State University of New York Maritime College. That amendment was to clarify that $8.5 million appropriated in fiscal year 1984 for the NYS Maritime Academy is to be available for conversion work, rather than acquisition costs, on a replacement training vessel for the school. No acquisition costs are needed because the Federal Government has located a ship in the Ready Reserve—the *Mormactide*—that will be transferred to the school.

The current 35-year-old training ship for the NYS Maritime College, the *Empire State*, contains many obsolete, substandard, and inoperable systems. Over the past 5 years it has required over $12 million in repairs. Its fire fighting system is out of date, and it lacks multiple exits from the engine room. There is no readily available source of replacement parts. Parts must be newly manufactured at exorbitant costs and lengthy production times.

The administration has twice tried to defer spending the $8.5 million appropriated for a replacement ship. However, on March 11, 1986, the Comptroller General held that the second deferral was an illegal reimpoundment and ordered that the funds be made available for obligation. In conference, the House added bill and report language to amendment No. 33 requiring all the State maritime academies that have been provided with a training ship to agree to a Maritime Administration [MarAd] plan on ship sharing. Their agreement to this plan would have been a precondition to obligating the remainder of their unobligated fiscal year 1987 funds, and a precondition to obligating the $8.5 million previously appropriated for New York's training ship.

Although the House amendment at first appeared to be acceptable, it became clear, after examination and discussion with the affected schools, that it would severely impair the safety and quality of sea training provided to cadets. Despite goodfaith efforts in the Senate to remove this harmful language before the conference agreement became final, it was included as part of the conference report subject to approval by the full House and Senate.

Yesterday, Congressman STUDDS successfully objected to the House amendment as nongermane when the issue reached the floor. Congressman STUDDS has been a strong supporter of this Nation's maritime interests, and I applaud him for his timely action. I also am pleased to note that Chairman NEAL SMITH took the opportunity to rectify the situation by deleting the entire provision from the report. Today, the Senate will do the same, Rather than force the State maritime academies to accept an ill-defined, completely unstudied ship sharing plan, we will wipe the slate clean of this language. The previously appropriated funding for the NYS maritime college training ship has already been included in other legislation and will not be affected by this action.

The issue of ship sharing among the State maritime academies is likely to resurface on appropriations legislation again this year. In fact, I have been warned by ship sharing proponents that they will be persistent on this issue. For that reason, I now would like to make a few additional comments. I preface my remarks by stating that this is an issue best handled by the authorizing committee. I know that Chairman HOLLINGS of the Committee on Commerce, and Chairman BREAUX of the Subcommittee on Merchant Marine, are addressing this specific issue in legislation that has been ordered reported from their committee. That legislation, S. 800, does not mandate ship sharing among the

schools. I certainly respect the judgment of my distinguished colleagues on this issue. They have been strong and consistent supporters of the merchant marine, and the ship sharing issue properly falls under this jurisdiction.

The House amendment had added detailed report language, which is now moot, leaving only two training ships for all of the schools on both the east and west coasts. Training cruises would last 9 weeks each, with only 4 weeks provided between cruises for ship repairs and for cadets to familiarize themselves with the ship and its safety features before going out to sea. This language was provided by the Office of Management and Budget and by MarAd, neither of which has done the comprehensive research needed to establish whether ship sharing can work in the real world, rather than simply on paper on a bureaucrat's desk.

Since proponents of ship sharing have argued that it would save money, I have to ask: Where are the funds to pay for this? Instead of saving money, this plan, as conceived by MarAd and OMB, is full of hidden costs. Besides requiring more staff, it calls for MarAd to pay the cost of ship relocation, voyage repairs, annual maintenance requirements, and transportation costs for Academy training staff, crew and cadets. How will we pay to replace free cadet labor? Under the MarAd-OMB proposal ship painting and other daily maintenance work would have to be paid for at market rates to noncadet workers.

In anticipation of this amendment, MarAd went ahead and obligated remaining fiscal year 1987 funds for monthly student incentive payments and for school grants. However, they left unobligated, and thus held hostage by this amendment, $2 million in ship repair funds for New York, California, and Maine. The House language would have prevented those ships from receiving needed repairs until they agreed to whatever ship-sharing plan MarAd came up with. This amendment was contrived to force the schools in New York, Maine, and California to pressure the schools in Texas and Massachusetts to agree to MarAd's plan, so that their cadets may receive the sea training necessary to qualify for licenses.

Ship sharing is clearly an authorizing committee issue. The Senate Commerce Committee's draft report on S. 800 does not mandate ship sharing, but requires MarAd and the schools to work together to come up with a safe and effective plan. The Appropriations Committee should go no further than the Commerce Committee on this matter. That committee draft report indicates that, "If ship sharing is determined to be consistent with safe operations and training, and also can effectively accomplish its purpose as a training aid, then negotiations should ensue to develop the necessary arrangement for the equitable, efficient, and safe sharing of the vessels."

I have grave misgivings about the efforts made by the administration to promote a ship sharing plan for the State schools without first having performed a complete feasibility study—in cooperation with the State academies—on ship sharing. It is clear to me that new costs are associated with a ship sharing plan, and these costs must be fully examined. In addition, a comparative analysis of the merits and problems of the current system must be prepared. Instead of hard facts and analyses, we have seen mere "back of the envelope" figures and planing. The costs and benefits this proposal are unknown. Ship sharing will affect cadet safety and quality of training: these have been totally disregarded in an effort to push through this half-baked proposal.

Mr. President, I appreciate this time to present my concerns about an issue likely to be revisited by the Senate on subsequent legislation. I urge all my colleagues with an interest in the future of the American merchant marine to be aware of the efforts that may be made to jeopardize the safety and training of cadets.

Thank you, Mr. President.

Mr. BOSCHWITZ. Mr. President, I do want to further delay the Senate's action in passing this conference report. I am as anxious as anyone to see the Commodity Credit Corporation funding approved so USDA can resume sending checks to farmers and fulfilling its other obligations. But, I do not want to point out my concern with regard to the provision in the supplemental that enables the Secretary of Agriculture to investigate whether or not farmers want the Federal Government to tell them how much they can produce in order to receive a certain return for their product and to investigate the use of mandatory limits on the production of basic commodities.

This provision is confusing. Indeed it appears meaningless. There is no time limit at all, and it is not at all clear what, if anything, the Secretary would be required to do. Several Members of the House declared that nothing was required. I want to draw my colleague's and USDA's attention to a colloquy between the distinguished chairman of the House Agriculture Committee and the chairman of the House Appropriations Committee. The chairman of the Appropriations Committee stated repeatedly that this provision would enable the Secretary to study whether or not farmers want mandatory limits on production, but he repeatedly refused to say this provision required a referendum. That would have been legislating on an appropriations bill and, therefore, subject to a point of order, and he stated he was being very careful to avoid that. The discussion on the House floor indicates the chairman of the Agriculture Committee came to the floor prepared to make a point of order against this provision if it required the Secretary of Agriculture to act, so as to properly preserve the jurisdiction of the Agriculture Committee over this basic policy decision. The chairman was satisfied that this was enabling legislation allowing the Secretary to study this issue if he wants to.

After carefully reading the committee report, the conference report, and floor debate I must say I agree with the conclusion of the chairman of the House Agriculture Committee that this provision requires nothing, and allows a study at the Secretary's discretion.

It is my opinion that the issue of mandatory production controls has been studied to death already. The Department of Agriculture has carried out a number of referendums in the past, including one as recently as the middle of 1986. USDA is currently completing yet another study and analysis of mandatory production controls. I believe that any more studies of this issue would be a wasteful and that a sound budgetary move would be to save $10 million allowed for in this bill. If the Secretary does pursue an investigation of mandatory production controls, however, then the views of all sectors of the agricultural economy should be sought since a program of this nature will have an impact on all of them.

The PRESIDING OFFICER. Who yields time?

Mr. HATFIELD. Mr. President, I am ready to yield back the remainder of my time.

Mr. President, I will not yield back. I thought the Senator from Mississippi was ready to yield back his time.

Mr. STENNIS. Mr. President, if no one else wishes to speak, there is additional time for the Senator from South Carolina, 1 minute.

Mr. RIEGLE. Mr. President, will the Senator yield for a question?

Mr. STENNIS. I yield.

Mr. RIEGLE. Mr. President, am I correct in understanding that the Kuwaits have indicated to us that our airplanes, our military airplanes, would not be allowed to land in Kuwait after this flagging takes place? Am I correct in understanding that?

Mr. STENNIS. That is a matter that will show up on another bill. I am not involved in that.

Mr. RIEGLE. I thank the Senator. It is my understanding, unless someone wants to state clearly for the RECORD that it is not the case, that while the Kuwaits want us to put the

American flag on their tankers and, in effect, put Americans at risk, they have also said to us that our military airplanes are not invited to land in their country if need be.

To me, I think that illustrates the hypocrisy of this whole policy. I am very troubled by it.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. STENNIS. Mr. President, I yield back the remainder of my time.

Mr. HATFIELD. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. HATFIELD. Mr. President, on behalf of the chairman and comanager of the bill, I move we adopt the amendments in disagreement en bloc, with the exception of Senate amendments 26, 33, 219, and 387.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

The amendments in disagreement agreed to en bloc are as follows:

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 4 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

*Funds appropriated or otherwise made available to the Department of Commerce and the National Oceanic and Atmospheric Administration shall be available for the procurement of launch services for geostationary weather satellites I, J, and K, to be conducted only by the National Aeronautics and Space Administration: Provided, That in the procurement of launch services for the National Oceanic and Atmospheric Administration for the GOES I, J, and K spacecraft, the National Aeronautics and Space Administration may provide, in its contract or contracts for launch services, for the payment for contingent liability of the Government which may accrue in the event the Government should decide to terminate the contract before the expiration of the contract period. Such contract or contracts shall limit the payments the Federal Government is allowed to make under the contracts to amounts provided in advance in appropriations Acts. In January of each year, the Administrator of the National Oceanic and Atmospheric Administration shall report to the House and Senate Committees on Appropriations the projected aggregate contingent liability, through the next fiscal year and in total, of the Government under termination provisions of any launch services contracts authorized in this section: Provided further, That such contract or contracts may not be entered into until the Department of Commerce submits a written certification to the appropriate Committees of the Congress that the fiscal year 1988 budget request for launch vehicles for GOES I, J, and K fully meets such contractual requirements for fiscal year 1988 of $80,000,000 or submits a proposed budget amendment for fiscal year 1988 to the Congress requesting any additional funds required in fiscal year 1988 to meet the obligations of the proposed contractual agreements.*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 5 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

*ECONOMIC DEVELOPMENT ADMINISTRATION*

*ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS*

*Not to exceed $14,100,000 appropriated and available for obligation and expenditure under Section 108(a)(1) of Public Law 99-190, as amended, shall remain available for obligation through September, 30, 1988: Provided, That the Economic Development Administration shall close out the audits concerning grants to New York, New York pursuant to title I of the Local Public Works Capital Development and Investment Act of 1976, not later than August 1, 1987.*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 8 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken by said amendment, and insert:

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

For an additional amount for "Salaries and expenses, general legal activities", $8,100,000 to remain available until September 30, 1988.

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 21 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: GENERAL PROVISIONS—DEPARTMENT OF JUSTICE

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 23 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the first section number named in said amendment, insert: [1]

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 38 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

*SALARIES AND EXPENSES*

*For an additional amount for "Salaries and expenses", $10,000,000 for disaster loan making activities, derived by transfer from the "Disaster Loan Fund": Provided, That hereafter, notwithstanding any law, rule or regulation, moneys in any fund established by the Small Business Act which are not needed for current operations shall remain in such funds and shall be available solely to carry out the provisions and purposes of programs operated from such funds pursuant to law as provided in Appropriations Acts.*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 41 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken by said amendment and insert:

*SALARIES AND EXPENSES*

*For an additional amount for "Salaries and expenses", $8,098,176, of which $598,176 shall be used for purchase of Pakistani Rupees from the special account for the Informational Media Guarantee Program to carry out the provisions of section 1011(d) of the Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1442(d)). The limitation in Public Law 99-591 on the receipts to this appropriation from fees or other payments received from or in connection with English-teaching programs is increased by $650,000.*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 56 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter stricken by said amendment, strike out lines 2-5 on page 13 of the House engrossed bill.

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 64 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

*SEC. 2. Section 9015 of the Department of Defense Appropriations Act, 1987, (as included in Public Laws 99-500 and 99-591) is amended by inserting "and not to exceed an additional $490,372,000 of funds otherwise available to the Department of Defense for military functions (except military construction) which would expire on September 30, 1987," directly following "(except military construction)".*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 66 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the section number named in said amendment, insert: *3*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 67 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

*SEC. 4. Notwithstanding section 2324(e)(1)(H) of title 10, United States Code, and section 9061 of the Department of Defense Appropriations Act, 1987, Public Laws 99-500 and 99-591, the Secretary of Defense may allow under covered contracts reasonable costs incurred to promote American aerospace exports at domestic and international exhibits.*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 68 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

*SEC. 5. (a) None of the funds appropriated by this or any other Act for research, development, testing, and evaluation for the National Aeronautics and Space Administration (NASA) or the Department of Defense may be obligated or expended for the Advanced Launch System/Heavy Lift Launch Vehicle, hereinafter referred to as "ALS", or for the design, construction, or modification of test facilities for rocket propulsion systems to be integrated into or be compatible with ALS, until the Committees on Appropriations of the Senate and the House of Representatives have received a plan, submitted jointly by the Secretary of Defense and the Administrator of NASA, and approved by the President, delineating the respective responsibilities of, and apportioning of costs to, NASA and the Department of Defense relative to the ALS program and the Committees on Appropriations of the Senate and the House of Representatives have es-*

*tablished a date for the release of said funds: Provided, That such plan shall make maximum use of existing unique federal testing facilities for rocket propulsion systems and shall identify the respective responsibilities of the federal entities and facilities to be used for rocket propulsion research, development, and testing: Provided fruther, That notwithstanding the requirements set forth in subsection (a) $12,000,000 previously appropriated for fiscal year 1987 and allocated for concept definition of the ALS shall be available for that purpose.*

*(b) Of the funds appropriated for "Research, development, test, and evaluation, Defense Agencies" by this Act, $38,000,000 shall be transferred to NASA as a part of the ALS program utilizing facilities and budgetary resources of both NASA and components of the Defense Department: Provided, That funds appropriated by this or any other Act for research, development, test, and evaluation of the ALS system may be obligated and expended only for ALS variants which embody advanced technologies with a design goal of reducing the cost to launch payloads to low Earth orbit by a factor of ten compared with current space boosters costing less than $3,000 (in constant fiscal 1987 dollars) per pound to low Earth orbit: Provided further, That none of the funds appropriated by this Act may be obligated or expended for research, development, test, and evaluation intended to facilitate early deployment of a ballistic missile defense system.*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 69 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of "SEC. 8." named in said amendment, insert: *SEC. 6.*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 70 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of "SEC. 9." named in said amendment, insert: *SEC. 7.*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 71 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

*SEC. 8. Within seven days after enactment of this Act, the Secretary of Defense shall submit a report to the Congress, in appropriate classified and unclassified form, regarding the implementation of any agreement between the governments of the United States and Kuwait for United States military protection of Kuwaiti shipping, which includes a plan which fully meets the security needs of our forces, in conjunction with the forces of our friends and allies in the Persian Gulf region, and specifically addresses, at a minimum:*

*(a) an assessment of the threats to American forces, to Kuwaiti interests and shipping, and otherwise impacting on the interests of the United States and its friends and allies in the Persian Gulf region;*

*(b) the Rules of Engagement, alert status and readiness conditions under which our military forces will operate under in the Persian Gulf, and when such conditions will be in force; and*

*(c) cooperative arrangements entered into, being negotiated or contemplated with our European allies with a stake in the Persian Gulf, who have forces deployed or planned for deployment in the Persian Gulf region, and with states littoral to the Persian Gulf for a shared security system, including provision for air cover of those forces.*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 73 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of "SEC. 12." named in said amendment, insert: SEC. 9.

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 87 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken by said amendment, and insert:

*Pursuant to the Federal Advisory Committee Act (Public Law 92-463), the Secretary of the Army is directed to establish an advisory committee for the Dension Dam (Lake Texoma), Red River, Texas and Oklahoma project authorized by the Flood Control Act approved June 28, 1938 (52 Stat. 1219). The purpose of the Committee shall be advisory only and it shall provide information and recommendations to the Corps of Engineers regarding the operations of Lake Texoma for its congressionally authorized purposes. The Committee shall be composed of representatives equally divided among the project purposes and between the states of Texas and Oklahoma.*

*The Corps of Engineers, taking into consideration recommendations of the Southwestern Power Administration and the Lake Texoma Advisory Committee, shall, to the extent feasible, develop a management plan for the conservation pool in Lake Texoma that:*

*(1) Attempts to maintain a water surface elevation between 617 and 612 msl, provided however that hydroelectric power will be generated to help satisfy electric loads when the water surface elevation is between 617 and 612 msl;*

*(2) when the water surface elevation drops to 612 msl or lower, implements a public information program;*

*(3) when the water surface elevation is between 612 and 607 msl, provides for the Corps to notify the SWPA that hydroelectric power generation should only be made when it is needed for rapid response, short term peaking purposes as determined by the power scheduling entity;*

*(4) When the water surface elevation is between 607 and 590 msl,*

*(a) provides for the Corps to notify the SWPA that hydroelectric power generation should only be made to satisfy critical power needs on the power scheduling entity's electrical system as determined by the power scheduling entity, and*

*(b) provides for the Corps of Engineers to notify municipal and industrial water users that they should implement water conservation measures designed to lessen the impact of municipal and industrial water withdrawals.*

*Any amendments to the current water control plan specified above shall not supersede or adversely affect any existing permit, lease license contract, public law or flood control operation relating to Denison Dam (Lake Texoma). The management plan shall have no impact upon the provisions of section 838 of the Water Resources Development Act of 1986. The management plan shall be reevaluated on or after September 30, 1989 by the Corps of Engineers, taking into consideration the recommendations of the Southwestern Power Administration and the Lake Texoma Advisory Committee.*

*The U.S. Army Corps of Engineers, Tulsa District, shall issue a final report on the Oklahoma portion of the comprehensive study of the Red River Basin, Oklahoma, Arkansas, Louisiana and Texas, no later than September 30, 1988.*

*The management plan specified above should be formally processed to the Committees on Environment and Public Works and Public Works and Transportation in the Senate and House of Represenatives, respectively, if appropriate, for authorization as required prior to any amendments to the current operating plan that could impact health and safety, authorized purposes, or expose the Federal Government to liability. None of the funds in this Act or any other Act relating to water resource development may be used to construct or enter into an agreement to construct additional hydroelectric power generation units at Denison Dam (Lake Texoma) until September 30, 1989.*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 92 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken by said amendment, and insert;

For an additional amount for the Department of the Interior, Bureau of Reclamation, "Construction Program", for the cleanup of Kesterson Reservoir and San Luis Drain of the San Luis Unit, Central Valley Project, to remain available until expended, $5,600,000 to be derived by transfer of unobligated balances in the "Loan Program": *Provided,* That no funds may be obligated for this purpose until the issuance of a waste discharge permit by the Central Valley Regional Water Resources Control Board and a determination by the California Department of Health Services on the classification of the waste at Kesterson Reservoir and San Luis Drain.

In addition, Title II of Public Law 99-591 (100 Stat. 3341-200, 201), dated October 30, 1986, "Department of the Interior, Bureau of Reclamation, Construction Program (Including Transfer of Funds)", is amended by striking out "by August 1, 1987,".

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 98 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

ENERGY SUPPLY, RESEARCH AND DEVELOPMENT ACTIVITIES

Of the amounts heretofore appropriated and made available for Energy Supply, Research and Development activities, an additional $1,200,000 shall be for completion of the MOD-5-B Wind Turbine Project.

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 99 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

CHAPTER IV

FOREIGN ASSISTANCE AND RELATED PROGRAMS

MULTILATERAL ECONOMIC ASSISTANCE FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For an additional amount for payment to the International Development Association by the Secretary of the Treasury, $207,476,749 for the United States contribution to the seventh replenishment, to remain available until expended.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT BANK

For an additional amount for payment to the African Development Bank by the Secretary of the Treasury, for the paid-in share portion of the United States share of the increase in capital stock, $6,492,127 to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the African Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed $17,375,058.

BILATERAL ECONOMIC ASSISTANCE FUNDS APPROPRIATED TO THE PRESIDENT

AGENCY FOR INTERNATIONAL DEVELOPMENT

ASSISTANCE FOR CENTRAL AMERICA

(TRANSFER OF FUNDS)

(a) For an additional amount for the "Economic support fund", $300,000,000, for use pursuant to this heading for Central America, to be derived by transfer from the following amounts appropriated in prior appropriations Acts for the Department of Defense; "Aircraft Procurement Army", fiscal year 1985, $10,000,000; "Missile Procurement, Army", fiscal year 1985, $15,000,000; "Weapons and Tracked Combat Vehicles, Army", fiscal year 1985, $20,000,000; "Procurement of Ammunition, Army", fiscal year 1985, $5,000,000; "Other Procurement, Army", fiscal year 1985, $37,000,000; "Aircraft Procurement, Navy", fiscal year 1985, $19,000,000; "Weapons Procurement, Navy", fiscal year 1985, $35,000,000; "Shipbuilding and Conversion, Navy", fiscal year 1983, $45,000,000; "Other Procurement, Navy" fiscal year 1985, $5,000,000; "Procurement, Marine Corps", fiscal year 1985, $8,000,000; "Aircraft Procurement, Air Force", fiscal year 1985, $101,000,000: *Provided,* That of the funds obligated in fiscal year 1987 not more than $87,000,000 shall be expended prior to October 1, 1987.

(b) Funds transferred pursuant to paragraph (a) shall remain available until September 30, 1987: *Provided,* That the President shall make available the $300,000,000 transferred pursuant to paragraph (a) for assistance under chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to Economic support fund assistance) for the countries of Central America with democratically elected governments as follows:

$54,750,000 shall be made available only for assistance for Guatemala,

$54,750,000 shall be made available only for assistance for Costa Rica,

$59,750,000 shall be made available only for assistance for Honduras,

$129,750,000 shall be made available only for assistance for El Salvador,

$1,000,000 shall be made available only for assistance for Belize.

(c) Of the funds specified for El Salvador in paragraph (b), $75,000,000 shall be made available only for earthquake relief and reconstruction which shall be used in accordance with the authorities contained in section 491 of the Foreign Assistance Act of 1961. Funds made available for the purposes of this paragraph shall be accounted for separately.

(d) Of the funds specified in paragraph (a), less those amounts designated for earthquake assistance by paragraph (c), not less than 40 percent shall be used for assistance in accordance with the policy directions, purposes, and authorities of chapter 1 and chapter 9 of part I of the Foreign Assistance Act of 1961 and the remainder shall be used in a manner which will generate local currencies for use in accordance with those policy directions, purposes, and authorities.

(e) The assistance specified in paragraph (b) shall be in addition to the amounts previously allocated for fiscal year 1987 for these countries pursuant to section 653 of the Foreign Assistance Act of 1961.

(f) The local currencies generated from the funds specified in paragraph (b) for El Salvador shall be used for projects described in section 702(e)(2) of the International Security and Development Cooperation Act of 1985 (and of those local currencies, not less than 50 percent shall be for projects assisting agrarian reform and the agricultural sector and not less than 10 percent shall be used for judicial reform).

(g) Of the aggregate of the funds specified in paragraph (b), $10,000,000 shall be made available only for Child Survival Fund activities in the Central American democracies.

(h) The assistance provided under this heading shall be made available consistent with the policies contained in section 702 of the International Security and Development Cooperation Act of 1985 (relating to El Salvador), section 703 of that Act (relating to Guatemala), and chapter 6 of part I of the Foreign Assistance Act of 1961 (relating to the Central American Democracy, Peace, and Development Initiative).

(i) Funds made available for assistance pursuant to this heading may be obligated only in accordance with the Congressional notification procedures applicable under section 523 of the Foreign Assistance and Related Programs Appropriations Act, 1987, and section 634A fo the Foreign Assistance Act of 1961.

(j) Of the funds specified for Honduras in paragraph (b), $20,000,000 shall be obligated, but shall not be expended, except as provided in the fourth proviso, until the Government of Honduras and an American citizen, whose property and businesses in the vicinity of Trujillo, Honduras were affected by actions of the Government of Honduras with respect to the Regional Military Training Center, reach a settlement concerning compensation: *Provided,* That in order to facilitate such a settlement the Department of State shall select an independent factfinder. The factfinder shall correct and expand, as may be appropriate, the existing factfinder's report. Such report shall be issued by September 30, 1987: *Provided further,* That if the two parties have not reached a full and final settlement of this matter, including a complete waiver of further claims and liabilities against the Governments of Honduras and the United States, by November 30, 1987, then the Department of State shall request that both parties submit the disagreement to binding international arbitration in accordance with the rules of procedure of the Inter-American Commercial Arbitration Commission. The Commission shall select the arbitrators, and may appoint such experts as it finds necessary in order to establish a base of factual and financial information for the case: *Provided further,* That if the Government of Honduras refuses to agree to binding international arbitration, then the $20,000,000 shall be deobligated and immediately returned to the Treasury of the United States: *Provided further,* That if the United States citizen refuses to agree to binding international arbitration and refuses to agree that the award resulting from the arbitration will constitute a full and final settlement of any and all claims, liabilities and demands, including those which may be directed at the United States, its officers, agents and employees, arising directly or indirectly from the establishment of the Regional Military Training Center, then the $20,000,000 shall be made available for expenditure to the Government of Honduras: *Provided further,* That arbitrators shall consider maintenance costs, interest costs, professional fee costs, land, business and asset valuations and all other matters they deem appropriate: *Provided further,* That nothing in this provision shall prevent the two parties prior to a final arbitration award from reaching a binding full and final written agreement outside the arbitration proceedings: *Provided further,* That funds previously appropriated for the Economic support fund shall be used to pay for the reasonable costs of the activities of the factfinder, the international arbitration Commission, the arbitrators, and the experts appointed by the arbitrators.

ASSISTANCE IN SUPPORT OF SOLIDARITY

For an additional amount for the "Economic support fund", $1,000,000, which shall be made available, notwithstanding any other provision of law, only for the support of the independent Polish trade union "Solidarity."

ASSISTANCE FOR SOUTHERN AFRICA

For an additional amount for "Energy and selected development activities, Development Assistance", $50,000,000 to remain available until September 30, 1988: *Provided,* That none of these funds may be available for activities in Mozambique or Angola: *Provided further,* That none of the funds may be available to any country for which the President proposes to disburse funds within the Southern Africa Development Coordination Conference until the President certifies that such country (1) has not advocated the form of terrorism, commonly known as "necklacing," used against South African blacks; (2) has provided assurances that it has taken action against any person who has been found to have practiced necklacing against South African blacks; and (3) is not knowingly allowing terrorists who practice necklacing to operate in its territory: *Provided further,* That such funds shall be made available only as follows:

(a) $37,500,000 shall be made available to assist the member states of the Southern Africa Development Coordination Conference (SADCC) in carrying out the most urgent sector projects supported by SADCC in the following sectors: transportation and communications, energy (including the improved utilization of electrical power soruces which already exist in the member states and offer the potential to swiftly reduce the dependence of those states on South Africa for electricity), agricultural research and training, and industrial develop-

ment and trade (including private sector initiatives): *Provided,* That of this amount not less than 60 percent shall be used in the transportation sector: *Provided further,* That none of the funds made available under this paragraph may be made avaialable for the design, rehabilitation, construction, or equipping of any rail or road transportation corridor other than the Northern Corridor, which links southern Africa with Dar es Salaam, Tanzania.

(b) $12,500,000 shall be made available for projects and activities for disadvantaged South Africans in accordance with section 535 of the Foreign Assitance Act of 1961, or for humanitarian assistance for the member states of SADCC. Assistance for the member states of SADCC may include such activities as: transport of emergency food and medical supplies; refugee assistance; and disaster relief and rehabilitation assistance which shall be provided pursuant to the authorities contained in section 491 of the Foreign Assistance Act.

(c) Of the funds made available for the SADCC member countries for humanitarian assistance by paragraph (b), up to $5,000,000 may be made available for the United Nations Children's Fund's emergency appeals for affected countries in southern Africa.

(d) None of the funds appropriated by this Act for southern Africa shall be obligated or expended until the President has submitted to the House Foreign Affairs Committee, the Senate Foreign Relations Committee, and the Committees on appropriations the third quarter Project Accounting Information System Report of all economic assistance funds administered by the Agency for International Development that are allocated for southern Africa and which were authorized by the International Security and Development Cooperation Act of 1985 and Public Law 99-440 and, which pursuant to such authorizations were subsequently appropriated.

INDEPENDENT AGENCIES

PEACE CORPS

For an additional amount to carry out the provisions of the Peace Corps Act (75 Stat. 612) (22 U.S.C. 2501, et seq.) $7,200,000, to remain available until September 30, 1988.

MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

MILITARY ASSISTANCE

For necessary expenses to carry out the provisions of section 503 of the Foreign Assistance Act of 1961, $50,000,000, which shall be used only for the Philippines: *Provided,* That amounts appropriated under this heading shall be available notwithstanding section 10 of Public Law 91-672 and section 15(a) of the State Department Basic Authorities Act of 1956.

FOREIGN MILITARY CREDIT SALES

For an additional amount to carry out the provisions of section 23 of the Arms Export Control Act, $13,000,000 of which $10,000,000 shall be available only for Morocco, and $3,000,000 shall be available only for Kenya.

EXPORT ASSISTANCE

EXPORT-IMPORT BANK OF THE UNITED STATES

LIMITATION ON PROGRAM ACTIVITY

Notwithstanding the "limitation on program activity" contained in title IV of the Foreign Assistance and Related Programs Appropriations Act, 1987 in Public Law 99-500 and Public Law 99-591, during the fiscal year 1987 and within the resources and authority available, gross obligations for the principal amount of direct loans shall be reduced from $900,000,000 to $680,000,000 and shall be provided under the terms and conditions in the Foreign Assistance and Related Programs Appropriations Act of 1987 as they apply to the Export-Import Bank.

GENERAL PROVISIONS

GUARANTY RESERVE FUND

Section 24(c) of the Arms Export Control Act is amended by striking the second paragraph and inserting the following:

"Funds provided for necessary expenses to carry out the provisions of section 23 of the Arms Export Control Act and of section 503 of the Foreign Assistance Act of 1961, as amended, may be used to pay claims on the Guaranty Reserve Fund to the extent that funds in the Guaranty Reserve Fund are inadequate for that purpose."

REPEAL OF SECTION 215(2)

Section 215(2) of title II of the Military Construction Appropriations Act, 1987 as contained in Public Law 99-500 and Public Law 99-591 is hereby repealed.

INTER-AMERICAN DEVELOPMENT BANK

It is the sense of the Senate that United States economic and foreign policy interests in the western hemisphere would be best served if the Secretary of the Treasury were to adhere to the Administration's proposal to modify the voting procedures within the Inter-American Development Bank to require that decisions be taken by the board by a voting majority of 65 percent of the voting shares.

DAIRY SURPLUS PRODUCTS

Funds provided for new development projects of private entities and cooperatives utilizing surplus dairy products may also be used for development projects that include surplus dairy livestock under the Dairy Termination Program.

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 102 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

HOUSING PROGRAMS

PAYMENTS FOR THE OPERATION OF LOW-INCOME HOUSING PROJECTS

(INCLUDING RESCISSION)

Of the amounts made available under this head in section 101(g) of Public Laws 99-500 and 99-591 (100 Stat. 1783-242, 3341-242) for payments to public housing agencies and Indian housing authorities, $65,000,000 are rescinded and the balance shall be for payment of operating subsidies under section 9, United States Housing Act of 1937 (42 U.S.C. 1437g): *Provided,* That, notwithstanding section 9(d) of such Act, any amount of such balance not required for such purpose shall be made available only for increased liability insurance costs not reflected in the performance funding system formula (24 C.F.R. Part 990).

For an additional amount for "Payments for the operation of low-income housing projects", $65,000,000, as authorized by section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g), to be available for obligation on September 25, 1987, and to remain available until September 30, 1988: *Provided,* That such amount shall be available only for insurance costs not reflected in the performance funding system formula.

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 114 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

ADVANCES TO TRUST FUNDS

Pursuant to Public Law 99-500 and Public Law 99-591, amounts advanced to the Hazardous Substance Response Trust Fund shall remain available until expended.

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 115 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

FEDERAL EMERGENCY MANAGEMENT AGENCY

DISASTER RELIEF

For an additional amount for "Disaster relief", $57,475,000, to remain available until expended.

ADMINISTRATIVE PROVISION

The regulation changes to 44 CFR parts 59 and 60 promulgated by the Federal Emergency Management Agency and set forth at 51 Fed. Reg. 30306-30309 (August 25, 1986), which amended the definition, placement, and elevation of mobile homes in an existing mobile home park or mobile home subdivision, as previously defined, shall not be effective from enactment of this Act through September 30, 1988.

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 116 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

CONSTRUCTION OF FACILITIES

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Construction of facilities", $303,000,000, to become available on September 25, 1987, and remain available until September 30, 1989, of which $300,000,000 shall be transferred to "Space flight, control and data communications".

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 125 to the aforesaid bill, and concur there in with an amendment as follows:

In lieu of the sum inserted by said amendment, insert: $2,126,000, of which $1,255,000 for hazardous waste site activities in Oroville, Washington, shall remain available until September 30, 1988.

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 128 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: *$5,815,000*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 129 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum inserted by said amendment, insert: *$18,250,000*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 133 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

ADMINISTRATIVE PROVISION

*Notwithstanding any other provision of law, the pesticide application program described in the West Virginia Department of Natural Resources' permit application to conduct a pesticide (bacillus thuringiensis israelensis [Bti]) spraying program on the New River, West Virginia, to control the river's black fly (Simulium jenningsi) population, received by the Superintendent of New River Gorge National River, West Virginia, on September 9, 1986, is hereby approved as a demonstration project for a period of eight years from the date of enactment of this Act, unless the pesticide Bti is removed from the registered list of pesticides, as determined by the Environmental Protection Agency, at an earlier date. No additional analyses, proposals, or approvals will be required for the State to conduct similar pesticide application programs during the period of the demonstration project provided herein. The State shall notify the National Park Service of its planned annual program at least ninety days in advance of spraying, and shall consider the recommendations provided by the National Park Service, the United States Fish and Wildlife Service, and other parties in the conduct of the pesticide application program. The State shall also enter into an indemnity agreement with the National Park Service which will protect the Service from all tort claims which might arise from the State's spraying program. The State and the National Park Service shall jointly conduct a monitoring program on the effects of the pesticide application, including the impact on natural, cultural and recreational values of the National River.*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 136 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT ABANDONED MINE RECLAMATION FUND

*Section 405(k) of the Surface Mining Control and Reclamation Act of 1977 (Public Law 95-87) is amended by adding at the end thereof, "except for purposes of subsection (c) of this section with respect to the Navajo, Hopi and Crow Indian Tribes".*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 137 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

*For an additional amount for "Operation of Indian programs", $3,153,000: Provided, That not to exceed $226,000 shall be paid for the settlement of three appeals related to mineral leasing revenues that have been collected and disbursed to Indian allottees.*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 148 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: *of which $7,005,000 shall remain available until expended, and of which $995,000 shall be transferred to the "Forest Research" appropriation account of the Forest Service, to remain available until expended"*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 151 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum inserted by said amendment, insert: *$1,000,000, to remain available until expended*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 154 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

*TIMBER ROADS, PURCHASER ELECTION, FOREST SERVICE*

*(RESCISSION)*

*(INCLUDING DISAPPROVAL OF DEFERRAL)*

*of the funds previously made available and unobligated in this permanent appropriation account, $30,000,000 is rescinded.*

*The Congress disapproves deferral D87-37 relating to the Forest Service, "Timber roads, purchaser election, Forest Service", as set forth in the message of January 28, 1987, which was transmitted to the Congress by the President. This disapproval shall be effective upon enactment into law of this Act and the amount of the proposed deferral disapproved herein shall be made available for obligation.*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 156 to the aforesaid bill, and concur therein with an amendment as follows:

Restore the matter stricken by said amendment, and in lieu of the sum named in such matter, insert: *$700,000*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 159 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

GENERAL PROVISION

*Notwithstanding the provisions of Public Law 99-663, which established the Columbia River Gorge National Scenic Area, the Pierce National Wildlife Refuge and the Little White Salmon National Fish Hatchery shall continue to be administered, operated and maintained in accordance with the provisions of the National Wildlife Refuge System Administration Act, Fish and Wildlife Coordination Act, and Fish and Wildlife Act of 1956 by the U.S. Fish and Wildlife Service.*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 174 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

For an additional amount for Home Delivered Nutrition Services under subpart 2 of part C of title III of the Older Americans Act of 1965, $1,400,000.

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 181 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken by said amendment, and insert:

CHICAGO LITIGATION SETTLEMENT

TRANSFER OF FUNDS

To enable the United States of America to satisfy in full any and all obligations it may have to provide financial assistance for the Chicago Board's Desegregation Plan under section 15.1 of the Consent Decree entered in the case United States v. Board of Education of the City of Chicago, 80 C 5124, and to resolve all claims of the Chicago Board and all litigation concerning the United States' obligations to the Chicago Board under section 15.1, there is hereby appropriated $83,000,000 to be derived by transfer of remaining unobligated or contingently obligated balances of appropriations for fiscal years 1983 through 1986 for the Department of Education that would have been expended or lapsed but for the escrow provisions established as a result of the litigation between the Chicago Board and the United States: *Provided,* That the Secretary of Education shall make these funds available to the board to be used only for desegregation activities in accordance with the terms and conditions of the Consent Decree: *Provided further,* That these funds shall be made available to the board in five equal annual grants beginning in fiscal year 1988: *Provided further,* That this $83,000,000 reappropriation constitutes full and final satisfaction of any and all past, present and future claims that the Chicago Board may have against the United States arising under or resulting from section 15.1 of the Consent Decree, and releases the United States from any further liability under section 15.1: *Provided further,* that the funds appropriated by this Act shall remain available until expanded.

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 189 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$1,300,000*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 204 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

TORREJON AIR BASE, SPAIN

It is the sense of the Congress that all facility construction costs associated with the relocation of the Tactical Fighter Wing at Torrejon Air Base, Spain, to another location, should be the responsibility of the North Atlantic Treaty Organization.

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 208 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: *$9,891,000, to remain available until expended*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 211 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: $30,200,000, to remain available until expended: *Provided,* That of available funds under "Agricultural Stabilization and Conservation Service, Rural Clean Water Program", $6,000,000 are rescinded.

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 212 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

EXTENSION SERVICE

For an additional amount for "Extension Service, Federal administration and coordi-

nation", for special grants for financially stressed and dislocated farmers, $300,000, to remain available until expended.

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 218 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken by said amendment and insert: , *and for other disaster payments required by the Farm Disaster Assistance Act of 1987, $25,000,000; and interest payments to the United States Treasury, $440,000,000*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 215 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum inserted by said amendment, insert: *$5,553,189,000*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 214 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: *$553,000*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 222 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

LOAN REGULATIONS

Hereafter, funds appropriated or available to the Farmers Home Administration under this or any other Act to make or to service farm loans shall be available for continuing assistance to delinquent borrowers on the basis of the policies contained in Farmers Home Administration Announcement Number 1113-1960, dated November 30, 1984.

Hereafter, none of the funds appropriated or made available by this or any other Act, or otherwise made available to the Secretary of Agriculture or the Farmers Home Administration, may be used to implement section 1944.16(c)(1) of title 7, Code of Federal Regulations, as published in 52 Federal Register 11983 (April 14, 1987) or any other regulation that would have the same effect as such regulation.

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 223 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

RURAL ELECTRIFICATION ADMINISTRATION

Hereafter, notwithstanding section 306A(d) of the Rural Electrification Act of 1936 (7 U.S.C. 936a(d)), a borrower of a loan made by the Federal Financing Bank and guaranteed under section 306 of such Act (7 U.S.C. 936) may, at the option of the borrower, prepay such loan (or any loan advance thereunder) in accordance with section 306A of such Act.

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 224 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

REIMBURSEMENT

Of the funds made available under the heading "CHILD NUTRITION PROGRAMS" of title III of the provisions made effective by section 101(a) of Public Law 99-190 but not requested through an official budget request transmitted to Congress, $167,500,000 shall be available to the Secretary of Agriculture to reimburse State agencies for meals served under child nutrition programs conducted under the National School Lunch Act (42 U.S.C. 1751 et seq.) and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) in September, 1987.

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 226 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert:

For an additional amount for orphan drug grants and contracts, $500,000.

Section 3 of the Saccharin Study and Labeling Act (21 U.S.C. 348 nt.) is amended by striking out "May 1, 1987" and inserting in lieu thereof "May 1, 1992".

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 228 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

COAST GUARD

OPERATING EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Operating Expenses", $4,120,000, to be derived by transfer from "United States Customs Service, Operation and Maintenance, Air Interdiction Program": Provided, That this provision shall be effective only upon validation of the transfer by the General Accounting Office.

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 230 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: $60,000,000, of which $11,619,000 shall be derived by transfer from "Operation and maintenance, Metropolitan Washington airports", and $5,000,000 shall be derived by transfer from "Construction, Metropolitan Washington airports"

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 247 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

POMPANO BEACH AIR PARK

None of the funds appropriated for the Federal Aviation Administration under this or any prior Act shall be used (1) to compel the City of Pompano Beach, Florida, to redesignate any land designated as nonaviation use land at the Pompano Beach Air Park as of November 1, 1966, or (2) to take any action to revert the Pompano Beach Air Park.

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 256 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

CUSTOMS FORFEITURE FUND

TECHNICAL CORRECTION TO PUBLIC LAW 99-570

Section 1152(b) of Public Law 99-570 is repealed, and shall be treated as though it had never been enacted.

ALLOWANCES FOR CERTAIN GSA PERSONNEL

Notwithstanding sections 5923 and 5924, title 5, United States Code and any applicable regulations, the General Services Administration shall honor allowances initially authorized, resulting in an aggregate amount of $27,000 payable to twenty-one General Services Administration employees for certain cost of living and related expenses during official foreign duty from November 1984 through September 1985.

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 285 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: *"Energy Information Administration"*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 286 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: *"Emergency preparedness"*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 312 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: $3,000,000 shall be expended from the Boat Safety Account, $3,000,000 shall be derived from "Retired pay",

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 317 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

For an additional amount for "Grants to the National Railroad Passenger Corporation", $5,000,000, to be derived from unobligated balances of "Redeemable preference shares" acquired by the Secretary of Transportation under the Railroad Revitalization and Regulatory Reform Act of 1976, to be available only for construction, rehabilitation, renewal, replacement, or other improvements deemed by the National Railroad Passenger Corporation to be needed to enable it to restore railroad passenger service between Springfield, Massachusetts and Montreal, Canada through Vermont: *Provided,* That any agreements entered into by the National Railroad Passenger Corporation for the performance of such improvements shall provide that the owners of any railroad lines so improved not construe the terms of any existing trackage rights agreement or any existing or future operating agreement between the National Railroad Passenger Corporation and the owners of any such railroad lines in a manner that would result in an increase in the rental or other payments made thereunder because of the expenditures made under this appropriation: *Provided further,* That any agreements entered into by the National Railroad Passenger Corporation for the performance of such improvements shall provide that the

owners of any railroad lines so improved not seek to include the value of any expenditures made under this appropration in the transfer price of any of the lines so improved: *Provided further,* That, notwithstanding any other provision of law, the National Railroad Passenger Corporation shall hereafter seek immediate and appropriate legal remedies to enforce its contractual rights whenever track maintenance on any route over which the National Railroad Passenger Corporation operates becomes inadequate or otherwise falls below the contractual standard.

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 319 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

RELATED AGENCIES

NATIONAL TRANSPORTATION SAFETY BOARD

(TRANSFER OF FUNDS)

"Salaries and expenses", $165,000, to be derived by transfer from the unobligated balances of "Payments to air carriers";

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 381 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: $46,000,000, of which $5,000,000 shall be derived by transfer from "Retired pay": *Provided,* That, notwithstanding section. 511 of this Act or any other provision of law, such funds shall remain available until expended;

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 410 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES

For an additional amount for "Health resources and services", for carrying out the activities authorized by H.R. 558, the Stewart B. McKinney Homeless Assistance Act, as provided for in House Report 100-174, $46,000,000 to remain available through September 30, 1988.

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 411 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINSTRATION

ALCOHOL, DRUG ABUSE AND MENTAL HEALTH

For an additional amount for "Alcohol, drug abuse and mental health", for carrying out the activities authorized by H.R. 558, the Stewart B. McKinney Homeless Assistance Act, as provided for in House Report 100-174, $50,700,000 to remain available through September 30, 1988.

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 412 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

FAMILY SUPPORT ADMINISTRATION

OFFICE OF COMMUNITY SERVICES

COMMUNITY SERVICES BLOCK GRANT

For an additional amount for "Community services block grant", for carrying out the activities authorized by H.R. 558, the Stewart B. McKinney Homeless Assistance Act, as provided for in House Report 100-174, $36,800,000 to remain available through September 30, 1988.

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 413 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

DEPARTMENT OF EDUCATION

SPECIAL PROGRAMS

For an additional amount for "Special programs", for carrying out the activities authorized by H.R. 558, the Stewart B. McKinney Homeless Assistance Act, as provided for in House Report 100-174, $4,600,000 to remain available through September 30, 1988.

VOCATIONAL AND ADULT EDUCATION

For an additional amount for "Vocational and adult education", for carrying out the activities authorized by H.R. 558, the Stewart B. McKinney Homeless Assistance Act, as provided for in House Report 100-174, $6,900,000 to remain available through September 30, 1988.

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 415 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

EMERGENCY SHELTER GRANTS PROGRAM

For an additional amount for the emergency shelter grants program carried out by the Department of Housing and Urban Development as authorized in the Homeless Housing Act of 1986 under section 101(g) of Public Law 99-500 and Public Law 99-591, subject to the requirements for such program in the Stewart B. McKinney Homeless Assistance Act (H.R. 558), as provided for in House Report 100-174, $50,000,000, to remain available until expended.

SUPPORTIVE HOUSING DEMONSTRATION PROGRAM

For an additional amount for the transitional housing demonstration program carried out by the Department of Housing and Urban Development as authorized in the Homeless Housing Act of 1986 under section 101(g) of Public Law 99-500 and Public Law 99-591, subject to the requirements of the supportive housing demonstration program in the Stewart B. McKinney Homeless Assistance Act (H.R. 558), as provided for in House Report 100-174, $80,000,000, to remain available until expended.

SUPPLEMENTAL ASSISTANCE FOR FACILITIES TO ASSIST THE HOMELESS

For grants for supplemental assistance for facilities to assist the homeless pursuant to the Stewart B. McKinney Homeless Assistance Act (H.R. 558), as provided for in House Report 100-174, $15,000,000, to remain available until expended.

SECTION 8 ASSISTANCE FOR SINGLE ROOM OCCUPANCY DWELLINGS

The budget authority available under section 5(c) of the United States Housing Act of 1937 for assistance under section 8(e)(2) of such Act is increased by $35,000,000, to remain available until expended: *Provided,* That such amount of budget authority is to be used only to assist homeless individuals pursuant to section 441 of the Stewart B. McKinney Homeless Assistance Act (H.R. 558), as provided for in House Report 100-174.

FEDERAL EMERGENCY MANAGEMENT AGENCY

EMERGENCY FOOD AND SHELTER PROGRAM

For an additional amount for the "Emergency food and shelter program", as authorized by section 101(g) of Public Law 99-500 and Public Law 99-591, and H.R. 558, the Stewart B. McKinney Homeless Assistance Act, as provided for in House Report 100-174, $10,000,000.

VETERANS' ADMINISTRATION

MEDICAL CARE

For an additional amount for "Medical care", $20,000,000, to remain available through September 30, 1988, of which $15,000,000 shall be available for converting to domiciliary-care beds underutilized space located in facilities (in urban areas in which there are significant numbers of homeless veterans) under the jurisdiction of the Administrator of Veterans' Affairs and for furnishing domiciliary care in such beds to eligible veterans, primarily homeless veterans, who are in need of such care, and of which $5,000,000 shall be available, notwithstanding section 2(c) of Public Law 100-6, for furnishing care under section 620C of title 38, United States Code, to homeless veterans who have a chronic mental illness disability: *Provided,* That not more than $500,000 of the amount available in connection with furnishing care under such section 620C shall be used for the purpose of monitoring the furnishing of such care and, in furtherance of such purpose, to maintain an additional 10 full-time-employee equivalents: *Provided further,* That nothing in this paragraph shall result in the diminution of the conversion of hospital-care beds to nursing-home-care beds by the Veterans' Administration.

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 416 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

SEC. 503. (a)(1) Except as provided in subsection (b) or (c), none of the funds appropriated or made available by this Act, or any other Act, with respect to any fiscal year, shall be available to administer or implement any drug testing pursuant to Executive Order Numbered 12564 (dated September 15, 1986), or any subsequent order, unless and until—

(A) The Secretary of Health and Human Services certifies in writing to the Committees on Appropriations of the House of Representatives and the Senate, and other appropriate committees of the Congress, that—

(i) each agency has developed a plan for achieving a drug-free workplace in accordance with Executive Order Numbered 12564 and applicable provisions of law (including applicable provisions of this section);

(ii) the Department of Health and Human Services, in addition to the scientific and technical guidelines dated February 13, 1987, and any subsequent amendments thereto, has, in accordance with paragraph (3), published mandatory guidelines which—

(I) establish comprehensive standards for all aspects of laboratory drug testing and laboratory procedures to be applied in carrying out Executive Order Numbered 12564, including standards which require the use of the best available technology for ensuring the full reliability and accuracy of drug tests and strict procedures governing the chain of custody of specimens collected for drug testing;

(II) specify the drugs for which Federal employees may be tested; and

(III) establish appropriate standards and procedures for periodic review of laboratories and criteria for certification and revocation of certification of laboratories to perform drug testing in carrying out Executive Order Numbered 12564; and

(iii) all agency drug-testing programs and plans established pursuant to Executive Order Numbered 12564 comply with applicable provisions of law, including applicable provisions of the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.), title 5 of the United States Code, and the mandatory guidelines under clause (ii);

(B) the Secretary of Health and Human Services has submitted to the Congress, in writing, a detailed, agency-by-agency analysis relating to—

(i) the criteria and procedures to be applied in designating employees or positions for drug testing, including the justification for such criteria and procedures;

(ii) the position titles designated for random drug testing; and

(iii) the nature, frequency, and type of drug testing proposed to be instituted; and

(C) the Director of the Office of Management and Budget has submitted in writing to the Committees on Appropriations of the House of Representatives and the Senate a detailed, agency-by-agency analysis (as of the time of certification under subparagraph (A)) of the anticipated annual costs associated with carrying out Executive Order Numbered 12564 and all other requirements under this section during the 5-year period beginning on the date of the enactment of this Act.

(2) Notwithstanding subsection (g), for purposes of this subsection, the term "agency" means—

(A) the Executive Office of the President;

(B) an Executive department under section 101 of title 5, United States Code;

(C) the Environmental Protection Agency;

(D) the General Services Administration;

(E) the National Aeronautics and Space Administration;

(F) the Office of Personnel Management;

(G) the Small Business Administration;

(H) the United States Information Agency; and

(I) the Veterans' Administration;

except that such term does not include the Department of Transportation or any other entity (or component thereof) covered by subsection (b).

(3) Notwithstanding any provision of chapter 5 of title 5, United States Code, the mandatory guidelines to be published pursuant to subsection (a)(1)(A)(ii) shall be published and made effective exclusively according to the provisions of this paragraph. Notice of the mandatory guidelines proposed by the Secretary of Health and Human Services shall be published in the Federal Register, and interested persons shall be given not less than 60 days to submit written comments on the proposed mandatory guidelines. Following review and consideration of written comments, final mandatory guidelines shall be published in the Federal Register and shall become effective upon publication.

(b)(1) Nothing in subsection (a) shall limit or otherwise affect the availability of funds for drug testing by—

(A) the Department of Transportation;

(B) Department of Energy, for employees specifically involved in the handling of nuclear weapons or not;

(C) any agency with an agency-wide drug-testing program in existence as of September 15, 1986; or

(D) any component of an agency if such component had a drug-testing program in existence as of September 15, 1986.

(2) The Departments of Transportation and Energy and any agency or component thereof with a drug-testing program in existence as of September 15, 1985—

(A) shall be brought into full compliance with Executive Order Numbered 12564 no later than the end of the 6-month period beginning on the date of the enactment of this Act; and

(B) shall take such actions as may be necessary to ensure that their respective drug-testing programs or plans are brought into full compliance with the mandatory guidelines published under subsection (a)(1)(A)(ii) no later than 90 days after such mandatory guidelines take effect, except that any judicial challenge that affects such guidelines should not affect drug-testing programs or plans subject to this paragraph.

(c) In the case of an agency (or component thereof) other than an agency as defined by subsection (a)(2) or an agency (or component thereof) covered by subsection (b), none of the funds appropriated or made available by this Act, or any other Act, with respect to any fiscal year, shall be available to administer or implement any drug testing pursuant to Executive Order Numbered 12564, or any subsequent order, unless and until—

(1) the Secretary of Health and Human Services provides written certification with respect to that agency (or component) in accordance with clauses (i) and (iii) of subsection (a)(1)(A);

(2) the Secretary of Health and Human Services has submitted a written, detailed analysis with respect to that agency (or component) in accordance with subsection (a)(1)(B); and

(3) the Director of the Office of Management and Budget has submitted a written, detailed analysis with respect to that agency (or component) in accordance with subsection (a)(1)(C).

(d) Any Federal employee who is the subject of a drug test under any program or plan shall, upon written request, have access to—

(1) any records relating to such employee's drug test; and

(2) any records relating to the results of any relevant certification, review, or revocation-of-certification proceedings, as referred to in subsection (a)(1)(A)(ii)(III).

(e) The results of a drug test of a Federal employee may not be disclosed without the prior written consent of such employee, unless the disclosure would be—

(1) to the employee's medical review official (as defined in the scientific and technical guidelines referred to in subsection (a)(1)(A)(ii));

(2) to the administrator of any Employee Assistance Program in which the employee is receiving counseling or treatment or is otherwise participating;

(3) to any supervisory or management official within the employee's agency having authority to take the adverse personnel action against such employee; or

(4) pursuant to the order of a court of competent jurisdiction where required by the United States Government to defend against any challenge against any adverse personnel action.

(f) Each agency covered by Executive Order Numbered 12564 shall submit to the Committees on Appropriations of the House of Representatives and the Senate, and other appropriate committees of the Congress, an annual report relating to drug-testing activities conducted by such agency pursuant to such executive order. Each such annual report shall be submitted at the time of the President's budget submission to the Congress under section 1105(a) of title 31, United States Code.

(g) For purposes of this section, the terms "agency" and "Employee Assistance Program" each has the meaning given such term under section 7(b) of Executive Order Numbered 12564, as in effect on September 15, 1986.

*Resolved*, That the House recede from its disagreement to the amendment of the Senate numbered 420 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken by said amendment, and insert:

SEC. 506. Notwithstanding any other provision of this Act, appropriations made by title I of this Act for the following account shall be as follows:

IMMIGRATION AND NATURALIZATION SERVICE, SALARIES AND EXPENSES, $137,216,000

*Resolved*, That the House recede from its disagreement to the amendment of the Senate numbered 422 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the first section number named in said amendment, insert: *507*

*Resolved*, That the House recede from its disagreement to the amendment of the Senate numbered 424 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the section number named in said amendment, insert: *508*

*Resolved*, That the House recede from its disagreement to the amendment of the Senate numbered 425 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 509. None of the funds made available by this or any other Act may be used for the purpose of restarting the N-Reactor at the Hanford Reservation, Washington during fiscal year 1987. For the purposes of this paragraph the term "restarting" shall mean any activity related to the operation of the N-Reactor that would achieve criticality, generate fission products within the reactor or discharge cooling water from nuclear operations: *Provided further*, That this provision does not require a change in the current fuel status of the reactor.

*Resolved*, That the House recede from its disagreement to the amendment of the Senate numbered 426 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: *510*

*Resolved*, That the House recede from its disagreement to the amendment of the Senate numbered 427 to the aforesaid bill,

and concur therein with an amendment as follows:

In lieu of "SEC. 509." named in said amendment, insert: *SEC. 511.*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 428 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the section number named in said amendment, insert: *512*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 429 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the section number named in said amendment, insert: *513*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 430 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the section number named in said amendment, insert: *514*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 431 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the section number named in said amendment, insert: *515*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 432 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the section number named in said amendment, insert: *516*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 434 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of "SEC. 516." named in said amendment, insert: SEC. *517.*

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 437 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 519. (a) Subtitle C of title XVII of the Food Security Act of 1985 (7 U.S.C. 5001 et seq.) is amended—

(1) by striking out "National Agricultural Policy Commission Act of 1985" each place it appears in the subtitle heading and section 1721 (7 U.S.C. 5001) and inserting in lieu thereof "National Commission on Agriculture and Rural Development Policy Act of 1985"; and

(2) by striking out "National Commission on Agriculture Policy" each place it appears in sections 1722(1) and 1723(a) (7 U.S.C. 5001(1) and 5002(a)) and inserting in lieu thereof "National Commission on Agriculture and Rural Development Policy".

(b) Notwithstanding section 501(e) of the Farm Credit Amendments Act of 1985 (12 U.S.C. 2001 note), there is authorized and appropriated—

(1) for the National Commission on Agricultural Finance established under such section, $100,000, to remain available until expended; and

(2) for the National Commission on Agriculture and Rural Development established under section 1723 of the Food Security Act of 1985 (7 U.S.C. 5002), $100,000, to remain available until expended.

*Resolved,* That the House insist upon this disagreement to the amendment of the Senate numbered 33.

EXCEPTED SENATE AMENDMENT NO. 33

The PRESIDING OFFICER. According to the unanimous-consent agreement, we are now on the motion to be made by the Senator from Louisiana [Mr. JOHNSTON] to recede from excepted Senate amendment No. 33.

Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I move that the Senate recede from Senate amendment No. 33.

The PRESIDING OFFICER. According to the agreement, there are 4 minutes to be equally divided between both sides. Who yields time?

Mr. HATFIELD. I yield back my time.

The PRESIDING OFFICER. The Senator from Oregon has yielded back his time.

Mr. STENNIS. Mr. President, I yield back our time.

The PRESIDING OFFICER. The Senator from Mississippi has yielded back his time. The question is on agreeing to the motion.

The motion was agreed to.

EXCEPTED SENATE AMENDMENT NO. 26

The PRESIDING OFFICER. Excepted Senate Amendment No. 26 will be stated.

The legislative clerk read as follows:

*Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 26 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

The Secretary of State shall not permit the Soviet Union to occupy the new chancery building at its new embassy complex in Washington, D.C., or any other new facility in the Washington, D.C. metropolitan area, until a new chancery building is ready for occupancy for the United States embassy in Moscow: *Provided,* That none of the funds appropriated in this Act or any prior Act may be obligated for the new office building in Moscow prior to November 1, 1987.

The PRESIDING OFFICER. Under the unanimous-consent agreement, the next matter is the amendment to be offered by the Senator from South Carolina dealing with the U.S. Embassy in Moscow.

The Senator from South Carolina.

AMENDMENT NO. 369

Mr. HOLLINGS. Mr. President, I move to concur in the House amendment with an amendment. I submit the amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from South Carolina [Mr. HOLLINGS] proposes an amendment numbered 369 to excepted Senate amendment No. 26.

Mr. HOLLINGS. 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:

In lieu of the matter proposed by said amendment, insert the following:

Notwithstanding any other provision of law, no funds appropriated to the Department of State in this or any other Act may be obligated for the new office building in Moscow, except as necessary to demolish the building: *Provided further,* That subsection (d) of section 154 of Public Law 99-93 is repealed and subsection (a) of such section is amended in the first sentence, to read as follows; "The Secretary of State shall not permit the Soviet Union to occupy the new chancery building at its new embassy complex in Washington, D.C., or any other new facility in the Washington, D.C. metropolitan area, until a new chancery building is ready for occupancy for the United States embassy in Moscow and until the Soviet Union provides prompt and full reimbursement to the United States for damages incurred as a result of the construction of the new United States embassy in Moscow.": *Provided further,* That the Secretary of State is directed to develop and submit to the Speaker of the House of Representatives and the Appropriations and Foreign Relations Committees of the Senate by August 30, 1987, a plan to establish essential parity in the numbers, types and quality of buildings held by the United States in Moscow and the Soviet Union in Washington, D.C.: *Provided further,* That it is the sense of Congress that no additional funds should be appropriated for new embassy construction, except for the completion of projects, other than Moscow, where construction is now underway until such time as the management of overseas embassy construction is organized under an Under Secretary who shall also have responsibility for the Office of Foreign Missions and the Bureau of Diplomatic Security: *Provided further,* That the Secretary of State and Director of Central Intelligence shall within thirty days after enactment of this Act convene a panel of outside experts to review and analyze the plans, contracts and protocols of any construction projects of the Office of Foreign Buildings.

Mr. HOLLINGS. Mr. President, this is similar to what we had earlier with respect to the Intelligence Committee acting with a unanimous vote after hearings with respect to the penetration and bugging, you might say, of our new Embassy construction in Moscow, followed by an identical finding by approval of my amendment by the Senate Appropriations Committee and, of course, confirmed by the Senate in its enactment of the supplemental bill.

I am a realist about this. I do not know that we can change the House's mind. I think we can pass this over to the House. It is important that we do pass it back to them to ask them to reconsider.

I will have to agree in the same breath with respect to our farmers in the supplemental situation, that right now the most important issue that we have is our commodity credit pay-

ments to our farmers. I am not trying to delay the supplemental by any manner or means, but this is something which has come up unanimously with respect to our Appropriations Committee and our Intelligence Committee.

We have confirmed with subsequent testimony that we heard from former Secretary Schlesinger, a special study he has made, and other findings that we have heard from in the committee.

I say we have confirmed, let us go back to the original record—I am not going into the entire history of the contract and who was involved and everything else—what we do know is that the technicians will tell you that there is no way to make that new construction in Moscow secure without removing the penetration devices. There is no way to remove and be absolutely certain in your mind that they are removed, neutralized, unless you veritably remove the building bit by bit, piece by piece.

So in reality you have made the decision that if you are going to make the building secure, in reality you have then decided to demolish the building.

I think some who have been attuned to this particular problem and followed it closely think that the wording by our Intelligence Committee and Appropriations Committee was done in a pique, whereby there was an attitude that we will show them, we will just tear the building down.

It is not that at all. We know to control our losses and try to minimize our stupidity, because this was rather stupid on our part to let the construction be engaged in by Soviet KGB agents not only in the design but the construction. So we had approached it mentally from that standpoint. Now we have to cut our losses and move on and get a facility.

We listened very closely to the technicians. We listened very closely this morning to Secretary Schlesinger in a closed session. Monday, in open session, in the Budget Committee we also heard former Secretary Schlesinger discuss his particular independent study engaged in with Stone & Webster, contractors, architect-engineers, a group of special consultants to the Department of Defense, and the Secretary's own judgment.

He had reconfirmed the original finding that in order to make it secure, you have to tear it down. To put it in another context, if you assume the Schlesinger plan of just taking the first five floors and cutting it off there and rebuilding the top three floors to make them secure, and thereupon also add an annex, then comes the question: Can you guarantee the security of the first five floors?" Secretary Schlesinger said no, there was no way to guarantee that, except that it would take 5 years to take it apart and even after that period of time Secretary Schlesinger said that you still would not be sure.

So he in his own testimony has verified what technicians had told us prior to the enactment of this particular amendment. That is why the Senator from South Carolina, in a desire to not waste time—we have wasted enough time on this one—felt it was appropriate for our supplemental bill because the decision had been made for us. I want to emphasize—and we will have the printed testimony later on, Secretary Schlesinger's own words—that the important factor here is not cost but security. I agree on that. He agrees on that. I think we all should agree on that. I can tell you now the cost differential at best—and they are very hazardous estimates here and we will say a word about that. There is only a $4 million to $5 million difference and that difference is in favor of demolition and reconstruction. So of the millions already expended and millions to be expended to finish the project are not at issue. We are trying to get a secure facility. And if that is the case, there is no rhyme or reason to leave a five-story building there that is a veritably constructed antenna criss-crossed to beam out everything and anything said just for storage and for transigent Congressmen and Senators and any others who may visit and be housed. That was not the purpose in the first instance of an American Embassy in Moscow.

It just begs the common sense to say now that despite being so thoroughly penetrated that it really would cause the destruction of the building, that in order to make the facility secure, that we will just change our minds now and say, "Oh, the heck with that, we can use it for storage, we can use it for transients, and by the way we are going to build a new annex out here."

That is State Department thinking. I say that advisedly. They have been brought kicking and screaming into reality and they have yet to reach reality. They love studies. You are going to hear about studies. You are going to hear the sophistication theory: do not worry about this anyway; they always know everthing going on; we always know everything going on; and after all do not worry about that.

On that premise let us get rid of the intelligence activities, the Intelligence Committee, the CIA, and everything else like that, particularly in our main adversary's country because why worry about it anyway. It was the attitude with the marines in the Marine Security Guards at the Embassy that got us in trouble and caused some of the greatest breaches that we know of.

I think it should be understood on the matter of costs that Secretary Schlesinger said when I asked him about the facilities of the new Schlesinger plan, it would be $80 million. And we know from the Office of Foreign Buildings of the Department of State that the razing of the building and constructing what we originally intended, namely, a secure eight-story facility, would be $64 million to $70 million. Now, look at that particular comparison. In fact, what you have then is a lesser cost to tear down and reconstruct.

There would be a matter of time in here. Some would argue about that, but that is not necessary at this particular time, unless someone is going to raise that this is going to take a particular period of time. But I live in a city where they renovate homes and buildings. I can tell you the cost of renovation, changed plans and all of these other things. If you take the Schlesinger plan, it will be far, far more expensive. We do not have a breakdown from Secretary Schlesinger.

It is a very surprising thing to me at this particular point with Stone & Webster and all the other advisers, you would think they would say, "Now, wait a minute. Let us find out exactly the cost to raze the building," that is, tear it down, demolish it," since that has been considered and enacted upon by the Intelligence Committee of the Senate, by the Appropriations Committee of the Senate and the U.S. Senate itself." You ask them what that cost is. They do not know. You ask them what the cost is to complete the three floors. They do not know. You ask them what the cost is for the annex and they are unsure.

Now what you really are learning is two things. One is in my judgment—and this is only the judgment of the Senator from South Carolina—Secretary Schlesinger had assumed in the first instance that it was not worth arguing with the Soviets about the building and tearing it down in diplomatic or foreign policy negotiations or otherwise. Since it was assumed that we could not do that we never really considered those particular costs; namely, tearing the entire building down or any other particular procedure other than to do the best with what we had at the time and moment, which is right now. So he never did get any breakdowns. He assumed that in the first instance. Otherwise, with respect to these costs, he figured, I guess, that we would go ahead with them and they could just draw pictures and we would not worry too much about the cost because we had a very delightful plan. And we all have xerox copies of the plan just like when you had an architect build you a home, it just looks so pretty. It has trees and everything else. It really begged the intelligence of the Intelligence Committee, the Budget Committee, and you as Senators on this particular approach because it more or less assumed if the State Department

could get a man of credibility like Secretary Schlesinger and a pretty picture for the Senators to see, that they would say, "Oh this is fine, this is what he recommends and that is what we should do."

Absolutely not. We would go into very, very, very thorough debate if there was any inkling of that kind because what you would really do in adopting the Schlesinger plan was yield to the total penetration of a five-story building which could serve as an antenna on the one hand for everything in and around it or could be attacked with other particular devices in the security or intelligence game that would cause us terrible problems.

I cannot see anything to do but call on the Soviets to complete their contract. They say they always live up to their agreements and their contracts. The contract in this particular instance is for an eight-story building without defects. There is a particular provision in this contract that they should be responsible for any defects. If the penetrations and the inclusions and the intelligence devices and listening devices are not defects in their particular construction, be that as it may, we are not surprised—they will all say, "Oh, you have got to be more sophisticated." I am not surprised. I go along with that. It was stupid of us to trust them. But trust them we must and they got caught. They are the ones who penetrated and they are the ones under the contract that should pay the cost.

Now, what you have in the House amendment is a reaffirmation of the language we put in, in Congress in 1985. They said they should not get into Mt. Alto until we had a satisfactory facility in Moscow. There is nothing new about it. If we can put this off until November—no money will be expended until November—inferentially then after November we could go ahead with some State Department plan that should be strongly opposed by all Senators intimate to this particular problem.

What we are asked for in the House plan is a finesse on the one hand, the Schlesinger plan for a penetrated facility on the other hand, and a hohum shrugging of the shoulder. Millions of dollars for a five-story building for the Soviets' bugging devices.

They have sophisticated elements in there and the only saving grace at this particular moment is that they probably have already expended more money than we have. But that does not help us in getting a secure facility in Moscow.

I know that my colleague from Florida, Senator CHILES, who has expressed interest over the years in this particular situation, is approaching the floor, and he will want to be heard.

Let me see if anyone wants to talk in opposition or in support.

I yield the floor.

Mr. RUDMAN. Mr. President, I support the amendment of my distinguished colleague from South Carolina, the chairman of the Subcommittee on Commerce, Justice, and State, the Judiciary and related agencies. I do so because I have become convinced that there are virtually no guarantees the new chancery building in Moscow can be made secure from electronic penetration by the Soviet Union.

I have reviewed with great interest the recommendations made by former Defense Secretary James Schlesinger regarding the new office building in Moscow. Many of his suggestions deserve our support, including the proposal that responsibility for carrying out remedial action be vested in one individual, and that we establish a strategy of defense in depth to protect sensitive elements of our Embassy.

However, I am surprised that he was able to conclude that the top three floors of the new Embassy building should be torn down and rebuilt, and that the lower five floors be retained after efforts are made to neutralize Soviet intrusions. The reason I am surprised is that in his prepared statement before the Senate Budget Committee earlier this week, Secretary Schlesinger admitted, "Soviet security services have extensively permeated our new chancery building in Moscow with a full array of intelligence devices for which we do not yet understand either the technology or the underlying strategy." If we do not understand the problem, how can we propose a remedy?

Secretary Schlesinger recommends that the upper three floors be replaced using modular steel construction techniques. Mr. President, it is no secret the new office building is, in effect, a large array antenna assembly. Adding a new steel structure to the top of the building may require the Russians to "retune" this antenna, but it may well remain an antenna nonetheless.

One of Secretary Schlesinger's suggestions is that we construct a secure annex next to the chancery to house the most sensitive operations of the Embassy. A new building is certainly needed; however, retaining the current structure makes no sense, especially if we remain uncertain about the extent of the Soviet penetration.

Several months ago a staff delegation from my office and the Appropriations Committee visited Moscow to review the problems at the new chancery building. They asked our senior security expert at the Embassy whether the new building could ever be assured of being made secure. They were told that in his opinion, this was "impossible."

It seems to me the burden of proof belongs with those who believe the new building can be made secure. The State Department and Secretary Schlesinger admit they do not fully understand the nature of the Soviet electronic surveillance system. Does it make sense to commit $80 million to a proposal that does not provide a reasonable assurance we can have secure operations in Moscow?

It is time to cut our losses, Mr. President. It is time to demolish the Moscow chancery building and replace it with a new, secure facility.

The PRESIDING OFFICER. Who yields time?

Mr. HATFIELD. Mr. President, I am faced with one of those situations which is not very comfortable, and that is that we are locked into a certain timeframe and a certain procedure that in no way casts any question as to the validity of the issue raised by the Senator from South Carolina [Mr. HOLLINGS].

I only want to say that any change we make in this conference report obviously has to go back to the House of Representatives. I am not sure how long the House will be in, but let me just recall for a few seconds some history.

Time and time again in the appropriations process, we have faced one of the same situations where the House has either sent us an appropriations bill or a continuing resolution after a conference has been held, adjourned, and gone home. It is in our lap then. I do not like the procedure. Oftentimes I think it is perhaps orchestrated, or at least it happens frequently enough that I gain that suspicion. We are in this kind of timeframe now.

The Commodity Credit Corporation has been out of money since May 1. I think that any Senator here who has any agricultural interests in his State, and most of us do, will have heard from those farmers and those producers of our foodstuffs about the desperate situation they are in, waiting for this supplemental to pass and be signed into law.

We are not in an area where we can make predictions with any certainty; but, based upon the record of history, I would venture that with the 2-hour time limitation we have on the Hollings amendment, with the amendment that is to be offered by the Senator from North Dakota [Mr. BURDICK], with the amendment to be offered by the Senator from Montana [Mr. MELCHER], in all probability before we can finish this supplemental appropriation conference report, the House will have gone home.

I just think that this is the issue—not the question of the very eloquent argument by the Senator from South Carolina about the Embassy in Moscow, but the issue, really, is going to be whether we are going to delay the Commodity Credit Corporation and the other parts of this supplemen-

tal with respect to funds that are desperately needed and long overdue because of the delay in finalizing this supplemental process.

Again, I emphasize that I am not arguing, nor am I debating, the merits of the case on this amendment, as much as I am pleading to the Senate to reject all amendments, anything that will change the conference report, whether it is the Hollings amendment or the Burdick amendment, or the Melcher amendment—and there are no other amendments in order. Any amendment, any change in the conference report, will delay—or we have a good chance of seeing a delay—this whole supplemental until after the recess.

I am convinced that what the House has done on the Hollings amendment, what they have done in conference, and what they have done in the authorization process of the State Department authorization bill that is now in the Senate Foreign Relations Committee, they have addressed this issue. The Senator from South Carolina may not like the language of the House on this question in the House authorization bill now in the Foreign Relations Committee; but I say to the Senator from South Carolina that he has a vehicle; that once that bill is reported out of our Foreign Relations Committee, he can amend that bill, dealing with the issue with which he is now confronting the full Senate. Who knows? I may support him. I do not know.

Again, I am not addressing the merits of the case. I am merely saying that any delay is going to run the risk of losing a week that is badly needed not only by the farmers and the Commodity Credit Corporation but other parts of this bill as well.

I do not like this role. I do not like the situation we are in. But that is the situation we are in, and we have to deal with the reality of where we are.

On that basis, I do oppose the Hollings amendment, as comanager of the bill. I will not speak for my colleague, the Senator from Mississippi. That is for him to do. I am not addressing the merits of the case, I am merely addressing the circumstance—unfortunately, the circumstance we are in—but we must deal with it.

Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. SYMMS. May I have 2 minutes?

Mr. HATFIELD. I yield 3 minutes to the Senator from Idaho.

Mr. SYMMS. I thank the distinguished Senator for yielding.

Mr. President, I understand the dilemma he is in, but I must say that I am very sympathetic and supportive of what the Senator from South Carolina is trying to do.

I introduced a resolution, with the cosponsorship of the majority leader, several weeks ago, that addressed this issue. The measure that I and Senator BYRD introduced is at the Foreign Relations Committee. It simply states that the United States will abrogate the agreements that were made between the Soviet Union and the United States and that we will not allow the Soviets to occupy their building here; that they will have to go to a piece of property that is 90 feet high, no higher than this Capitol building, and have their building; and that they will not have free access to spy on the United States of America.

I hear the dilemma of the distinguished Senator from Oregon and the distinguished chairman of the committee, the Senator from Mississippi, but I do not know what we are supposed to do. You cannot get the U.S. State Department to get off the dime. They do not want to do anything to make the Russians mad, absolutely nothing. Do not make the Russians mad. They might not sign a treaty. That is all I hear from Foggy Bottom. They have these détente-minded people who want to deal with the Russians.

If we want to help the American farmers, we ought to have a farm control treaty, whereby we can with our friends in France, West Germany, Great Britain, Australia, and Canada, people we can trust and do business with, and get a treaty with them; and we will stop subsidizing agriculture and we would not need the CCC and our farmers could compete.

Our farmers could compete. But no, we cannot do that. We want to run over here and have a deal with the Soviet Union whose entire record is lying, cheating, stealing, duplicity. They never keep a treaty. They have not kept a treaty. The Senator from South Carolina knows that.

Now, what they have is an Embassy here that is a headquarters for spying on the Pentagon, the White House, the State Department, this Capitol, our very phone calls.

We cannot get the State Department to act on it. The President has the authority right now to fix this situation. He does not need the amendment of the Senator from South Carolina. He does not need the bill that this Senator and the distinguished majority leader introduced. All he needs to do is act on it.

If we cannot get him to act on it, then the only course of action is to take a course of action that the Senator from South Carolina has taken and that is offering an amendment and speak to the issue and this will finally get to it if you cut the money off.

So I compliment my friend from South Carolina and thank him for offering this.

I hate to go against the position of my good friend from Oregon because I have been trying to get this appropriation bill passed without all the other appropriations, just the CCC, for several weeks.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. SYMMS. I thank the Senator and I yield the floor.

Mr. HATFIELD. I thank the Senator from Idaho. I think he has made an accurate statement of the record.

The Senator has been very, very adamant in gettng this bill completed in order to help the farmers of Idaho and the Senator, of course, is now concerned with whether he is more interested in the farmers of Idaho or getting the issues addressed on the Moscow Embassy. That is a tough decision, I know, for the Senator from Idaho.

I yield 5 minutes to the Senator from Rhode Island.

Mr. PELL. I thank my colleague from Oregon.

Mr. President, to put this situation in perspective, I think we ought to look at how we arrived where we did. When the Embassy was originally proposed to be built some years ago the Soviets wanted to be out in Chevy Chase. They were not wanted there. Then they wanted to be in downtown Washington. They were not wanted there. The executive branch persuaded them to take the Mount Alto site.

By the same token, the United States Government was offered a higher site outside of Moscow that was less convenient but had other advantages. Instead, we chose the current site closer to Kremlin.

At that time, the administration exercised faulty judgment.

What do we do now? We really have five alternatives. We can attempt to surgically remove the bugging devices. We can remove and replace the top three floors. We can build a new adjacent building and use the bugged one for unclassified activities. We can demolish the bugged building and construct a new one. We can upgrade the old chancery building. We can combine some of these options, but those are our five essential choices.

We have already received the Schlesinger report. We are waiting for the Laird report. We are also waiting for the report from the President's Foreign Intelligence Advisory Board.

I think we should recognize that this issue is like pregnancy—she either is or she is not—similarly a building is either secure or it is not.

I think I am the only Member in this body who actually served this Government behind the Iron Curtain and was exposed to living conditions there. I know that we always assume that any room we are in that was not built by us is insecure. We did not talk there. We presumed that everything we said was bugged.

Now, there is nothing new about this. I hope we do the same to them. Apparently, they are more competent than we are.

We should not be surprised about what happened in Moscow. It was our own Government's incompetence that permitted it to happen.

The question is now what do we do about it. We can wring our hands and take the needlessly expensive action that this amendment would mandate.

I would suggest we wait a few months; wait until the State Department authorization bill is on the floor, wait until these other reports arrive, and then make our choice of the various alternatives. Our decisions should be based on security as well as cost.

Mr. President, our outrage over Soviet actions against the United States Embassy in Moscow has spawned a number of legislative proposals. Some of these proposals demand an immediate assessment of the security breach at the Moscow Embassy, together with recommendations from the President regarding the best way to protect the security of that Embassy in the future. Other proposals rush to the conclusion, before any intelligence assessment was done, that we cannot salvage any portion of the new Embassy in Moscow.

The Foreign Relations Committee spent many hours fashioning a responsible bipartisan solution to the Moscow Embassy problem. What emerged was a provision sponsored by myself, Senator LUGAR, Senator MURKOWSKI, Senator KERRY, and Senator BOSCHWITZ which prohibits the Soviets from using their Embassy here on Mount Alto until the United States has a secure Embassy facility in Moscow and requires the Secretary of State to provide a complete list of options for the future disposition of the United States Embassy in Moscow.

We have already received the recommendation of the Schlesinger Commission on this question. And the commission has concluded that our best option is to keep part of the existing Embassy structure. And we are still awaiting the findings of the Laird Commission and the President's Foreign Intelligence Assessment Board.

We should not rush headlong to a decision to tear down the Embassy when one distinguished panel has reached the opposite conclusion and we have not yet received the recommendations of the President's other two advisory commissions.

The Senate will have an opportunity to consider this issue in a judicious manner when the Foreign Relations Authorization Act is brought to the floor. Until then we must not prematurely take an irreversible step that is inconsistent with the recommendation of our security experts.

I therefore urge my colleagues to vote to recede to the House position on this issue. The House language allows us to keep our options open so that we can fully consider this question on the basis of all the advisory commission recommendations when we take up the Foreign Relations authorization bill.

I recommend that we do not approve this amendment as needlessly expensive and I think not in the national interest.

The PRESIDING OFFICER. Who yields time?

Who yields time to the Senator from Florida?

Mr. HOLLINGS. I yield time to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. CHILES. Mr. President, we do find ourselves in a dilemma at this hour to find the House where they are in this bill.

I listened to my good friend from Rhode Island. It does not give me a great deal of comfort because we have been trying to get the State Department and the Government to do something about this for a long, long time.

It goes back several years, and if you look back we tried 2 years ago. We passed legislation here requiring the Soviet Union to reimburse the United States for any damages in cost, and at that time we tried to get the State Department looking at this situation.

Last year again we passed legislation requiring the National Bureau of Standards to go look at the building.

In each instance the State Department has faulted the legislation that we were attempting to pass, said it was not necessary, said there was no problems and we are on top of this situation.

Now suddenly we find we have a building there that we spent tremendous sums of money on that we cannot use the building.

The question is, What can we do?

Mr. Schlesinger says that you can knock off two or three stories and saw the building off and they can come in, isolate and use a couple blank stories and put these others in and build an annex.

I do not think we know whether that is going to work or not. We just had his report. We have to have all kinds of time to see whether that is going to work. There is no way in the world to say we are going to go along business as usual.

The State Department can do anything that they want to here. They bungled this. They are bungling the other embassies they are building. We have to see that is stopped.

We are trying to say we are going to stop some of the funds until we have direction for this. They are spending $5 billion in these Embassy construction projects. This one has escalated. It is already three or four times what they said this chancery is going to cost.

We can go back. We are talking about 10 years, longer than 10 years, from the time that we started it. We are still at ground zero. We do not know what is going to work.

We find ourselves at this hour with a bill held hostage because farmers want to get the CCC and it is a dilemma for us to be in, the Senator from South Carolina, who is the prime sponsor of this, and for the rest of us who are sponsoring this to know what to do.

I think we definitely want to know that we are not going to allow this thing to get out from under us. We do have the other bills coming down the pike. I do not know whether we can handle this with a voice vote.

Mr. HOLLINGS. He said, "No."

Mr. CHILES. We cannot.

Then I think we are placed in a further dilemma on what we do on this.

But it is pretty obvious to me that you cannot just sit back and allow the State Department to go their merry way as if there is no problem here—there is no concern—there is nothing that we do not have to do anything about this.

I think we have to determine whether the State Department is qualified to continue to build these Embassies. As we said many times, nobody gets appointed Ambassador or promoted in the State Department by the fact he has something to do with buildings. That is not their mentality. That is not what they are interested in. They certainly have not shown any aptitude for it.

If you look and see what is happening in Cairo, look and see what is happening in Somalia, see what is happening in Yemen, and any other place where we have some construction going, it is a disaster. We are squandering money and not doing it properly, and we have to get on top of that.

So unless we do that soon—I think we are saying we are going to do that—and a number of us, Senator LEAHY, Senator JOHNSTON, and I have sponsored two amendments beginning 2 years ago and then beginning this year, and I think that we are now determined that we are going to see some action taken.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, what time do we have remaining, please?

The PRESIDING OFFICER. The Senator from Oregon has 45 minutes. The Senator from South Carolina has 38 minutes.

Mr. STENNIS. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. STENNIS. Mr. President, since we started discussing this new phase

of it, the testimony has been heard and been stated here from Mr. Schlesinger's concerning his trip to Moscow and the report that he made back is encouraging to all of us, as I understand it.

Certainly, it is a signal for a new start. I believe in the practical realities of this situation and ensuring that the bill signed by the President tonight and thus become law.

I just think that if we are going to get that done, we are going to have to act here within the next few minutes. If so, we will still have a chance, as I understand the facts, to get the matter back to the House for possible consideration tonight.

We must try hard to carry this bill to its final conclusion because a promise has been made that everything that possibly can be done will be to put it all in there together and get the papers and get the agreements and get it signed by the President this day and thereby meet our obligations.

I think that the Senators are moving on this problem by just taking it out of the bill where it has already been put in. With all respect to them, I believe it is a backward movement that leaves us further away from consummation and getting this thing agreed to and getting everything else agreed to and moving on its way. So that in itself is worth a whole lot to us.

I am also personally convinced, what I know about it, that this is probably the best way to get a building that meets our requirements constructed in time. So, there are quite a few of the Members who find that they are interested, and know something about it, they can contribute to this problem and help bring about a more satisfactory solution to this problem

I was shocked myself when I first heard about the situation that we are in and how it came about. Certainly, I am fully convinced that something must be done about it. But I believe with the start that has been made now, but the situation now, where actual, constructive, meaningful improvements can be made, that money will become available through this bill and therefore whatever time is needed that will be included, too.

So I hope that we could settle the thing. It is not a matter of losing or winning. There is nothing like that involved. But if we could settle this matter it would be the most satisfactory way to get at it.

I appreciate the contribution that everyone has made, including especially the Senator from South Carolina, who I found a long time ago if you want to get things moving around here, you get him in it. And I admire him for it.

Otherwise, we are going to have to extend this thing. We would have to call for a rollcall vote, for instance. I just believe we can settle it. It is our responsibility and we will get a better settlement this way.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, first, let me say to our distinguished chairman of the Foreign Relations Committee, I could not quite follow what he was talking about being pregnant or not being pregnant. And I will confer with him a little bit further about that because we have not experienced it. I did not know how that was relative to this particular problem, except perhaps in a crude fashion.

Let me just say this about needlessly expensive cost. Let me immediately correct that particular comment by the Senator from Rhode Island. There is no question that the actual razing of the building at this particular point, moving forward with the construction of an entire new module of buildings that we could be responsible for without the penetrations and without the adulterations, that it is far less expensive, both in cost and security.

There are two costs when we discuss being expensive. The No. 1 cost, of course, is the dollar cost. And we can go right to the heart of that particular matter in order to protect the first five floors, saw off and replace the upper three floors on, put in the annex and try to get back to what we originally intended, comes to $80,000,000. Dollarwise, that is submitted by the Schlesinger testimony and State's Foreign Buildings Office right now talking on this particular score. But there is also the security cost, and that is highly expensive.

To presume now with all of their sophistication, because we have served in the Foreign Service, that we are going to have at least five stories for the Soviets, for their ears to occupy, is beyond my comprehension. Because that is veritably what we will have. We ought to know these kinds of things. And that is the way we live and that is the way we assume. So now we have built the building with the Soviets.

I know at the present time with the old building we have got a time-sharing plan. We have had it in the daytime and the Soviets had it at night. They did not pay for that. But let us go back to our original contract here with the Soviets. And it is not any expenses whatsoever, saving time.

Under our contract, we contracted for a secure building without defects. And their having planted the defects and being responsible thereto, as a result we should give them the bill. And if we do not have any character and backbone of steel in this State Department, it is time the national Congress gives them some. It is time we give them some. And that is why it is a matter of the supplemental bill consideration and why we presented it in both the Intelligence Committee and in the Appropriations Committee.

Now, I have talked to the distinguished Senator from Oregon, our ranking member and former chairman, who supported us when we passed this. But, obviously, they feel the constraints of the pressures with our farmers calling for the commodity credit payments. The Senators from Nebraska and North Dakota and others want to support this particular position but they are very, very understandably worried about getting this bill finally out.

The Senator from Mississsippi, our chairman, Senator STENNIS, puts it in the most diplomatic and tactful and gentlemanly way. And I appreciate that. We all appreciate his magnificent leadership.

Translated, he says: "Why don't you just put this on the regular bill rather than on this supplemental, because we have got bigger fish to fry here this afternoon."

I rather agree with it. I rather agree, to be a realist. It is like taking castor oil for me, because the common sense is so clear about the penetration, the responsibility and the physical fact that we want a secure building and cannot make it secure unless we raze the building. And we do not need studies because I can give you studies by the various agencies of Government, contractors, and otherwise, that have all said, there is no dispute about that, to make this building secure as it now stands in Moscow, you veritably have to tear it down.

So we are acknowledging a fact of life in our particular amendment and want to move forward. To save what? To save cost. So we have not operated here without study. And we strongly resist these fuzzy notions that continually come from the State Department. They are hard-bitten. You cannot teach them anything. And they are responsible for this nebulous lack of security as already proved by the old facility with the regional security officer and the former Ambassador, whereby a marine who was on guard said:

> Look, I learned at Quantico about security and the fundamental authority and responsiblity of guarding down at Quantico as a Marine. But when I got there, the pace and the decorum and the environment was set and the practice and policy was set by the Regional Security Officer and the Ambassador so that when I complained, they took it as a personal sorehead situation and I was discriminated against as a result thereof.

And he made his statement about the blackmarket, everybody being in it. He made his statement about taking the money and even wanting to build a home down in Greece and everything else. And this is the way it was.

That is what the Congress is screaming about here this afternoon. That is

why you have got the State crowd moving all about with these picture book studies like we have to do now in the Pentagon, Senator. They cannot understand the field manual so we publish them in picture book form.

So the idea is that with those unintelligent Congressmen and Senators, if we will give them a pretty picture, since they could not attest to a single cost, and tell them we are going to build a little annex out here, that it will all be a wonderful thing, and they will go back and sleep on something else more important like the Gulf of Persia or Contra aid or whatever else it is.

Under the circumstances, though I resist doing it, I think the better part of common sense, parliamentary, at this particular point, Mr. President, is to withdraw the amendment and move concurrence in the House amendment.

The PRESIDING OFFICER. Is there an objection to the amendment? Hearing none——

Mr. STENNIS. Would the Senator yield just a second? As I understand it, Mr. Chairman; I just want to be sure—and I am grateful for the Senator's consideration there—that this will withdraw your amendment and that will leave it where we would not be required to go back to the House?

Mr. HOLLINGS. Yes. The House amendment, everyone, it is only a few lines that states that the Secretary of State shall not permit the Soviet Union to occupy Mount Alto until we have a satisfactory facility to occupy in Moscow. That has been in the 1985 law. It is nothing new. It also provides that none of the funds in this act or any prior act may be obligated for the new office building in Moscow prior to November 1, meaning of course we can handle it in the regular bill.

Mr. STENNIS. I certainly thank the Senator, and I believe he will make futher contributions along this line before we finish this process.

The PRESIDING OFFICER. Do both sides yield back their time?

Mr. STENNIS. I yield back my time.

The PRESIDING OFFICER. The Senator from Oregon yields back his time and the Senator from Mississippi yields back his time.

Under the announced agreement, the motion to be presented by the Senator from North Dakota is the next order of business.

Mr. HOLLINGS. Will the Senator from Nebraska yield so that I might ask unanimous consent for permission to concur in the House amendment. Mr. President, I think parliamentarily we want to have that concurrence and settle this particular question.

The PRESIDING OFFICER. The Senator is correct.

Mr. HOLLINGS. I ask unanimous consent that we be permitted to move concurrence in the House amendment.

The PRESIDING OFFICER. Without objection, the motion is agreed to.

Mr. EXON. Mr. President, I ask unanimous consent that I may be permitted to continue for 1 minute.

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

Mr. EXON. I want to thank my friend and colleague from South Carolina. I know he feels very strongly about the issue he just addressed so well on the floor by the U.S. Senate and it might well be that this Senator at another time and another place would be able to support my friend from South Carolina. He has been very gracious because I think he understands very well that the Commodity Credit Corporation funding is tremendously important to the farm States and I think that, among other reasons, was a major consideration in his generously agreeing to withdraw his amendment, setting it aside at this time when it can be addressed more appropriately another day and I thank my colleague.

Mr. HOLLINGS. I thank the Senator.

Mr. HATFIELD. I would also like to express my appreciation to the Senator for handling this matter in a very statesmanlike way.

Mr. President, I look forward to the next vehicle upon which the Senator from South Carolina will raise this issue and I really welcome that opportunity; and I welcome that opportunity to see it debated on the merits of the case rather than the procedural situation and the timeframe that we are acting upon now.

Mr. HOLLINGS. I would thank my esteemed colleague.

Mr. HATFIELD. Mr. President, now I understand that we have unanimous consent, I move to concur in this amendment No. 26. That has been disposed of. Amendment No. 33 has been disposed of. We have now remaining only amendments 219 and 387.

Is that correct?

The PRESIDING OFFICER (Ms. MIKULSKI). That is correct.

The motion was agreed to.

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

The PRESIDING OFFICER. The Clerk will call the roll.

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

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

Mr. LEAHY. I have a parliamentary inquiry. What is the parliamentary situation right now?

The PRESIDING OFFICER. The Chair is required to recognize the Senator from North Dakota to make a motion. If the Senator wishes to seek time, he must seek it from the Senator from North Dakota.

Mr. LEAHY. Will the Senator yield to me for 90 seconds?

The PRESIDING OFFICER. The Senator may also ask unanimous consent to speak out of turn.

Mr. LEAHY. I ask unanimous consent that I be allowed to continue for 2 minutes.

The PRESIDING OFFICER. You are asking for unanimous consent to speak out of order?

Mr. LEAHY. Yes. For 2 minutes.

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

Mr. LEAHY. I will try to stay within order in the Senate, but out of order of Senators. I understand at this point, Madam President, or subsequent to recognition of the Senator from North Dakota, were I to bring up an amendment, that would be in order?

The PRESIDING OFFICER. The Senator is correct.

Mr. LEAHY. Madam President, I want to compliment the distinguished Senator from South Carolina for his efforts, but also in withdrawing the amendment. I know he feels very, very strongly on this issue and has spoken very strongly, but I compliment him in withdrawing it for two reasons.

First, the central nature of moving that appropriation forward, and I think kind of wearing my hat as chairman of the Senate Agriculture Committee, I know how important it is to get that CCC money out and I compliment and applaud him for that.

Speaking as the former vice chairman of the Senate Intelligence Committee, the Senator knows the scenario where I have virtually shouted warnings to the State Department for a number of years on this problem and we have worked together on that committee on it.

Mr. HOLLINGS. Will the Senator yield?

The distinguished Senator has led us all on this. He brought about elimination of the Soviet nationals in the Embassy and obtained a lesser representation in the Leahy bill. That would really apply here when we discuss it, Senator, in depth and in merit, because there is no reason for an eight- or nine-story plus an annex. That goes in the opposite direction of the Congress, in adopting the Leahy principle with respect to our Embassy commitment there in Moscow. I commend the Senator on his leadership and I appreciate his comments.

Mr. LEAHY. Madam President, there are several alternatives for dealing with the Moscow Embassy security problem. One approach, the Senate language in the supplemental, which the House refuses to accept, provides that funds may be used only to demolish the new chancery building under construction in Moscow. The House points out that the authorizing committees are working on this problem right now, and that blue ribbon panels

and study groups in the executive branch are preparing recommendations for the President on the entire Moscow Embassy situation. Congress should allow the President to digest all these reports and present a coherent program to deal with this outrageous failure by the Department of State.

Overall, the provision in the Senate bill is similar to an amendment the distinguished Senator from Florida [Mr. CHILES] and I intended to offer in the Appropriations Committee. However, there is one crucial difference—it does not contain language we had in our version allowing funds to be spent on the option of partial demolition and reconstruction of the new building, as well as total destruction. That option ought to be preserved as well. We incorporated language in our version to allow for the possibility that Dr. Schlesinger would conclude that a practicable solution could be the partial demolition of the building, total reconstruction of several of the top floors, and possibly the addition of a small annex.

Mr. President, as is well known, I am extremely skeptical of the State Department's management of the Moscow Embassy fiasco, from a security, cost control and construction point of view. The State Department's Office of Foreign Buildings has, in effect, allowed the KGB to be a prime contractor for our new Embassy building. It is riddled with bugs, and there is no way sensitive diplomatic functions can be carried out in its present condition.

I yield to no one in efforts to wake up the administration and Congress on this issue. For several years, I have strongly criticized the attitude of those in the State Department charged with the responsibility for this project. In 1985 and again in 1986, Senator CHILES, Senator JOHNSTON and I offered successful amendments on this floor which required the Department of State to insist that the Soviet Government compensate the United States for contract damages we had to pay for construction delays caused by the Soviet authorities. The distinguished Senator from Maine [Mr. COHEN] and I did an amendment in 1985 aimed at slashing the number of Soviet nationals working in the old Chancery Building, and at the same time spying on our diplomats. When I was vice chairman, the Intelligence Committee issued a comprehensive report on espionage and security which focused on the disaster at the Moscow Embassy and the inability of the Department of State to deal with it effectively.

My well-known skepticism about the State Department's attitude toward the espionage threat, its unconcern about skyrocketing costs, and its unwillingness to demand full equality and reciprocity of rights and obligations from the Soviets would ordinarily lead me to agree that we should just tear down the building and start all over again. However, my great confidence in Dr. Schlesinger persuades me Congress should not foreclose consideration of the Schlesinger report recommendations.

Mr. President, on Monday, Dr. Schlesinger appeared before the Senate Budget Committee to outline his plan. Thanks to the courtesy of the distinguished chairman, my good friend from Florida, I participated in those hearings. Dr. Schlesinger, a former Secretary of Defense and former Director of the CIA, assured the Budget Committee that, if his recommendations were implemented, the United States would have an Embassy facility in Moscow which could be secure from Soviet eavesdropping and where confidential diplomatic work could be conducted.

Very briefly, Mr. President, Dr. Schlesinger recommended that the 1972 agreement with the Soviet Union concerning construction of the two chanceries be renegotiated so that any further building on the United States site would be done solely with American materials and solely by American workers. No more work would be done offsite as, incredibly, was the practice prior to the cessation of construction in 1985 when all the bugs were revealed in the structure. No Soviet materials would be used, complete with listening devices courtesy of the KGB.

Dr. Schlesinger also recommended that the top three floors of the building be demolished and totally rebuilt to be fully secure against Soviet bugs. In addition, he recommended that a small annex be built in the forecourt of the present building under construction to house sensitive functions of the Embassy. Deputy Secretary Whitehead, who also testified in those hearings, responded in answer to a question from me that the rough total cost of this new construction of secure facilities would be about $80 million. He said that $43 million remains unobligated from existing appropriations and about that much more would be needed in new funds.

The American taxpayer has already reached into his or her pocket for $196 million for this disaster on the banks of the Moskva River. Some $40 million in new money, according to Deputy Secretary Whitehead, will be needed to have the secure facilities Dr. Schlesinger assured the Budget Committee can be had with the implementation of his proposal.

Again, I compliment the distinguished Senator from South Carolina for withdrawing his amendment from this urgent supplemental. I thank him for his kind remarks and I look forward to working further with him on this issue.

Mr. DECONCINI. Madam President, I ask unanimous consent that I speak out of turn for not to exceed 2 minutes.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DECONCINI. Madam President, we are here today to bring down the curtain on the fiscal year 1987 supplemental appropriation. I would like to commend the chairman of the Appropriations Committee and the ranking member for the fine work they both have done, the distinguished Senator JOHN STENNIS for his patience and skill and that of Mr. HATFIELD for his persistence and insistence that we move this along.

The conference calls for $9,377,000,000, which is $382.4 million below the Senate-passed bill, only $126.2 million over the House bill and a staggering $2.7 billion or 22 percent below President Reagan's supplemental budget request.

That last statistic bears repeating at a time when President Reagan is galloping around the country, bashing the Congress for being big spenders and crying about the need for line-item veto and other constitutional authorities.

The Congress has once again shown the American people who the big spenders are, who the real budget buster is, and that is President Reagan.

Once again, like a broken record that seems never to be heard, the Congress has cut the President's budget request and put another notch in the fiscal belt that the President seems unwilling to tighten on his own.

Madam President, the steady hand at the helm of this long and extraordinary supplemental appropriations process has been that of the chairman, Senator STENNIS. Early and often in the cycle he told his troops, the members of the committee, to keep the dollar expenditures down and fund only those items that were an absolute must. He said that in the conference and the conferees have responded. He did it quietly, without fanfare, but with a firmness of purpose that told all of us to do our work.

The same is true with the distinguished ranking member, the Senator from Oregon [Mr. HATFIELD].

Madam President, the supplemental conference report is a product of their skill and their leadership. It is an effort by our chairman, the ranking member, and the members of this committee. This conference report deserves our overwhelming support.

Madam President, I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, I ask unanimous consent that I may be permitted to speak for 2 minutes.

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

Mr. DOMENICI. Madam President, the fiscal year 1987 supplemental appropriations bill now before us comes back for conference at approximately the outlay level in the Senate-passed bill. I am going to support this conference report.

Madam President, the bill provides $9.8 billion in budget authority and $3 billion in outlays to fund Government activities for the remainder of fiscal year 1987. With mandatory and other adjustments taken into account, the bill adds $3.6 billion in budget authority and $2.6 billion in outlays to the current level.

The enactment of this conference report would put congressional action $0.3 billion in budget authority under and $15.9 billion in outlays over the fiscal year 1987 budget resolution ceilings.

There are a number of programs worthy of support in this bill, many of which are "must do" items. The long-delayed aid for farmers through the Commodity Credit Corporation is provided, as is funding for the costs of Federal civilian agency pay raises and the Government's contribution to the new Federal Employees Retirement System [FERS].

I am pleased that the conferees retained my amendment to limit the funding for FERS to that purpose only. The $1.2 billion in the bill for FERS costs represents slightly less than half of the outlay overage in this bill. With existing budget constraints and the preliminary nature of our FERS estimates, I believe this is a responsible approach for this fiscal year.

I would also like to sincerely thank my esteemed colleagues, Senators DECONCINI and MIKULSKI, and Congressman HOYER for their fine efforts to craft drug testing language that goes far to meet the objections of the administration but also offers needed protection of the rights of Federal workers.

I congratulate the conferees for their inclusion of $355 million to support the homeless initiative, and I ask unanimous consent that a table summarizing the conference outcome be placed in the RECORD at this point.

I am especially gratified that funding is provided to support my proposal to provide comprehensive services to those homeless who suffer from serious mental illnesses.

Finally, I appreciate the conferees' support for my amendment relating to DOE's site selection process for the superconducting super collider. I firmly believe the siting of this project should be based on the overall suitability of the site and not merely auctioned off to the highest bidding State.

I can assure my colleagues that the Domenici language is not intended to delay the application process. It is not the intention of the conferees that States rework their applications, nor that State initiatives to improve proposed sites be suspended. Language to this effect has been included in the conference report at the request of the House conferees.

The report language also acknowledges that the method of financing this multibillion dollar project has not yet evolved. This should not be construed as questioning the wisdom of proceeding with the SSC project, which will be the largest and most powerful particle accelerator in the world and the centerpiece of research in high energy physics.

The conferees simply recognize that in any major undertaking of this kind, and with existing budgetary constraints, the Nation must work together to make it a reality.

Madam President, the Senate has had a lengthy debate on the budget and policy aspects of this bill, and I believe it should proceed with final disposition of this bill.

Madam President, I ask unanimous consent that a table showing the comparisons between the House bill, the Senate bill and the conference outcome on the homeless initiative be printed at this point in the RECORD.

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

SUPPLEMENTAL APPROPRIATIONS FOR THE HOMELESS TITLE IV—H.R. 1827

(In millions of dollars)

| Program | House bill | Senate bill | Conference |
|---|---|---|---|
| DHUD grants for facilities to assist the homeless | | | |
| Budget authority | $71.5 | | |
| Outlays | | | |
| DHUD emergency shelter grants | | | |
| Budget authority | 95.3 | | $50.0 |
| Outlays | 71.5 | | 37.5 |
| DHUD transitional housing demonstrations | | | |
| Budget authority | 28.6 | $80.0 | 80.0 |
| Outlays | 0.6 | 1.6 | 1.6 |
| DHUD section 8 emergency housing | | | |
| Budget authority | | 50.0 | |
| Outlays | | 1.0 | |
| DHUD section 8 moderate rehabilitation | | | |
| Budget authority | | 40.0 | 35.0 |
| Outlays | | | |
| DHUD permanent housing for handicapped homeless persons | | | |
| Budget authority | 23.8 | | |
| Outlays | | | |
| FEMA emergency food and shelter program | | | |
| Budget authority | 47.6 | | 10.0 |
| Outlays | 47.6 | | 10.0 |
| HUD supplemental assistance grants | | | |
| Budget authority | | | 15.0 |
| Outlays | | | |
| HHS grants for outpatient health and mental health services | | | |
| Budget authority | 71.5 | 30.0 | 46.0 |
| Outlays | 40.0 | 16.8 | 25.8 |
| ADAMHA—Community Support Program demonstrations | | | |
| Budget authority | 23.8 | 75.0 | 50.7 |
| Outlays | 19.1 | 60.0 | 40.6 |
| Community services block grant [CSBG] activities | | | |
| Budget authority | 42.9 | 20.0 | 36.8 |
| Outlays | 42.9 | 20.0 | 36.8 |
| VA medical care (domiciliary care) | | | |
| Budget authority | 20.0 | 20.0 | 20.0 |
| Outlays | 17.1 | 5.8 | 4.4 |

SUPPLEMENTAL APPROPRIATIONS FOR THE HOMELESS TITLE IV—H.R. 1827—Continued

(In millions of dollars)

| Program | House bill | Senate bill | Conference |
|---|---|---|---|
| Department of Education special programs, homeless youth | | | |
| Budget authority | | 2.5 | 4.6 |
| Outlays | | | |
| Vocational adult education | | | |
| Budget authority | | 10.0 | 6.9 |
| Outlays | | 1.0 | 0.7 |
| NOAO offset | | | |
| Budget authority | | | |
| Outlays | | −18.7 | |
| Total Budget authority | [1] 425.0 | 327.5 | 355.0 |
| Outlays | 238.8 | 87.5 | 157.3 |

[1] The homeless title was exempted from the 21 percent across-the-board cut adopted during floor action.

Note: Totals may not add due to rounding.

Mr. DOMENICI. Madam President, I would first like to thank Senator DECONCINI and the occupant of the chair, Senator MIKULSKI, and Representative HOYER for the diligent work that they all put in on the issue of drug testing. I think we have reached a very satisfactory conclusion. I believe our Federal workers are adequately protected. Nonetheless, it seems that in due course, with their rights protected, we will move along in a reasonably good and orderly manner with drug testing where needed. I think that was everybody's goal.

Mr. DECONCINI. Madam President, will the Senator yield on that point?

Mr. DOMENICI. Yes.

Mr. DECONCINI. I am glad the Senator brought that up. As usual, he remembers everybody. The Senator from New Mexico made a crucial point and the RECORD ought to show it. We were able to pass a bill that the sponsor in the House was willing to accept and overcome the objections over there yesterday. The Senator now presiding was able to live with that and work with it. I want to thank the Senator from New Mexico for bringing up the issue before we close out the supplemental.

Mr. DOMENICI. I thank my colleague from Arizona for his kind remarks. I think he would also agree that we ought to include in that statement our thanks to our collective staffs. Clearly, this started off as a monumental task. We had to almost start from the beginning and work the whole thing through. The administration spent plenty of time on this issue with a number of their highest officials, both from OMB and Justice. I want to thank them also.

I believe the Senator from Arizona would concur that in the end we had very few disagreements, and we just had to tell them they would have to take it with the few disagreements that remained. I believe they will. There is every indication that the President will sign this bill in total so the drug testing is obviously going to

be achieved in a manner that we concluded was appropriate.

I also want to thank the conferees for retaining the provision with reference to the superconducting supercollider. I think it is extremely important that we not send a message out to the sovereign States that this project is going to be put up for bid. With the enactment of this bill, we have decided that financial compensation or remuneration from the States, other than the site donation, will not be taken into consideration in the final siting of the SSC. With the passage of this bill and the reference to this act or any other act, this provision will be permanent law, and DOE must make its decision on the overall suitability of the site.

I think that gives the superconducting supercollider the best possible start and does not interfere with the ultimate goals of the Federal Government for the SSC project. This provision is not intended to delay the application process or render some of our State activities inoperative from the beginning.

Last but not least, I am very pleased that the conference was able to work out some very, very major differences in the homeless area. What we have come up with a package that I think is workable. We have a very substantial new program with very, very good criteria for taking care of various segments of the homeless population in the best possible way without destroying the local initiative, which has been so important to this point.

I am a bit less optimistic about the housing portion, but we did the best we could. We were not able to completely mesh the social services and the housing. We had to have the homeless apply separately. I am just hopeful that our language encouraging HUD and HHS to handle them, together where they can, will work.

Madam President, I thank the Senate for granting me permission to speak.

Mr. HATFIELD. Madam 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. MELCHER. Madam President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

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

Mr. MELCHER. Madam President, I ask unanimous consent that under the unanimous-consent agreement my amendment now be in order.

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

Mr. MELCHER. Madam President, I send my amendment to the desk.

EXCEPTED AMENDMENT NO. 387, IN DISAGREEMENT

The PRESIDING OFFICER. First the clerk will report the amendment in disagreement.

The legislative clerk read as follows:

*Resolved*, that the House recede from its disagreement to the amendment of the Senate numbered 387 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

RELATED AGENCIES

NATIONAL TRANSPORTATION SAFETY BOARD

(TRANSFER OF FUNDS)

"Salaries and expenses", $150,000, to be derived by transfer from unobligated balances of "Payments to air carriers";

The PRESIDING OFFICER. The clerk will state the amendment of the Senator from Montana.

AMENDMENT NO. 370

(Purpose: To require the Secretary of Labor to develop a consumer price index which reflects the impact of inflation on elderly Americans from amounts appropriated to the Department of Labor for fiscal year 1987)

The legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER) proposes an amendment numbered 370.

Mr. MELCHER. Madam 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 amendment contained in the motion add the following:

From amounts appropriated under the joint resolution entitled: "A Joint Resolution making continuing appropriations for the fiscal year 1987, and for other purposes", approved October 30, 1986 (Public Law 99-500 and Public Law 99-591) and available to the Department of Labor, the Secretary of Labor shall develop data for, and publish, an index of consumer prices which accurately reflects the distribution of expenditures on goods and services, and the inflation rate within these goods and services, which are purchased by individuals who are 62 years of age or older and who have retired from the work force, and the Secretary shall furnish the Congress with the data and index within 180 days after the date of adoption of this Act.

Mr. MELCHER. Madam President and my colleagues, I shall not take very much time on this amendment and shall briefly describe it and tell you why I think it ought to be accepted and why I believe the House will have no problem with it.

This amendment deals with something that is important to older Americans. In January of this year, the cost-of-living adjustment for those on Social Security, for those military retirees, for railroad retirees, and for Federal retirees, amounted to 1.3 percent, just a shade over 1 percent. They were startled. Particularly startled were those on very limited, narrow incomes, for instance, those whose only annuity, only means of livelihood is a Social Security check, or a railroad retirement check, or a military retirement, and indeed, most of the Federal retirees also because for most of them, their retirement checks are not all that large. They thought to themselves, "Well, this does not reflect the rate of inflation that we experienced in 1986."

So, out of that dialog that we had as individual Senators with our own constituents, and out of the discussions we had in the Senate Special Committee on Aging, we developed this simple little amendment.

The amendment simply states that within a certain timeframe, the Bureau of Labor Statistics will report back to Congress to tell us what should be done, or if it would be wise, how it would be done if we did it, to have a special index on the rate of inflation as it affects older Americans. It is that simple.

Why? Why are older Americans telling us this? They want to know. They well know that their medical expenses went up quite a bit. The cost of prescription drugs went up quite a bit in 1986. They did not just say it went up 9 percent. They said it went up considerably. They found that the things they bought, such as public transportation, were higher. They knew that their phone bill was higher. They knew that quite a few things were higher, but they did not relate it to us in percentage. They said the 1-percent cost-of-living adjustment was not reality.

So, in looking at the increase, we found that prescription drugs did go up between 8 and 9 percent; hospital costs went up between 7.5 percent and 8 percent; likewise with physicians' fees. These are the national averages. Indeed, public transportation did go up. A number of things went up that they have to buy, including phones. They were up an average of 8 percent the last 3 years, for local service.

The older Americans were not blowing smoke. They knew the things they had to buy and could not get out of buying went up considerably. The facts are in.

Why, then, was the cost of living adjustment so low? Well, it goes to the point of what the Bureau of Labor Statistics collects in data.

No. 1, the Bureau of Labor Statistics, in this particular index, does not even discuss with older Americans. They do not have anybody in there except urban people who hold a job and are on a payroll, or they are professional people. They do not have people in this age bracket who are retirees. That is No. 1.

No. 2, what is significant in that index, in the Consumer Price Index? Things that older Americans do not

buy too much of went down, so that dragged the whole index down. That is the reason for the cost of living adjustment reflecting that particular index. It does not take into account older Americans at all and does not weigh the things older Americans must buy, such as those I just enumerated—health care costs, public transportation, phone bills, and, last but not least, funerals.

When we get a certain age, we look at whether we have enough money for funerals. Funerals went up an estimated 6.5 percent last year.

What the amendment simply does is say let us get a handle on this and tell us. Let us get a handle on this through the Consumer Price Index. Let us see whether we need to have something done that is different from what we are doing in looking at this and telling older Americans what the consumer prices are and how much they are going up. That is all the amendment does.

The amendment we have at the desk is different. It was changed in two places. We had 90 days in which to report back to Congress. Then we changed that to 180.

The other point was, which was brought up by the House conferees, was that the Bureau of Labor Statistics says they really do not know from the amendment what are older Americans. What does Congress mean about that? So we put in the amendment those who are retired, who are over 62 years of age, which is a category that the Bureau of Labor Statistics can well identify, and it makes it easier for them to start gathering the data.

Is it going to cost money? I do not think so. We did not provide extra money. We think this is data that can be pulled together by the Bureau of Labor Statistics.

Did the House raise a big ruckus about this? I am told—and I am going to repeat it—that the House conferees said: "We haven't held hearings on this. Besides, the Bureau of Labor Statistics tells us that they don't know when they can get this done. It is too short a period of time. It will take a lot longer than that."

We held a hearing on it in the Senate Aging Committee just the other day, to get as much testimony as we could. We heard from Dr. Norwood, the Commissioner of the Bureau of Labor Statistics; and we think that now, with these two adjustments, this is something that Dr. Norwood and the professionals at the Bureau of Labor Statistics can work with.

We have been told by liaison representing the BLS, in the last 15 minutes, that they believe that with these two modifications, the amendments would be acceptable to them so far as their working with it is concerned. They are very willing to collect the data we need.

What will Congress do when we get this data? I do not know what we will do, because it would take an action by Congress to change anything in the cost of living adjustment.

I think we owe it to ourselves as Senators and the other body, as representatives of the people of this country, to collect the best data we can. But, more important, I think we owe it to older Americans, the retirees, to pay attention, through the data collection process, as to what the impact is on inflation as costs will go up or costs will go down, but looking directly at the type of costs they face each month.

Why do we owe it to older Americans? We owe it to them in particular because many of these 25 million or 30 million Americans are on very limited income. Somebody on Social Security of $500 or $600 a month has to be careful as to how they spend that money. Those on railroad retirement or military retirees, on very limited, fixed income, have to be extremely careful how they spend their money.

We need to know what their costs are. We need to assure ourselves so we can assure them that we are paying attention, that the cost-of-living adjustment for them is based on something that is factual with them.

The testimony received from retired groups was that indeed it is time to know this, to understand that there is a separate category for their costs.

I believe this amendment will be accepted by the House with these two modifications.

I very fervently urge the Senate to agree to it.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. Madam President, will the Senator yield?

Mr. HATFIELD. I am happy to yield 2 minutes.

The PRESIDING OFFICER. The Senator from Florida.

Mr. CHILES. Madam President, I do not intend to take too much time. I do not think we will need to take too much time on that.

I think the Senator from Montana wants a vote on this and I think he is entitled to that.

Let me say I do not want to argue this case on the merits because I support the Senator from Montana. I supported him when he brought it up here. I think having a study on this is fine.

I argued this case when we went to the hearing. The House refused to take the amendment there. It was trying to say that this was an amendment that we had a vote on on the Senate floor. They were adamant in their refusal to take it.

Where do we place ourselves now? This is good. This is something we ought to do. I would like to see us do it.

My understanding is that the Older Americans Act is coming down the pike right now. We know there is the reauthorization. The Senator from Florida is a cosponsor of that. This can be put into the Older Americans Act. I think I understand they are already prepared to talk about that to take the amendment of the Senator from Montana and put it in. What is going to happen then?

Mr. HATFIELD. Mr. President, will the Senator yield on that?

Mr. CHILES. Yes.

Mr. HATFIELD. On that point, I have been given assurance from the Senator from Mississippi. Senator COCHRAN, who is on that committee, has indicated he will present the Melcher language to the Older Americans Act, which I say will be marked up next week.

Mr. CHILES. Let me say this. If the Senate adopts the amendment of the Senator from Montana, I am not going to vote for it this time. I did vote for it last time, but I am not going to this time because I do not think the House is going to take it. From everything that I can hear, the House says it will not take it.

There is a question of time as to how long you are going to have a quorum on the House side. I have heard from too many Senators here and their concerns that they cannot go home during this recess and talk to their farmers if we do not reestablish some money for CCC. That is not a big problem with the Senator from Florida. Older people are a big problem for the Senator from Florida.

I think I have heard enough concern here to know how much in jeopardy those programs are and so many of our farmers are out there that they have to have this help.

Why does the House do this? The House does a lot of things I do not like. I never liked their process. If they did not think it up, it is not a good idea. If they did not hold hearings on it, it is a double bad idea.

But I have seen them on many items in the appropriations process when they refused to yield.

Then Senator from South Carolina and the Senator from Florida had an amendment on embassies and we felt as strong as we could feel about that amendment, and under any other circumstances we would have insisted on a vote on that, but the farm Senators asked us not to and said if we adopted that amendment, and I think this Senate would have adopted the amendment to stop construction on the Moscow embassies, that could jeopardize the bill, and so we said we will wait until the main bill came along and then we will insist at that time.

I think the question is for the Senate. They are going to have to

decide whether they are going to put this in jeopardy. Will the House take it? That is a judgment.

The Senator from Florida just has one view of that and he may be wrong, but my judgment is that either the House will be out and we will have a quorum in which case we will go over or they will refuse and we will either have to strip it off here if we have time, but I do think we do put the CCC in jeopardy on that basis and the fact that we have the Older Americans Act coming along. This is not going to be controversial for us to put it in. It has already passed the Senate 94 to nothing. It will pass the Senate again.

I think we would have a better chance of holding it where it has gone through. We have now held a hearing on this.

Mr. STENNIS. Madam President, will the Senator yield?

Mr. CHILES. I am happy to yield.

Mr. STENNIS. Several mentioned, including the Senator, the idea to see what a vote would do, something like that, and we do not like to resort to this unless it is necessary. But here we are. We worked on this thing now for several months at least in this bill.

Something has to be done.

Mr. CHILES. Yes.

Mr. STENNIS. I know these gentleman here, have been on the subcommittee with him, but we have a special duty here, and I believe the only way I see to get at it any further than we have been already is just to get a vote, and to do that I make the motion that we table the amendment.

Mr. CHILES. Madam President, I assume time would have to be yielded back before we could do that.

Mr. STENNIS. That is right.

Madam President, I yield back such time as I may have remaining.

Mr. CHILES. Madam President, while I recognize the Senator from Montana has every right to a vote, I would hope he would not insist for a vote on this and would allow the bill to go as the Senator from South Carolina has done, as my understanding is that the Senator from South Dakota would do, so we could wrap this up.

As I say, he does have his right to get a vote.

Mr. STENNIS. For the reasons I have already given and as a last resort to get at this thing, I move that we table the amendment.

Mr. HATFIELD. Madam President, the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MELCHER. Madam President, how much time do I have remaining?

Mr. SYMMS. Regular order. The motion to table is not debatable.

The PRESIDING OFFICER. The Senator from Montana has 20 minutes and 23 seconds. The Senator from Oregon has 24 minutes and 52 seconds.

Mr. SYMMS. Regular order.

Mr. HATFIELD. Madam President, point of inquiry. A motion to table has been made and the yeas and nays have been ordered.

The PRESIDING OFFICER. I understand that the motion to table cannot be made until all time has been yielded back.

Mr. LEAHY. Mr. President, I rise reluctantly to support the motion to table Senator MELCHER's amendment concerning a revision in the Consumer Price Index for senior citizens.

Recently I voted for Senator MELCHER's amendment. I support it. I have heard from many older Vermonters about how the Consumer Price Index is not a true measure of their cost of living. This index directly affects the monthly Social Security benefits received by older Vermonter. The inadequacy of this index may be short changing these Vermonters of the benefits to which they are entitled. I think we ought to do something about this and correct this problem.

Mr. President, this is neither the time nor the place to debate this amendment. If this amendment is adopted, the entire supplemental appropriations bill will be held up—possibly indefinitely. Emergency programs will not be funded. And, most importantly, as chairman of the Agriculture Committee, I must point out that passing this amendment will further delay CCC payments to farmers. Congress has held up those payments long enough. It is time to pass the supplemental.

I am pleased that the leadership has agreed to include Senator MELCHER's amendment in legislation later this year. I look forward to supporting the Melcher amendment at that time.

Mr. HATFIELD. Madam President, I am ready to yield back any time that I control to the Senator from Mississippi.

Mr. STENNIS. Madam President, I yield back such time as I have control over.

The PRESIDING OFFICER. The Senator from Mississippi yields back his time.

Mr. STENNIS. Yes.

The PRESIDING OFFICER. And the Senator from Oregon yields back his time.

The Senator from Montana has his remaining time.

Mr. HATFIELD. Madam President, a point of inquiry. I am willing to yield time to anyone who wishes to speak on this subject and I am willing to yield time even to the Senator from Montana if he has run out of time. But I did want to accommodate the Senator from Mississippi in order to let him make his motion and make it possible for him to make his motion to table.

So I yield back whatever time I have under those conditions.

Mr. STENNIS. Madam President, if he wants to use some of the time, that suits me fine. Otherwise, I yield back the time and make the motion to table the amendment.

The PRESIDING OFFICER. The motion to table will be in order when the Senator from Montana has either consumed his time or yields back his time.

The Senator from Montana.

Mr. MELCHER. Madam President, as I understand it, I have 20 minutes remaining, and I shall not use it all. I shall only briefly respond to some of the points that have been made.

First of all, it is suggested that perhaps we put this same amendment on the Older Americans Act, and indeed that is the only way we can do it. That is exactly what we would like to do. But I want to point out that that does not suffice at all. Why? First of all, the Older Americans Act is not as far enough along in the procedure to know when that is actually going to get to the President's desk. There is some timeliness concerned with this amendment. It just sets the Bureau of Labor Statistics to gathering up the data that they need to have and to review in order to make some report back to Congress on what would be advisable to properly reflect what a consumer price index for the older Americans should have in it and how it could be worked out.

That is the reason that I urge the Senate to accept this language now.

The question that the managers of the bill very eloquently point out, will the House accept it? I do not see any reason why there would even be a vote in the House. We have modified the amendment to meet two of the concerns and, as I understand it, the only major concerns that the House conferees had on the language of the amendment. That was simply to extend the time longer than 90 days, something like 180 days, that the Bureau of Labor Statistics had recommended be the time. The other thing was to definitely identify an age group that they already had been tracking. So we have done that in the amendment is before us now and that is retirees over the age of 62.

I think it is obvious that this is not any big earthshaking thing that would disturb the House. I think they would accept it. If they would not accept it, I guess we would go the other route and just ask them to just drop it then.

But the reason we should not let it go any longer is that we need the information. It is very timely to start the process now. Let this bill go, get it down on the President's desk and let the Bureau of Labor Statistics start getting their data together early in July to get a report to us before the

year is out on what their recommendations might be.

The Older Americans Act, it is true, will be before this body sometime in the near future. But that near future might be August or September, the first part of October before that bill is finalized. It took about 2 months to finalize this bill and now is the time to have action on it.

I hope that the Senate will accept it. If there is a tabling motion that is going to be made, I guess I will have to ask for the yeas and nays, but I hope to forgo that and accept it. I believe the House will accept it. We have been advised, as I recited earlier, that the liaison person with the BLS believes that the number of days changing this to 180 days makes it possible for them to do it. The quicker they get busy on it, the more likelihood we have of getting the information and their report back in a timely manner in order to be of help to older Americans.

For that reason, I press the matter now rather than letting it go on the Older Americans Act which may not be finalized by Congress for 30 days, 60 days, 90 days, or even 120 days. There is certainty here on this bill. I believe the House will accept it. If they strip it, they refuse it, we can strip it back out. I do not insist on a rollcall vote, but if there is a tabling motion, I will then ask for the yeas and nays.

The PRESIDING OFFICER. Who yields time?

Mr. METZENBAUM. Will the Senator from Montana yield me 1 minute for the purpose of making an announcement?

Mr. MELCHER. Yes, I am delighted to yield.

Mr. METZENBAUM. I thank the Senator.

ORDER OF PROCEDURE—TRADE BILL

Mr. METZENBAUM. Madam President, I am submitting at the desk an amendment which has to do with the trade bill and the matter we have been discussing for the last couple of days. I am submitting it at the desk in order that there may be a printed copy available to those who care to see it. I am announcing that in approximately an hour, or such additional time as those on the other side might want, I will come to the floor with a unanimous-consent request that that amendment be taken up next Wednesday, maybe at 2 o'clock, and voted upon at 6 o'clock, and that that amendment be considered and accepted and that Senator QUAYLE be recognized subsequently for the purpose of making a motion to strike, on which there would be 4 hours of debate.

I make this only as an announcement so that Senator QUAYLE and others who may have interest in the subject may know what the Senator from Ohio contemplates doing. At somewhere around 7 o'clock, I will be on the floor with the unanimous-consent request. If there is some other hour which they prefer I come, I will be happy to do that.

I thank the Senator from Montana.

AMENDMENT NO. 370

The PRESIDING OFFICER. Does the Senator from Montana wish to speak further?

Mr. MELCHER. Madam President, I only want to urge acceptance of the amendment. We have been advised by Chairman HATCHER's staff that the BLS [the Bureau of Labor Statistics] believes they can work this out in 180 days and that they have no problem with it. We have been advised by the liaison at BLS that that is the case. We have not been able to talk to Chairman HATCHER, but I do not believe there is any problem with the House's accepting the amendment now.

Madam President, I yield back the remainder of my time.

Mr. STENNIS. Madam President, I understand the Senator has yielded time back.

The PRESIDING OFFICER. Has the Senator from Montana yielded back the time?

Mr. MELCHER. Madam President, I yield back the remainder of my time.

Mr. STENNIS. I renew my motion, Madam President, and I move to table the amemdment.

Mr. MELCHER. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi [Mr. STENNIS] to table the amendment of the Senator from Montana [Mr. MELCHER]. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BYRD. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from California [Mr. CRANSTON], the Senator from Connecticut [Mr. DODD], the Senator from Tennessee [Mr. GORE], and the Senator from Illinois [Mr. SIMON] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from Alaska [Mr. MURKOWSKI], the Senator from Washington [Mr. EVANS], and the Senator from Utah [Mr. GARN] are necessarily absent.

The PRESIDING OFFICER (Mr. BREAUX). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 50, nays 42, as follows:

[Rollcall Vote No. 176 Leg.]

YEAS—50

| | | |
|---|---|---|
| Adams | Grassley | Nunn |
| Armstrong | Harkin | Packwood |
| Bentsen | Hatch | Quayle |
| Bond | Hatfield | Reid |
| Boren | Hollings | Roth |
| Breaux | Johnston | Rudman |
| Chiles | Karnes | Sanford |
| Cochran | Kassebaum | Sarbanes |
| Conrad | Kasten | Simpson |
| Danforth | Kerry | Stafford |
| Daschle | Lautenberg | Stennis |
| Dixon | Leahy | Stevens |
| Dole | Lugar | Symms |
| Exon | Matsunaga | Wallop |
| Ford | McClure | Weicker |
| Fowler | McConnell | Wirth |
| Gramm | Nickles | |

NAYS—42

| | | |
|---|---|---|
| Baucus | Graham | Moynihan |
| Bingaman | Hecht | Pell |
| Boschwitz | Heflin | Pressler |
| Bradley | Heinz | Proxmire |
| Bumpers | Helms | Pryor |
| Burdick | Humphrey | Riegle |
| Byrd | Inouye | Rockefeller |
| Chafee | Kennedy | Sasser |
| Cohen | Levin | Shelby |
| D'Amato | McCain | Specter |
| DeConcini | Melcher | Thurmond |
| Domenici | Metzenbaum | Trible |
| Durenberger | Mikulski | Warner |
| Glenn | Mitchell | Wilson |

NOT VOTING—8

| | | |
|---|---|---|
| Biden | Evans | Murkowski |
| Cranston | Garn | Simon |
| Dodd | Gore | |

So the motion to lay on the table amendment No. 370 was agreed to.

The PRESIDING OFFICER. The Chair recognizes the Senator from Mississippi [Mr. STENNIS].

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senate will be in order.

Mr. STENNIS. Mr. President, I move that the Senate concur in the amendments of the House to Senate Amendment No. 387.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi.

The motion was agreed to.

EXCEPTED AMENDMENT NO. 219

The PRESIDING OFFICER. The clerk will report the remaining amendments in disagreement.

The bill clerk read as follows:

*Resolved*, That the House recede from its disagreement to the amendment of the Senate numbered 219 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

Section 1001(2)(C) of the Food Security Act of 1985 (7 U.S.C. 1308(2)(C)), as amended by Public Law 99-500 and Public Law 99-591, is amended—

(1) by inserting "(i)" after "(C)", and

(2) by adding at the end the following:

"(ii) No certificate redeemable for stocks of a commodity held by the Commodity

Credit Corporation may be redeemed for honey held by the Corporation.".

The PRESIDING OFFICER. The Senate will be in order.

The Chair recognizes the Senator from North Dakota.

Mr. BURDICK. Mr. President, in the interests of the farmers of this country and in the interests of getting the Commodity Credit Corporation money flowing, hoping this bill will be passed tonight, I will not offer my amendment.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 219.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi.

The motion was agreed to.

Several Senators addressed the Chair.

Mr. STENNIS. Mr. President, I move to reconsider the vote.

The PRESIDING OFFICER. The Senate will be in order. The Chair is seeking to determine who is seeking recognition.

The Chair recognizes the Senator from Mississippi.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

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

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

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

Mr. HARKIN. Mr. President, there was an inadvertent change that came about in the conference report, and I would like at this time to engage the chairman of the Transportation Subcommittee of the Appropriations Committee, the distinguished Senator from New Jersey, in a colloquy on this issue.

Mr. HARKIN. Mr. President, as the Senator from New Jersey [Mr. LAUTENBERG] knows, the State of Iowa has been engaged in a long-term dispute with the Department of Transportation concerning the Dubuque City Island Bridge. And, I appreciate the attention that the Senator from New Jersey, the chairman of the subcommittee has given to this matter.

After the committee indicated its views in report language—in both the fiscal year 1986 and the 1987 committee reports—and after the language in this bill was reported by the Appropriations Committee, the Secretary did finally, after years of dispute agree that the bridge should receive discretionary bridge funding. However, I believe that we should note the geographical boundary of the project which we have always had in mind. Clearly, the project has a logical boundary: where the bridge comes to ground level.

Mr. LAUTENBERG. Mr. President, I thank the Senator from Iowa. The bounds of this bridge project logically go from the bridge's touchdown point, where the bridge comes to ground level back to the end of the earlier phase of the project. This is the original intent of the Senate and it was raised in conference and was specifically agreed to. I ask unanimous consent to have printed in the RECORD a letter signed by Chairman LEHMAN and myself to the Secretary on this issue so there is no mistake about the congressional intent.

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

UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
*Washington, DC, July 1, 1987.*

Hon. ELIZABETH HANFORD DOLE,
*Secretary, Department of Transportation, Washington, DC.*

DEAR MADAM SECRETARY: We are writing to clarify the conference agreement regarding the Dubuque City Island Bridge. It is the position of the managers that phase 2 of the bridge goes from its touchdown point near 14th Street easterly to the end of phase 1 including the ramps extending easterly from 16th Street to Kerper Boulevard.

This is the original intent of the Senate which was specifically agreed to by the House conferees. We feel that it was necessary to more accurately describe the geographic boundaries of the second phase to allow the expeditious funding of the project.

Sincerely,

WILLIAM LEHMAN,
*Chairman, House Appropriations Subcommittee on Transportation and Related Agencies.*

FRANK R. LAUTENBERG,
*Chairman, Senate Appropriations Subcommittee on Transportation and Related Agencies.*

Mr. HATFIELD. Mr. President, we have completed the supplemental through a very tortuous process. I am sure that all Members of the Senate have reasons to be glad that this is finally completed. I thank the Senator from North Dakota especially for his cooperation in bringing this to a final conclusion. But I would like to make one observation.

In the 20-some years I have been in the Senate and on the Appropriations Committee, I do not recall that we have had a supplemental that has been quite as difficult. I think that the fact that we have been able to bring a bill to fruition here with a commitment from the White House completely turned around from the time when they said they would not sign the supplemental, to a time when they have now agreed to sign it, from a long session with the House of Representatives, is a tribute to the Senator from Mississippi, the chairman of the Appropriations Committee.

I say that because the Senator from Mississippi, in a very deliberate and very strategic way, very quietly, and very much with hands on in every aspect of this whole process, has been able to bring together conflicting people, conflicting personalities, conflicting ideas; and he has been able to weld the committee together in a way to not only get the support of this body on the floor but also in the conference. It was a very difficult conference.

We had 13 subcommittee meetings. The Foreign Operations Committee of the House and our subcommittee had to take the responsibility of making sure we did address the problems.

Again, the Senator from Mississippi, very quietly and effectively, was able to confer with the subcommittee chairmen of both the House and the Senate and help resolve those almost insurmountable problems.

Think of the defense bill as one. The House was adamant on the matters relating to arms control, the language the President said he would veto. So here, again, a very profound problem was faced on the language of the House relating to arms control. I, as the ranking member, supported the House position on arms control. Yet, I felt again the constraint to work with my chairman and to make sure that this succeeded.

So I want to take this very brief opportunity to pay a tribute to my chairman, the chairman of the Appropriations Committee, a man who has demonstrated once again that the continuity and the history of the Senate are embodied in an individual who carries with himself not only the history of the Senate but the deep respect of people on boths sides of the aisle. He demonstrated his ingenuity, his creativity, his kindliness, his gentlemanliness, all the things that go to make a great Senator, and I am grateful to be able to serve on this committee with him.

Mr. STENNIS. Mr. President, I thank the Senator, a warm friend. I have learned much from him on the Appropriations Committee. He is a fellow Senator who knows more about the Government than I do.

I want to thank our staff, all of them, beginning with Mr. Sullivan here, on their quality and on their merit. We all know that this is a hard job.

We have almost been overtaken by the volume. I will not dwell on this.

Let me express sentiments here there is no fun in these last two here where to carry out things to the ulti-

mate we just had to make a motion to table to apply to two very fine men.

But I think it was taken in really a great spirit and necessary to be done and in order to carry out our Rules of the Senate.

Senator JOHNSTON and others, too, are on the committee. I wish I had time just to thank them all. Others on the subcommittee have contributed this year tremendously, helpfully. They deserve a lot of credit and I give it to them and I want to pass the word of their work on to the others.

I pay respects to the House, too. I tell you there is a lot of work done there by those men on that Appropriations Committee and the other committees, too, and they deserve a lot of credit.

I will not take further time.

Thanks again.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Mr. President, just very briefly, I am a strong supporter of this conference report to accompany H.R. 1827, the fiscal year 1987 supplemental appropriations bill.

I thank the distinguished and esteemed chairman of the Appropriations Committee, Senator Stennis, for appointing me to the conference committee—this is my first—and for his help to me in working for the people of Maryland.

I also thank Senator DECONCINI and Senator DOMENICI who worked on a bipartisan basis to resolve the issues related to drug testing.

In addition, I wish to give special thanks to the chairman of the Treasury-Postal Subcommittee, Senator DECONCINI, for his tireless efforts in helping us work out the issue of Federal workers drug testing.

The provision we have adopted as amendment 416 to the conference report goes a long way toward guaranteeing a drug-free Federal workplace, while insuring the constitutional rights of all Federal workers and the accuracy of lab test themselves.

It is a bipartisan product that is the result of exhaustive negotiations between the conferees and the administration. We produced nine different drafts, all of which received comment from the administration, before agreeing on this language.

The conferees met on two separate occasions with six members or deputy-members of the President's Cabinet, including OMB, OPM, and the Departments of Justice, HHS, Transportation, and Defense.

In a nutshell, this compromise will prevent agencies which did not have drug testing plans in existence prior to the President's Executive order, except for the Department of Transportation, from moving forward until five conditions have been met:

First, until the Secretary of HHS has certified that all departments and large agencies have prepared plans which comply with the President's Executive order and current law.

Second, until the Secretary of HHS has published mandatory guidelines that:

Establish strict standards for the labs where drug tests will be evaluated, ensuring they use the best available testing technology and have a strict chain of custody once a sample has been taken;

Specifies the drugs which a Federal employee may be tested for; and

Sets standards for certifying, reviewing, and revoking a lab's certification.

Third, the Secretary of HHS submits an agency-by-agency analysis of "Who and How" will be drug testing.

Fourth, OMB submits an agency-by-agency cost of drug testing over the next 5 years.

Mr. President, the conferees on this issue have negotiated with the administration in good faith on this subject. We did so despite efforts by some within the administration to derail our negotiations through scurilous and often innacurate statements to the press about the status of those negotiations.

The final product does not contain every provision I or my colleague from Maryland, Congressman HOYER, wanted. Nor does it include every nuance which the administration wanted. Perhaps our mutual dissatisfaction about portions of this amendment are the best measure of a reasonable compromise.

Nevertheless, the provision before the Senate will ensure the kind of employee protections and accuracy in testing to guarantee that the administration moves responsibly toward the goal of a drug-free Federal work force.

This provision will not place needless or frivolous procedural delays in the administration's path toward drug testing. That is clear from our willingness to exempt the Department of Transportation and any agency with a testing plan in place before the Executive order from continuing testing.

Finally, in addition to my subcommittee chairman, I want to thank my colleague from New Mexico, the ranking member of the subcommittee, Senator DOMENICI, for his help on this provision. He represents a large number of Federal workers and has proven to be tireless advocate for their concerns.

Mr. President, because of the bipartisan consensus on this provision, I urge my colleagues to adopt it.

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

## LEAVE OF ABSENCE

Mr. STEVENS. Mr. President, tomorrow morning at 6 a.m. Alaska time the U.S.S. *Alaska* will make its first call in the State of Alaska.

It is necessary for me to leave at this time to greet it.

I ask unanimous consent I be excused from the rest of the balance of the day.

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

## OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1987

Mr. BYRD. Mr. President, the Chair asked to state the business before the Senate.

The PRESIDING OFFICER. The clerk will report the pending business to the Senate.

The assistant legislative clerk read as follows:

A bill (S. 1420) to authorize negotiations of reciprocal trade agreements, to strengthen the United States trade laws, and for other purposes.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. The pending amendment is an amendment No. 368.

Mr. BYRD. Mr. President, I wish to inquire as to whether or not we might be able to have amendments to have the amendment dealing with section 201 on the trade bill laid down.

Mr. SYMMS. Mr. President, will the majority leader yield?

Mr. BYRD. I yield.

Mr. SYMMS. I say to the majority leader Senator NICKLES and I are ready to lay our amendment down if the majority leader is looking for an amendment.

Mr. BYRD. I thank the distinguished Senator.

If the Senator will indulge me.

Mr. SYMMS. What I say to the distinguished majority leader we would be ready to start on Tuesday next. It will be something we can go to work on. It will require a rollcall vote.

Mr. BYRD. May I ask the distinguished Senator from Texas [Mr. BENTSEN] and other Senators and maybe we can get a time agreement on the amendment by Mr. SYMMS.

I understand there will be an objection to the time agreement on it.

Mr. DOLE. It might take a while. It is going to be a little controversial.

CLOTURE MOTION

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

The PRESIDING OFFICER. The clerk will report the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the Moynihan amendment, No. 367, relating to the Persian Gulf, to S. 1420, a bill to authorize negotiations of reciprocal trade agreements,

to strengthen United States Trade Laws, and for other purposes.

Senators Jim Sasser, John Glenn, Claiborne Pell, Edward M. Kennedy, John F. Kerry, Dale Bumpers, Don Riegle, Robert C. Byrd, Lloyd Bentsen, J. Bennett Johnston, Quentin Burdick, Daniel P. Moynihan, Tim Daschle, Carl Levin, Kent Conrad, Lawton Chiles.

## ORDER OF PROCEDURE

Mr. BYRD. Mr. President, while the Senate is awaiting the offering of an amendment, I expected to ask unanimous consent to lay this pending amendment aside momentarily, but not just now.

Is the adjournment resolution from the House at the bar of the Senate?

The PRESIDING OFFICER. The Chair will respond the resolution is at the desk.

## ADJOURNMENT OF THE TWO HOUSES OVER THE FOURTH OF JULY HOLIDAY

Mr. BYRD. Mr. President, I ask unanimous consent that the Chair lay before the Senate House message on House Concurrent Resolution 154.

The PRESIDING OFFICER. The clerk will report the concurrent resolution.

The legislative clerk read as follows:

A concurrent resolution (House Concurrent Resolution 154):

*Resolved by the House of Representatives (the Senate concurring),* That when the House adjourns on Wednesday, July 1, 1987, it stands adjourned until 12 o'clock meridian on Tuesday, July 7, 1987, and that when the Senate recesses on Wednesday, July 1, 1987, or Thursday, July 2, 1987, pursuant to a motion made by the Majority Leader, or his designee, in accordance with this resolution, it stands in recess until 10 o'clock ante meridiem on Tuesday, July 7, 1987.

The PRESIDING OFFICER. The question is on adoption of the concurrent resolution.

The concurrent resolution (H. Con. Res. 154) was agreed to.

## MORNING BUSINESS

Mr. BYRD. Mr. President, the distinguished managers of the bill are interested in moving forward on the trade legislation on Tuesday next when we come back. So I hope to have a good amendment laid down that will help move us along. For the time being, until we can make calls to Senators, I ask unanimous consent that there be a period for the transaction of morning business, not to extend beyond 15 minutes and that Senators be permitted to speak therein up to 5 minutes each.

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

## IDAHO'S STATEHOOD CELEBRATION

Mr. SYMMS. Mr. President, this Friday, the State of Idaho will be celebrating its 97th statehood anniversary. As an Idahoan who is privileged to represent the State in this body, I am honored to call my colleagues' attention to Idaho's birthday celebration.

On July 3, 1890, Idaho became the 43d State within the Union. However, Idaho's history dates back 85 years earlier when Lewis and Clark first entered Idaho in 1805. From that date, Idaho's resource based economy grew and our heritage was founded. Today, the State's abundant natural resources are still the mainstay of our economy. Combined, the rich soils and minerals of Idaho produce some of the finest commodities this Nation has to offer.

Because of her unique geography and varied climates, Idaho has produced a people which are equally unique. Along with the traders, miners, farmers, and loggers came numerous individuals who helped settle Idaho and who carved a name for our State in the annals of history. Famous historical names such as Kit Carson, Captain Bonneville, Nathaniel Wyeth, Henry Spalding, Father Pierre Jean de Smet, and Chief Joseph to name a few, have all left their mark and influence in Idaho. In 1855, the first Mormon missionaries arrived and in 1890, the first Basques of northern Spain adopted Idaho as their new home. All of these people have shared their culture with us, and have become a part of what Idaho is today.

Perhaps some of Idaho's greatest folklore, however, has come from the Indians. Cities and places such as Coeur d'Alene, Pocatello, Shoshone, Pend Oreille, and the Targhee National Forest, just to name a few, are named in memory of the Indian influence in Idaho—even the name Idaho itself came from a great Indian legend. Up until the 1960's, official accounts held that the name Idaho came from the Indian "E Dah Hoe" which they believed translated into "Gem of the Mountains" or "the light coming down from the mountains." This legend was created early in the 1860's when Idaho was applying for legal recognition as a U.S. Territory. Those involved in the territory-name controversy couldn't agree on a single name. For a time, there were three proposed names: Idaho, Montana, and Colorado. Then, in 1863 before the U.S. Senate, Senator Harding from Oregon told his colleagues about the "E Dah Hoe" folklore. He told the Senators that in English, Idaho meant "the gem of the mountains," and that it would be, therefore, a fitting name for the Nation's beautiful, mountainous new territory.

For almost 100 years, Idaho school children and others who studied the State's history were taught that the name "Idaho" meant "gem of the mountains" to the State's native inhabitants. Then in the 1960's an Idaho State University professor studying Indian history and culture, informed Idahoans that there was no such meaning and the name Idaho had no Indian derivation at all. The elaborate, romantic etymology of the State's name was simply invented, probably to settle the dispute about an appropriate name for the new territory. For the record, I assure my colleagues that scholarly studies notwithstanding, Idaho always has been and remains the gem of the mountains.

As a birthday wish, I hope Idaho will prosper so that by 1990 when the State celebrates its centennial anniversary it will have a healthy and robust economy. I look forward to participating in that celebration.

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

## SOUTH KOREA

Ms. MIKULSKI. Mr. President, it is with great admiration that I rise to pay tribute to the determination of the South Korean people. The voices for democracy have spoken loudly and clearly, and they have been heard. South Korea will have democratic reform and direct Presidential elections!

Like the citizens in South Korea, I look with awe upon the dramatic changes that we have witnessed, particularly the decisions by the new ruling party chairman, Roh Tae Woo, and President Chun Doo Hwan to accept all of the demands made on them for democratic reform. Most importantly, President Chun announced yesterday that South Korea will hold direct elections for the Presidency, the first time since 1971 that this option has existed for South Koreans.

I particularly want to commend Mr. Roh for the courage and independence that he has shown so soon after taking over the ruling party's leadership. It is fair to say that I and many others did not expect him to side with the people. He put South Korea's future above his own and, Mr. President, as we get ready to leave to celebrate our own Declaration of Independence, it is with a great deal of pleasure that I note that South Korea is moving toward a state of democracy and in some ways the people have stated their declaration of independence. Let us hope their Fourth of July is as happy as ours.

The world has been holding its breath for 3 weeks, waiting to see what would happen in South Korea, hoping for the best, but fearing the worst. Now, we have collectively exhaled and begun to breathe again.

Bringing about the agreed upon reforms will require a great deal of negotiation, perseverance, and compromise on all sides. The job is a big one, but I am confident that the same people who have wrought an economic miracle in their nation will also be up to bringing democracy to South Korea.

## SOUTH KOREA

Mr. BOND. Mr. President, these days it often seems that most of the news we get regarding our foreign relations is discouraging.

But yesterday we got what is truly a ray of sunlight breaking through the clouds. That ray came from South Korea.

Yesterday, President Chun Doo Hwan endorsed a sweeping set of political and civil rights reforms which encompass most of the demands made by the political opposition.

The list of reforms had been proposed Monday by Mr. Roh Tae Woo, the chairman of the ruling Democratic Justice Party and Chun's handpicked successor. Roh's list of reforms includes releasing political prisoners, moving toward a more open press, ending human rights abuses, reforming election laws, restoring political rights for opposition leader Kim Dae Jung and, most importantly, allowing direct election of the nation's President.

In announcing his acceptance of Mr. Roh's proposals, President Chun took a historic step. Too often we see leaders who are unable or unwilling to accept the desire of their people to live under a system of democracy. Instead of acceding to the people's wishes, they selfishly and shortsidedly try to hang onto power for their own personal gain. More often than not, this results in unrest, violence, and instability which result in military takeovers, revolutions, or foreign domination—certainly not democracy. Fortunately for the people of South Korea, President Chun appears to have broken out of this mold.

Mr. President, in the past four decades, the Korean people have had several stunning successes—economic successes and military successes. Today it appears they are on the verge of a stunning political success. President Chun referred to Korea's past economic success in his speech when he said, "* * * Let us work another miracle by developing Korea into a model of political development deserving to be so recorded in world history; we must not be content with having merely become a model of economic development * * *."

Certainly we cannot assume that all of Korea's problems are over—we must remember that we are only now just beginning a long and complicated process. Following through on promises and hammering out agreements that will be acceptable to all parties will require hard work and give and take on both sides. And, there is no guarantee that these efforts will end in success. But, if President Chun follows through with the historic reforms he set forth yesterday, and if opposition leaders Kim Dae Jung and Kim Yong Sam keep their personal differences aside and work for the good of their country to bring a true democratic system to South Korea, we truly can feel hopeful about the future of South Korea.

But, we in the United States should not assume that we can forget about South Korea and everything will turn out just fine. As a close ally, trading partner and friend of South Korea, we have a duty to be supportive of their efforts to bring an end to the current political crisis and to move toward a permanent and effective system of democracy. The most important step we can take is to assure the South Korean people that we stand by our commitment to defend their borders against Communist aggression. This combined with our pledge to assist but not to dictate the terms of their transition to democracy is the proper action for the United States to take at this time.

Mr. President, I am encouraged by the latest news reports from Seoul. I am encouraged by the strength of Chun Doo Hwan and Roh Tae Woo in moving toward conciliation; and I am encouraged that the street protests, which have raged for the past 3 weeks, seem to have ended since Mr. Roh's announcement; and most of all I am encouraged that the Korean people are moving toward democracy on their own—without outside intervention.

I congratulate President Chun on his foresight in boldly moving to embrace democracy, and I wish him and the rest of the Korean people success in the months ahead as they follow in the path of our forefathers 200 years ago this summer in mapping out a future for democracy in their nation.

I know my colleagues join me in looking forward to the day when we can look to South Korea as a shining example of democracy for the rest of the world to admire.

## JOHN S.R. SHAD

Mr. WIRTH. Mr. President, last week, Mr. John S.R. Shad undertook his new assignment as Ambassador to the Netherlands. Mr. Shad takes that assignment after 6 very distinguished years as Chairman of the Securities and Exchange Commission, a longer tenure in that particular assignment than anybody in the history of the SEC.

Prior to taking on the job as Chairman of the SEC, Mr. Shad had a very distinguished career on Wall Street. He came to Washington in 1981 and continued to display in the job as Chairman of the SEC his own deep commitment to enforcement and to shareholder protection. All of this, as we know, culminated in the historic insider trading cases which have recently been brought by the SEC, led by the distinguished counsel there, Gary Lynch.

The final act of Chairman Shad as Chairman of the SEC was really outside that in providing a very large endowment to the Harvard Business School on the subject of business ethics, which will, I am sure, lead to the development not only of the curricula there but for very important precedents for institutions all across the country.

I wanted to make these brief remarks having had the privilege of working with Chairman Shad for a little more than 6 years and to join with so many of my colleagues in wishing him well in his new assignment. I thank him for all of his great commitment here.

Mr. President, I ask unanimous consent to have printed in the RECORD Chairman Shad's own farewell assessment of his 6 years at the SEC, as well as a careful piece by Nathaniel Nash, from the New York Times, outlining the 6 years of the Shad administration at the SEC.

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

COMMISSIONERS AND SENIOR STAFF RECEPTION, JUNE 16, 1987, FAREWELL ADDRESS OF JOHN SHAD

Senators D'Amato, Garn and Wirth, Congressmen Dingell and Rinaldo, Chairmen Volcker and Liebeler, Directors Miller and Tuttle, Commissioners Cox, Fleischman and Grundfest, Judges Newman and Sporkin, NYSE Chairman Phelan, NASD President Macklin, Former Commissioners Longstreth, Marinaccio, Sommer and Treadway, Senior SEC Staff, Distinguished SEC Alumni and friends:

I am also especially pleased that my 3 former Executive Assistants who really run the place and all but 2 of my 11 Special Counsels over the years are here today—some from far away places.

There is no way I can adequately express my appreciation—not just for today but for the past six years.

They have been challenging and worthy of the effort—due to the friendship and encouragement, sound counsel and hard work of many here today.

The first few years were pretty rocky.

In fact, yesterday wasn't too great.

At my initial luncheon with John Dingell, there was just the two of us and our food tasters.

Partisan politics aside—in the trenches, I want "Rambo" Dingell on my side.

I was fortunate to be preceded by Harold Williams, who was an exceptional Chairman.

The past six years are a tribute to the past and present Commissioners and the outstanding SEC staff to whom I am going to have an opportunity to express my appreciation tomorrow.

It has been an honor to serve with so many brilliant and dedicated men and women of integrity.

The present Commissioners bring an exceptional balance of broad legal and economic, judgment and experience to bear on the Commission's decisions.

Dr. Charles Cox provides a sound economic overview and pragmatic judgments.

Aulana Peters, very practical litigation experience.

Joe Grundfest, exceptionally innovative legal and economic perspectives.

And Ed Fleischman, an indepth knowledge of the securities laws and practice.

The staff proposes, and the Commission disposes.

As a result of this team effort: investor protections have been significantly increased; corporate paperwork and other expenses reduced by well over a billion dollars per annum, for the benefit of investors; and over $200 million of fees and fines in excess of the Commission's budgets have been contributed to a reduction in the Federal deficits for the benefit of taxpayers.

Through automation, paperwork reduction, improved systems, techniques—and many other staff initiatives—each SEC Division has increased the volume and efficacy of its efforts—more than the record growth of the marketplace.

Improved screening, targeting and staff specialization have also increased the quality of filing reviews, broker-dealer examinations, Self-Regulatory Organization, investment company and adviser inspections, and enforcement actions.

Other noteworthy results include:

The record numbers of insider trading and other cases brought by the Enforcement Division initially under John Fedders, and for the past 2 years, under Gary Lynch.

The Corporation Finance Division's 1982 integration of corporations' registration and reporting requirements and the shelf registration of public offerings under Ed Greene and Lee Spencer.

Integration and shelf registration are two of the most important improvements in the securities laws, since they were enacted in 1933 and '34.

They are saving issuers well over a billion dollars per annum for the benefit of their shareholders, without compromising full disclosures.

The historic 1982 Accord with Switzerland negotiated by then Director of Enforcement, John Fedders, and General Counsel, Ed Greene which removed the haven of the Swiss bank secrecy laws from inside traders and set the stage for the subsequent Canadian, Japanese and UK cooperation agreements, negotiated by Rick Ketchum and Gary Lynch, the present Directors of Market Regulation and Enforcement.

The Insider Trading Sanctions Act, structured by the Office of the General Counsel, proposed by the Commission in 1982, sponsored by Senators and Congressmen here today, passed by Congress and signed by the President in 1984.

The electronic market surveillance systems and transaction audit trails—long championed by the Market Regulation Division—and implemented by the exchanges and the NASD.

And the 1982 SEC/CFTC Accord—enacted in 1984—which resolved the 7-year turf battle between the SEC and CFTC and permitted the authorization of new options and futures, that permit the hedging of stock market and other risks, at a fraction of the prior costs and in multi-million dollar amounts that were not previously possible.

The new options and futures have also increased the breadth and liquidity of the securities markets.

As for the future, in addition to important pending insider trading, takeover and corporate governance legislation and regulations that warrant very careful review—four areas that offer enormous potential benefits and pose major challenges are:

First, the simplification and rationalization of the regulatory structures of the financial service industries.

Regulation by functional activities, instead of by outmoded industry classifications and elimination of regulatory conflicts, overlaps and duplication.

Since 1981, functional regulation concepts have been incorporated in every bill to amend the Glass-Steagall Act, sponsored by both Democrats and Republicans.

Functional regulation will reduce the cost and increase the uniformity, efficacy and fairness of the regulatory structures.

The Office of the General Counsel, under Dan Goelzer, has done an outstanding job of developing and advancing this and related concepts.

Second, the increasing internationalization of the securities markets, which is permitting investors and issuers to shop worldwide—for the most attractive investment opportunities and sources of capital—at any moment in time.

The growing international mobility of capital is contributing to the prospect of greater opportunities, peace and prosperity for mankind.

The challenges are to accelerate: international cooperation on enforcement matters, automation of clearance and settlement systems, effective disclosures, and greater access to each other's markets.

These are ongoing, multi-divisional efforts.

Third, acceleration of the immobilization of securities certificates, through greater use of central depositories and electronic book-entry systems, to save investors hundreds of millions of dollars per annum and avoid future paperwork and other problems.

Market Regs, under Rick Ketchum, is the driving force behind this initiative.

And fourth, the application of telecommunications to the high-speed public dissemination of time-sensitive corporate information, which will increase the efficiency and fairness of the securities markets for the benefit of investors, corporations and the economy.

The creation of the Edgar system has been a multi-divisional effort, under Executive Director George Kundahl.

Corporate Finance, under Linda Quinn, and Investment Management, under Kathie McGrath, are the principal internal beneficiaries and the driving forces behind this important effort.

None of the foregoing is within the singular capacity of the SEC.

Each requires the support of Congress, the Administration and the business and financial communities, but they are clearly worthy of the concerted efforts of all concerned.

My only regret is that I will be a distant observer of the exciting events that are unfolding before this great institution.

Thank you and God bless you.

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SHAD'S VIEW OF 6 SEC YEARS

(By Nathaniel C. Nash)

WASHINGTON, June 23.—After a record six years as chairman of the Securities and Exchange Commission, John S. R. Shad left last week to become the United States Ambassador to the Netherlands.

For Mr. Shad, his most likely legacy will be the monumental insider trading cases brought by the agency during his watch, particularly the $100 million settlement with Ivan F. Boesky, the stock speculator.

But Mr. Shad, who made a fortune on Wall Street before becoming a public servant, contends that there is much more to his record. Just before relinquishing his post, Mr. Shad sat in his office and discussed his years at the S.E.C.

Q. What do you consider were your most important programs?

A. I think the 1982 integration of corporations' registration reporting requirements plus shelf registrations are two of the most important improvements in the securities laws since they were enacted in 1933 and 1934.

These procedures are saving companies, for the benefit of their shareholders, well over a billion dollars a year. They have reduced unnecessary paperwork, as well as simplified and improved public disclosure.

Q. Those were early on in your tenure?

A. Yes. We did those in 1982, and in fact 1982 was a real watershed year. That was when we obtained the accord with Switzerland that removed the haven of the Swiss bank secrecy laws from insider traders. And that set the stage for the subsequent Canadian, Japanese and British cooperation agreements on enforcement matters.

It was also the year we got together with the chairmen of all the exchanges and the over-the-counter market to implement the electronic market surveillance systems and transaction audit trails for the quick identification of questionable trading activities.

We also proposed the Insider Trading Sanctions Act in 1982, which enabled us to levy penalties of up to three times the insider trading profits. And it was the year in which the Edgar Project was started for the electronic public dissemination of S.E.C. documents by companies.

Q. You'll always be known as the S.E.C. chairman who came down on insider trading with hobnail boots. Yet, that problem has never really been at the top of your list of priorities.

A. You're right. It was only 11 percent of last year's enforcement cases. This year it will be about 20 percent. But it has had extraordinary publicity. You'd think from most of the stories that it started with the Ivan Boesky case, whereas in fact there were 124 cases before Boesky.

Q. During your six years, what were your greatest frustrations?

A. It's probably the time it takes to get things done in Government. On Wall Street, if we were working on a financing or merger and somebody had a problem, I'd grab the phone and I could resolve a lot of things almost instantly.

But here it's different. I hear about a problem on the Hill, and I pick up the phone and I call a Congressman. He says he doesn't want to talk about it, and that he wants to have a hearing. Well, this becomes a big, you know, brouhaha. Instead of, "Let's get to the nuts and bolts of it and see if we can resolve it now," too often, it's, "Let's have a hearing."

On the other hand, the time here is justified because the rules and regulations, here affect all the securities markets, and so they deserve a very deliberative process. I've mellowed a bit on this one.

Q. You've been criticized for not advocating until recently large increases in the S.E.C.'s budget.

A. The budget has been increased 43 percent. And the first page of the S.E.C.'s 1986 annual report points out that all the activities of the commission have been increased more than the record growth of the marketplace.

Authorized positions have been increased 3 percent during my tenure, but staff years, the actual employment here, is down 4 percent. The reason for the spread is budgetary constraints and because we're not competitive with the private sector.

We could have a lot more authorized positions and still not be able to fill them with qualified people because we're not paying competitive wages. And not only that, we lose people constantly to the private sector.

When I first arrived, I asked the personnel manager what our turnover was of attorneys that had been here for two years. It was 40 percent. It's down to 20 percent now, which is a big improvement. But it's still a very high turnover. A lot of young lawyers, outstanding young lawyers, use this place as a postgraduate school. And that's very expensive.

Q. You've frequently jousted on the Hill with John D. Dingell, the head of the House Energy and Commerce Commitee, which has jurisdiction over securities matters. What is your assessment of him?

A. We had lunch the other day. And it was a very pleasant affair, just the two of us—and our food tasters.

But seriously, in the trenches I'd want Rambo Dingell on my side. He's an old warrior. I have no animosity toward him. He's very tough and successful at what he does.

Q. How about Senator William Proxmire of the Banking Committee?

A. I've had, actually, very little exposure to Prox because he has just become chairman of the Banking Committee. But at one hearing, he kept telling me what I think. And I said, "No, that's not what I think," and I kept repeating it a little louder so he could hear me. And I finally hit the table after he did it about the fourth time and I said, "That's not what I think!"

I laughed and everybody else laughed. But I called him right after that and said I want to come over and see you, and I'd like to have your senior staff there because you're just getting bum briefings.

I think that I suffered on arrival here by the presumption that, because I came from Wall Street and was a Reagan appointee, that I was some sort of a knee-jerk deregulatory.

Q. You did have that reputation.

A. I'm not opposed to regulation. I'm opposed to regulation that's not cost-effective, because the burdens go onto the good guy. The problem is that, once you get tainted, the first impression is the one that lasts. But it's gradually turned around. It's become better and better.

Q. Are you at ease about the degree to which insider trading and other kinds of excesses have been brought in line?

A. On insider trading, the marketplace is incredibly sensitive in responding to these adverse headlines. And what concerns me is that the adverse headlines will be used as excuses for all kinds of other legislation.

I think any legislative responses to insider trading should be considered on their own merits, and that tender offer, merger and acquisition problems should be considered on their merits, and not lumped together. Insider trading is not the driving force behind tender offers. It's a parasitical activity.

Q. But have your efforts to shut down insider trading activity succeeded?

A. We haven't eradicated it, but we've certainly inhibited it, so that the profits that insider trading has been siphoning off are now flowing through to the investing public. So the markets today are even better than they were yesterday—and yesterday they were by far the best markets the world has ever known.

Q. When you look at the ever globalizing financial markets, where does the S.E.C. have to concentrate most at this point?

A. There are enormous benefits from the increasing international mobility of capital for investors and corporations and the world. The challenges are also great and immediate.

Q. Isn't it the ultimate in capital diversification?

A. Yes, for investors—and for corporations, international markets offer alternative sources of capital at any moment in time. There's a real advantage to having, say, 20 alternative sources of raising 100 million bucks. And it can be here or it can be in London or it can be in Hong Kong.

Today there are about 500 companies whose stocks are actively traded in more than one country. I believe that by the early 1990's it'll be over five times that number—through international linkages of markets and brokerage networks.

Q. How do you regulate that kind of market and protect investors?

A. You can only do it when all the securities regulatory bodies of the major countries cooperate actively.

I gave a talk last July in Paris to the International Association of Securities Commissions of 30 member nations. And I proposed a serious effort to form multinational committees to accelerate cooperation on enforcement matters.

But, in addition to enforcement cooperation, you have to improve and automate the international settlement of transactions because what's automated here and in Germany and Canada and England is not necessarily automated in some places. And, in some markets, it can take up to 30 days or longer for a transaction to clear. That can be very risky and expensive.

Another issue is to increase the access to international markets by investors and issuers. Everybody has access to our market. And yet, in Japan and elsewhere, there are various restrictions. There are enormous benefits to them and to the rest of the international community to open up and also to improve the quality of disclosure and enforcement.

One concrete step is to develop some sort of mutual prospectus approach, which we are working on primarily with Britain and Canada.

## ENROLLMENT CORRECTION—H.R. 1827

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. BYRD. Mr. President, there is a correcting resolution with reference to the supplemental appropriations bill. The correcting resolution has been sent over from the House, it has been cleared on the other side of the aisle and on this side with the distinguished Republican leader who just indicated he is ready to call this up.

I ask the Chair to lay before the Senate a message from the House of Representatives on House Concurrent Resolution 155.

The PRESIDING OFFICER. The clerk will report the resolution.

The legislative clerk read as follows:

House Concurrent Resolution 155 correcting the enrollment of H.R. 1827.

The PRESIDING OFFICER. Is there concurrence to the adoption of the concurrent resolution? The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

Mr. BYRD. I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. STENNIS. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. Without objection, the motion is laid on the table.

## FREEDOM OF RELIGION AND HUMAN RIGHTS IN LITHUANIA

Mr. BYRD. Mr. President, I would like to ask the distinguished Republican leader if Calendar Order 216 has been cleared on his side of the aisle.

Mr. DOLE. Yes, it has been cleared.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order 216.

The PRESIDING OFFICER (Mr. LAUTENBERG). The clerk will report the resolution.

The assistant legislative clerk read as follows:

A resolution (S. Res. 232) concerning the denial of freedom of religion and other human rights in Soviet-occupied Lithuania.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

The Senate proceeded to consider the resolution.

### CELEBRATING 600 YEARS OF CHRISTIANITY IN LITHUANIA

Mr. RIEGLE. Mr. President, the Senate's unanimous approval of Senate Resolution 232, calling for religious freedom in Soviet-occupied Lithuania as it celebrates its 600th anniversary of Christianity, makes an important contribution in advancing religious freedom and other human rights in Lithuania and throughout the Soviet Union.

Through instruments such as this resolution, we call the attention of the world to the plight of persecuted Christians in Lithuania, and we renew our solidarity with them in their struggle for religious freedom.

In this anniversary year, Lithuanians must be free to publicly celebrate the important role which Christianity has played in their nation's history

and culture. In order to advance that effort, this resolution urges the President, the Secretary of State, and the U.S. delegation to the Vienna C.S.C.E. Review Meeting to continue to speak out forcefully against violations of religious liberty in Lithuania and throughout the Soviet Union, and to solicit the support of our allies in that effort. Finally, the resolution calls upon the Soviet Union to honor its pledge to guarantee religious freedom as a signatory to numerous international agreements.

Mr. President, it is essential that the Congress continue to declare its support for the oppressed in Lithuania and throughout the Soviet Union. Although glasnost may, in time, bring greater religious tolerance in the Soviet-occupied states, life today for believers is characterized by oppression and fear. Congressional hearings have clearly demonstrated that the Soviet Union has violated the terms of the Universal Declaration of Human Rights and the Helsinki Final Act by engaging in an on-going denial of religious liberty and other basic human rights in Soviet-occupied Lithuania.

Religious believers, both young and old, are routinely persecuted. Children are discriminated against by teachers and school administrators who publicly ridicule them, pressure them to renounce their beliefs in front of their peers, and even block their admission to institutions of higher learning.

Adult lay believers in Lithuania suffer job discrimination, and are forced to work on Sundays and religious holidays. They are denied access to religious literature and are subject to interrogation, searches of their dwellings, and arrest for openly professing their faith.

Religious orders in Lithuania are legally proscribed, forcing thousands of nuns to take their vows in secret and to live their religious lives in an atmosphere of fear. Although there is no lack of candidates for the priesthood, admission to the one seminary permitted to exist in Lithuania is kept artificially low by the state. Each year, more priests die than are ordained, and 153 churches are now left without a priest.

Soviet authorities interfere with the appointment of the seminary faculty and the selection of students, so that some of those admitted are police agents, others are unfit for the priesthood, and all are potential blackmail targets. An underground seminary has thus become a necessity.

Priests in Lithuania who conscientiously perform their pastoral duties, such as providing religious instruction to children, organizing religious processions, and ministering to the sick and dying, face relentless persecution, ranging from fines to imprisonment in labor camps, all designed to isolate pastors from their people.

Lithuanian priests who protest the persecution of religious believers and petition the state for redress of their grievances, such as Father Alfonsas Svarinskas and Father Sigitas Tamkevicius, founders of the Catholic Committee for the Defense of Believers' Rights, are arrested and receive lengthy sentences in hard labor camps. The senior Lithuanian Catholic religious leader, Archbishop Julijonas Steponavicius, is serving his 27th year in exile from his Archdiocese of Vilnius for refusing to acquiesce in the state's attempted subjugation of religion.

Soviet authorities have seized numerous churches against the religious community's will and converted them to other uses. The most prominent is the Vilnius Cathedral which has now been turned into an art museum. The Church of St. Casimir in Vilnius is now a museum of atheism, and Our Lady Queen of Peace in Klaipeda, the only church built since the 1940 Soviet occupation, has been transformed into a concert hall.

The Soviet authorities have consistently blocked efforts by Pope John Paul II to visit the faithful in Lithuania, and has taken other steps to limit, obstruct, and diminish Lithuania's celebration of the 600th anniversary of its Christianization. Catholic lay believers were not permitted to travel to Rome to participate in the Papal celebration of Lithuania's Christianization on June 28, 1987. In addition, all travel to Lithuania by foreigners, including Americans of Lithuanian descent, was prohibited during the month of June 1987. Lithuanian clergy have been warned that any anniversary activities not approved in advance by the Soviet Government and not restricted to churches may result in reprisals.

Mr. President, the actions we take on behalf of those struggling to secure their fundamental freedoms do not go unnoticed. Last month, Voice of America and Radio Free Europe/Radio Liberty broadcast news of Senate support for the right of Latvians to publicly pay their respects to the thousands of victims of the 1941 deportations. On June 14, some 5,000 people gathered in Riga, Latvia to participate in that commemoration which, reportedly, was the largest, peaceful, anti-Communist demonstration ever to have occurred in the Soviet Union.

In the same way, the Voice of America and other broadcasts will spread the news of the Senate's unanimous approval of this resolution. The Lithuanian people will know of our action today, and will be strengthened by it.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the resolution.

The resolution (S. Res. 232) was agreed to.

The preamble was agreed to.

The resolution, and the preamble, are as follows:

S. RES. 232

Whereas 1987 marks the six hundredth anniversary of the Christianization of Lithuania, when the Lithuanian nation embraced Roman Catholicism;

Whereas freedom of religion is a fundamental human right which is explicitly guaranteed by Universal Declaration of Human Rights, the International Covenants on Human Rights, and the Final Act of the Conference on Security and Cooperation in Europe;

Whereas the Soviet Union has violated the Universal Declaration of Human Rights, the International Covenants on Human Rights, and the Final Act of the Conference on Security and Cooperation in Europe by engaging in the ongoing denial of religious liberty and other human rights in Soviet-occupied Lithuania and elsewhere;

Whereas Lithuanian children are legally prohibited from attending church without their parents and from participating in church activities, parents are actively discouraged from teaching their faith to their own children at home and banned from teaching religion to other children, priests are forbidden to give religious instruction to any children, and children who are religious believers are discriminated against by teachers and school officials;

Whereas adult lay believers in Lithuania are victimized by job discrimination, their access to religious literature is actively restricted, and they are subject to various forms of harassment such as house searches, interrogations, and arbitrary arrest;

Whereas religious orders are legally prohibited in Lithuania, admission to the one seminary is strictly regulated, and administration of that seminary is subject to Government interference;

Whereas priests in Lithuania who conscientiously perform their pastoral duties are subject to persecution, and those who protest Soviet mistreatment of religious believers and petition the state for redress of their grievances, such as Father Alfonsas Svarinskas and Father Sigitas Tamkevicius, founders of the Catholic Committee for the Defense of Believers' Rights, are subject to imprisonment;

Whereas Soviet authorities have seized numerous churches against the religious community's will and converted them to other uses:

Whereas Soviet authorities restrict the domestic production and importation of religious literature and materials to small quantities, and subject the publishers of religious literature and underground human rights publications such as the "Chronicle of the Catholic Church in Lithuania" to arrest and imprisonment; and

Whereas the Soviet Union has consistently blocked efforts by Pope John Paul II to visit Lithuania and has taken other steps to limit Lithuania's celebration of the six hundredth anniversary of its Christianization: Now, therefore, be it

*Resolved,* that the Senate deplores Soviet denial of religious liberty and other human rights in Lithuania and elsewhere, and on the occasion of the six hundredth anniversary of Christianity in Lithuania—

(1) sends its greetings to the Lithuanian people as they mark this solemn occasion in the life of their nation;

(2) voices its support for those Lithuanians who are persecuted for attempting to exercise freedom of religion;

(3) urges the President, the Secretary of State, and the United States delegation to the Vienna Review Meeting of the Conference on Security and Cooperation in Europe to continue to speak out forcefully against violations of religious liberty everywhere and specifically in Lithuania during this anniversary year, and to solicit the support of our allies in this effort; and

(4) calls upon the Soviet Union to abide by the Universal Declaration of Human Rights, the International Covenants on Human Rights, and the Final Act of the Conference on Security and Cooperation in Europe, including the provisions on religious liberty.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. MATSUNAGA. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## WARREN E. BURGER FEDERAL BUILDING AND COURTHOUSE

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 217, S. 1337, a bill to designate the Federal building and U.S. courthouse at 316 North Robert Street, St. Paul, MN, as the "Warren E. Burger Federal Building and United States Courthouse."

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1337) to designate the Federal building and U.S. courthouse at 316 North Robert Street, St. Paul, MN, as the "Warren E. Burger Federal Building and United States Courthouse."

There being no objection, the Senate proceeded to consider the bill.

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be discharged from further consideration of H.R. 436, a bill to designate the Federal building and U.S. courthouse at 316 North Robert Street, St. Paul, MN, as the "Warren E. Burger Federal Building and United States Courthouse," and that the Senate proceed to the immediate consideration of the bill.

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

The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 436) to designate the Federal Building and U.S. courthouse at 316 North Robert Street, St. Paul, MN, as the "Warren E. Burger Federal Building and United States Courthouse."

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

The Senate proceeded to consider the bill.

Mr. DURENBERGER. Mr. President, I would like to thank the majority leader for calling up this bill to name the Federal building in St. Paul, MN, the Warren E. Burger Federal Building and United States Courthouse.

Warren Burger, the former Chief Justice of the U.S. Supreme Court, is a native of St. Paul. He was born in the Dayton's Bluff neighborhood and lived in St. Paul for the first 46 years of his life.

By all accounts his childhood in our capital city was modest in circumstance but important in shaping the character and values which have marked the career of this distinguished public servant throughout his life.

He was a popular energetic and scholarly young man during his days in the St. Paul school system, a four-letterman in athletics and editor of the high school newspaper. Upon graduation from Johnson High School in St. Paul he was offered a scholarship to Princeton University which he was forced to decline, so that he could stay in St. Paul and help his large family through the difficult times of the Great Depression. He worked his way through the University of Minnesota and a night law school in St. Paul which is now known as the William Mitchell College of Law.

Warren Burger practiced law in the Twin Cities for 22 years from 1931 to 1953. During that time he was on the faculty of the law school and was very active in the civic affairs of his community.

As a community leader, he came to the attention of Harold Stassen, an extremely popular Governor and after World War II a candidate for the Presidential nomination of the Republican Party. It was as a Stassen lieutenant that Mr. Burger first came to national attention. At the 1952 Republican National Convention and as part of the Minnesota delegation he played a pivotal role in turning the nomination from Taft to Eisenhower. When General Eisenhower was sworn in as President in January 1953 he chose Warren Burger as his assistant attorney general for the Civil Division of the Justice Department.

In 1956 Eisenhower put the future Chief Justice on the U.S. Court of Appeals for the D.C. circuit where he served through 1969. His consistently strong and well-reasoned dissents from the generally liberal tradition of the D.C. court brought him to the top of the list when President Nixon chose a successor to Earl Warren for Chief Justice of the Supreme Court in 1969. His 17-year tenure as the leader of the Burger court made him the longest serving Chief Justice in the 20th century. And it was a stable and moderating period for the court. A period of stability that the Nation desperately needed as so many of the other institutions in our society were subject to the turmoil of the 1970's and 1980's.

Mr. Burger's service as Chief Justice will probably be best remembered for the administrative reforms which he brought to the management of the Federal court system. Most students of the Supreme Court credit Burger with having been the most innovative administrator in this century of the Federal court system. His proposals have resulted in centralizing court information, streamlining its administration, and professionalizing its management.

In June of last year after 24 years of continuous public service in the Federal Government, Mr. Burger retired from the Court so that he might devote his full energy to one more public effort—the bicentennial celebration of the Constitution. He was selected to serve as chairman of the Constitution Bicentennial Commission and has brought to that service all of the energy, scholarship, and celebration of the American Nation and its heritage which has marked his long career.

During the period from the 1950's through the 1980's Minnesota has given many sons and daughters to the public service of this Nation—Hubert Humphrey, Eugene McCarthy, Walter Mondale, and Harold Stassen come to mind immediately. Mr. Burger also had the opportunity to serve on the High Court with his childhood friend, Justice Blackmun.

As a Minnesota Senator I am always proud and it is a source of inspiration to reflect on the public service of these great men. And I am pleased with this Senate action today to honor one of our own who served the Nation with distinction during his years on the Court and is continuing his service by leading us in the celebration of our constitutional heritage.

Mr. BOSCHWITZ. Mr. President, I rise this evening to ask my colleagues to join me in paying tribute to a great American and a great Minnesotan, Warren E. Burger. Born in St. Paul, MN, in 1907, Warren Burger followed a distinguished academic career at both the University of Minnesota and the St. Paul College of law by entering private practice in 1931.

From there he entered public life as an Assistant Attorney General under President Eisenhower. Mr. President, as is well known, Warren Burger went on to become Chief Justice of the U.S. Supreme Court. Today we are considering a bill that would name the Federal building and courthouse in his honor, not simply because Warren Burger was Chief Justice of the highest court in our land, but because of all that he has done for this Nation in any capacity in which he has served.

Most particularly I want to call the attention of my colleagues to Mr. Jus-

tice Burger's efforts as Chairman of the Commission for the celebration of our Constitution's bicentennial. Dedicating his life to upholding the laws of this land, and protecting the integrity of the efforts of our Founding Fathers, Warren Burger continues to remind us that the Constitution is important to every American.

Mr. President, it is with great pleasure that I once again call upon my colleagues to support this effort.

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

The bill was ordered to a third reading, was read the third time, and passed.

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

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, has the motion to reconsider been laid on the table?

The PRESIDING OFFICER. Yes; it has.

Mr. BYRD. I thank the Chair.

Mr. President, I ask unanimous consent that Calendar No. 217, S. 1337, a companion bill, be indefinitely postponed.

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

## REFERRAL OF H.R. 921

Mr. BYRD. Mr. President, I ask unanimous consent that H.R. 921, relating to aircraft flying over National Park System units reported today by the Energy Committee be referred to the Committee on Commerce. And I further ask unanimous consent that if the Commerce Committee has not reported H.R. 921 by the close of business July 24 that committee be automatically discharged from further consideration and that the bill be returned to the calendar.

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

## OFFICE OF SENATE SECURITY

Mr. BYRD. Mr. President, I submit a Senate resolution on behalf of myself and Mr. DOLE to establish the Office of Senate Security and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the resolution.

The assistant legislative clerk read as follows:

A resolution (S. Res. 243) to establish the Office of Senate Security.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. BYRD. Mr. President, today I submit a resolution to establish the permanent Office of Senate Security. This new office will have broad responsibility for enabling the Senate to meet current security requirements for handling classified information.

We are all well aware of the perils invited by a lax and insufficient security system. The recent breaches in national security at home and abroad have been major, notorious, and far too numerous.

I am vitally interested in seeing that these conditions are corrected and in taking actions to avoid similar transgressions within the legislative branch. We have been fortunate in this regard to date, but several studies have shown that our operations are potentially at risk. We can only hope to counter the serious threat to Senate security by implementing appropriate standards and establishing centralized control of classified information.

In July 1985, the Senate Permanent Subcommittee on Investigations concluded that:

Congress must also focus on problems dealing with classified information in the legislative branch. For the most part, there are no established standards or procedures * * * We believe an overall review of security procedures in the legislative branch should be conducted * * * with a goal of recommending improvements where needed.

In December 1985, then Majority Leader ROBERT DOLE requested the Senate Rules, Intelligence, and Government Affairs Committees to review existing Senate procedures for the handling of classified information.

The resulting three-committee study producing disturbing findings. The committees stated:

We have found that Senate procedures dealing with personnel and classified information security are haphazard at best, and that hostile intelligence sources pose a real and sophisticated threat to Senate security.

In June 1985, the Intelligence Committee found that approximately 806 security clearances had been issued to Senate staff by five executive branch agencies. In November 1985, the Senate Sergeant at Arms and the Intelligence Committee conducted a survey that determined that nearly all of the Members' personal offices have personnel with security clearance; approximately three-fourths of these offices receive classified information, and about three-fifths of them store classified national security information. This same survey revealed that there is frequent confusion in Members' personal offices about the levels and sensitivity of classified information received. It is obvious from the survey that in most of the Members' personal offices no uniform procedures exist for the handling of classified information.

In November 1985, the Stillwell Commission reached similar conclusions in its report to the Secretary of Defense to review Defense Department Security Policy and Practices. The Commission recommended that Congress adopt rules for uniform minimum control of classified national security information, and suggested that the Secretary of Defense should volunteer Department of Defense resources and assistance to Congress to achieve this goal.

According to the Senate's three-committee report, the Intelligence Committee has also received extensive information from the FBI and other Federal intelligence agencies regarding Communist intelligence operations directed at Congress. In the past 10 years the FBI uncovered three cases of Soviet attempts to place agents in congressional offices. Moreover, the Bureau has described plans by Communist intelligence officers to establish and exploit friendships with congressional personnel. To counter such threats, the FBI has offered to brief Senators and staff on security matters.

The April 1986 report by the Rules, Intelligence, and Government Affairs Committees called for "immediate action" to improve Senate security and recommended that "comprehensive responsibility for Senate security should be vested in some single appropriate authority." This resolution does just that by establishing the Office of Senate Security as a central and comprehensive unit fully authorized and equipped to meet the present security needs of the Senate. The Office would develop and implement any policies and procedures necessary for the protection of all classified information handled in the Senate.

The new Office of Senate Security would take over and expand upon the existing operations and facilities of the Office of Classified National Security Information [OCNSI] within the Office of the Secretary of the Senate. That entity, OCNSI, was recently renamed the "Interim Office of Senate Security" in the last extension for that operation which expires July 10, 1987. The OCNSI was established in 1977 upon the abolition of the Joint Committee on Atomic Energy. The OCNSI was charged with providing a central repository for safeguarding classified information for which the office was responsible, and providing a secure hearing room where classified information could be presented or discussed.

Since the report by the Committees on Governmental Affairs, Intelligence, and Rules and Administration was issued last year, the joint leadership has been working together to create the Office of Senate Security upon the expiration of the OCNSI. This resolution is the result of those efforts. This

resolution authorizes the new office to develop and carry out policies on the following matters:

The handling of classified information addressed to the Senate; the processing of staff security clearances; the maintenance of a central record of Senate personnel with security clearances; recommendations for a reduction in the number of clearances held by staff; briefings and consultations for Senators and staff on security matters, the maintenance of a liaison with all departments and agencies on security matters, and a periodic review of the security practices employed by all Senate offices.

The Office of Senate Security is to be under the policy direction of the majority and minority leaders of the Senate, and shall be under the administrative direction and supervision of the Secretary. Within 3 months after the Director takes office, he must conduct a survey on the number of Senate employees with security clearances and make recommendations for reducing the number of such clearances held. Within 6 months after the Director is appointed, he will develop and distribute to each Senate office a Senate Security Manual. This manual will include the policies and procedures of the new Office and set forth regulations for the handling of classified information in all Senate offices.

The Director will also issue an annual report on the status of security and the handling of classified information in the Senate, and the progress of the Office in meeting the goals of this resolution.

Of course, the Office will continue to provide a secure hearing facility and a central repository for classified information, including the transcripts of closed sessions of the Senate. As of January 1987, CIA certification for Capitol room S-407 as a Secure Classified Information Facility [SCIF] was obtained, and the Office will maintain this facility.

Finally, the Office will take responsibility for the administration of oaths of secrecy under Senate Rule 29.

Mr. President, the joint leadership, the Secretary of the Senate, and their staffs have worked diligently to carefully draft this resolution for the creation of this vitally needed operation. The result is a bipartisan product that will establish an effective and independent entity in the best interest of the Senate and national security. I am grateful to the distinguished Republican leader for his cooperation and assistance in this matter, and I urge the Senate to immediately agree to this resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 243) was agreed to.

The resolution reads as follows:

*Resolved,* That (a) there is established, within the Office of the Secretary of the Senate (hereinafter referred to as the "Secretary"), the Office of Senate Security (hereinafter referred to as the "Office"), which shall be headed by a Director of Senate Security (hereinafter referred to as the "Director"). The Office shall be under the policy direction of the Majority and Minority Leaders of the Senate, and shall be under the administrative direction and supervision of the Secretary.

(b)(1) The Director shall be appointed by the Secretary after consultation with the Majority and Minority Leaders. The Secretary shall fix the compensation of the Director. Any appointment under this subsection shall be made solely on the basis of fitness to perform the duties of the position and without regard to political affiliation.

(2) The Director, with the approval of the Secretary, and after consultation with the Chairman and Ranking Member of the Committee on Rules and Administration of the Senate, may establish such policies and procedures as may be necessary to carry out the provisions of this resolution. Commencing one year from the effective date of this resolution, the Director shall submit an annual report to the Majority and Minority Leaders and the Chairman and Ranking Member of the Committee on Rules and Administration on the status of security matters and the handling of classified information in the Senate, and the progress of the Office in achieving the mandates of this resolution.

SEC. 2. (a) The Secretary shall appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of this resolution. The Director, with the approval of the Secretary, shall prescribe the duties and responsibilities of such personnel. If a Director is not appointed, the Office shall be headed by an Acting Director. The Secretary shall appoint and fix the compensation of the Acting Director.

(b) The Majority and Minority Leaders of the Senate may each designate a Majority staff assistant and a Minority staff assistant to serve as their liaisons to the Office. Upon such designation, the Secretary shall appoint and fix the compensation of the Majority and Minority liaison assistants.

SEC. 3. (a) The Office is authorized; and shall have the responsibility, to develop, establish, and carry out policies and procedures with respect to such matters as:

(1) the receipt, control, transmission, storage, destruction or other handling of classified information addressed to the United States Senate, the President of the Senate, or Members and employees of the Senate;

(2) the processing of security clearance requests and renewals for officers and employees of the Senate;

(3) establishing and maintaining a current and centralized record of security clearances held by officers and employees of the Senate, and developing recommendations for reducing the number of clearances held by such employees;

(4) consulting and presenting briefings on security matters and the handling of classified information for the benefit of Members and employees of the Senate;

(5) maintaining an active liaison on behalf of the Senate, or any committee thereof, with all departments and agencies of the United States on security matters; and

(6) conducting periodic review of the practices and procedures employed by all offices of the Senate for the handling of classified information.

(b) Within 180 days after the Director takes office, he shall develop, after consultation with the Secretary, a Senate Security Manual, to be printed and distributed to all Senate offices. The Senate Security Manual will prescribe the policies and procedures of the Office, and set forth regulations for all other Senate offices for the handling of classified information.

(c) Within 90 days after taking office, the Director shall conduct a survey to determine the number of officers and employees of the Senate that have security clearances and report the findings of the survey to the Majority and Minority Leaders and Secretary of the Senate together with recommendations regarding the feasibility of reducing the number of employees with such clearances.

(d) The Office shall have authority—

(1) to provide appropriate facilities in the United States Capitol for hearings of committees of the Senate at which restricted data or other classified information is to be presented or discussed;

(2) to establish and operate a central repository in the United States Capitol for the safeguarding of classified information for which the Office is responsible; which shall include the classified records, transcripts, and materials of all closed sessions of the Senate; and

(3) to administer and maintain oaths of secrecy under paragraph (2) of rule XXIX of the Standing Rules of the Senate and to establish such procedures as may be necessary to implement the provisions of such paragraph.

SEC. 4. Funds appropriated for the fiscal year 1987 which would be available to carry out the purposes of the Interim Office of Senate Security but for the termination of such Office shall be available for the Office of Senate Security.

SEC. 5. (a) All records, documents, data, materials, rooms, and facilities in the custody of the Interim Office of Senate Security at the time of its termination on July 10, 1987, are transferred to the Office established by subsection (a) of the first section of this resolution.

(b) This resolution shall take effect on July 11, 1987.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

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

The motion to lay on the table was agreed to.

## ORDER FOR COMMITTEES TO FILE

Mr. BYRD. Mr. President, I ask unanimous consent that the committees may have between the hours of 10 a.m. and 3 p.m. on Monday, July 6, in which to file executive or legislative calendar business and reports.

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

## PAYMENT OF SENATE EXPENSES

Mr. BYRD. Mr. President, on behalf of Mr. FORD and Mr. STEVENS, I submit a resolution and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the resolution.

The legislative clerk read as follows:

A resolution (S. Res. 244) to clarify the procedures for the payment of Senate expenses incurred under the authority of House Concurrent Resolution 131 (100th Congress, First Session) and Senate Resolution 352, agreed to April 11, 1986.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 244) was agreed to, as follows:

S. RES. 244

*Resolved*, That section 7(a) of Senate Resolution 352, agreed to April 11, 1986, as amended by Senate Resolution 166, agreed to March 12, 1987, is amended by inserting after "including" the following: "receptions, meals, and food-related expenses, and"

SEC. 2. For purposes of section 4 of House Concurrent Resolution 131 (100th Congress, First Session), the actual and necessary expenses of the Senate incurred in attending the ceremonial meeting of Congress in Philadelphia, Pennsylvania on July 16, 1987, including receptions, meals, and food-related expenses, shall be paid from the Contingent Fund of the Senate, out of the account of Miscellaneous Items, upon vouchers approved by the President pro tempore or his designee.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

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

The motion to lay on the table was agreed to.

## EXECUTIVE SESSION

Mr. BYRD. Mr. President, as in executive session, I ask the Republican leader if the following nominations on the Executive Calendar have been cleared on the other side of the aisle:

Beginning with the Judiciary on page 2 of the Executive Calendar, Calendar Order No. 216 and Calendar Order No. 217.

Under Department of Justice, Calendar Order No. 221, Calendar Order No. 223 through 225, on page 3.

Under State Justice Institute, Calendar Order No. 226.

Under Securities and Exchange Commission, Calendar Order No. 228.

Under Export-Import Bank of the United States, Calendar Order No. 230.

All nominations under the Air Force on page 4.

All nominations under the Army, beginning on page 4, continuing through page 5, page 6, and page 7.

Nominations under the Navy, beginning on page 7 and continuing into page 8.

Nominations under Department of State, beginning with Calendar Order No. 241 to Calendar Order No. 244, inclusive.

The nomination on page 9 under United States Information Agency, Calendar Order No. 246.

All nominations placed on the Secretary's desk in the Air Force, Army, Marine Corps, and Navy, appearing on page 10.

Mr. DOLE. Mr. President, if the majority leader will yield, those have been cleared in each instance.

May I make an inquiry with reference to Calendar No. 245 on page 8?

Mr. BYRD. We do have a temporary problem with that nomination. We hope to clear that up after the recess.

Mr. DOLE. The nominations have been cleared on this side.

Mr. BYRD. I thank the distinguished Republican leader.

Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations just enumerated; that they be considered en bloc and confirmed en bloc; that the President be immediately notified of the confirmation of the nominations; that the motion to reconsider be laid on the table; and that the Senate return to legislative session.

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

The nominations considered and confirmed en bloc are as follows:

THE JUDICIARY

James T. Turner, of Virginia, to be a judge of the U.S. Claims Court for the term of 15 years.

Robert Holmes Bell, of Michigan, to be U.S. district judge for the western district of Michigan.

DEPARTMENT OF JUSTICE

Richard Bender Abell, of Virginia, to be an Assistant Attorney General.

William S. Price, of Oklahoma, to be U.S. attorney for the western district of Oklahoma for the term of 4 years, reappointment.

Charles H. Turner, of Oregon, to be U.S. attorney for the district of Oregon for the term of 4 years, reappointment.

Daniel B. Wright, of New York, to be U.S. Marshal for the western district of New York for the term of 4 years, reappointment.

STATE JUSTICE INSTITUTE

Ralph J. Erickstad, of North Dakota, to be a member of the Board of Directors of the State Justice Institute for a term expiring September 17, 1989, new position.

SECURITIES AND EXCHANGE COMMISSION

Edward H. Fleischman, of New Jersey, to be a member of the Securities and Exchange Commission for the term expiring June 5, 1992, reappointment.

EXPORT-IMPORT BANK OF THE UNITED STATES

Simon C. Fireman, of Massachusetts, to be a member of the Board of Directors of the Export-Import Bank of the United States for a term expiring January 20, 1991, reappointment.

IN THE AIR FORCE

The following-named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370:

Lt. Gen. Forrest S. McCartney, xxx-xx-... FR, U.S. Air Force.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

*To be lieutenant general*

Maj. Gen. Robert D. Beckel, xxx-xx-... FR, U.S. Air Force.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

*To be general*

Gen. Duane H. Cassidy, xxx-xx-xxxx FR, U.S. Air Force.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

*To be general*

Gen. Jack N. Merritt, xxx-xx-xxxx, U.S. Army.

The following-named officer for appointment in the Regular Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 611(a) and 624:

*To be permanent major general*

Brig. Gen. Charles E. Edgar III, xxx-xx-..., U.S. Army.

Brig. Gen. John S. Peppers, xxx-xx-xxxx, U.S. Army.

Brig. Gen. Bobby F. Brashears, xxx-xx-..., U.S. Army.

Brig. Gen. John O. Sewall, xxx-xx-xxxx, U.S. Army.

Brig. Gen. Thomas G. Lightner, xxx-xx-..., U.S. Army.

Brig. Gen. Charles F. Scanlon, xxx-xx-..., U.S. Army.

Brig. Gen. Paul R. Schwartz, xxx-xx-xxxx, U.S. Army.

Brig. Gen. Joseph D. Schott, xxx-xx-xxxx, U.S. Army.

Brig. Gen. Wayne C. Knudson, xxx-xx-..., U.S. Army.

Brig. Gen. Peter J. Offringa, xxx-xx-xxxx, U.S. Army.

Brig. Gen. Larry D. Budge, xxx-xx-xxxx, U.S. Army.

Brig. Gen. John H. Stanford, xxx-xx-xxxx, U.S. Army.

Brig. Gen. Peter J. Boylan, Jr., xxx-xx-..., U.S. Army.

Brig. Gen. Eugene B. Leedy, xxx-xx-xxxx, U.S. Army.

Brig. Gen. Charles E. Williams, xxx-xx-..., U.S. Army.

Brig. Gen. Philip H. Mallory, xxx-xx-xxxx, U.S. Army.

Brig. Gen. James W. Ray, xxx-xx-xxxx, U.S. Army.

Brig. Gen. George H. Akin, xxx-xx-xxxx, U.S. Army.

Brig. Gen. Arnold Schlossberg, Jr. xxx-x... xxx-xx-..., U.S. Army.

Brig. Gen. Stanley H. Hyman, xxx-xx-..., U.S. Army.

Brig. Gen. Harold T. Fields, Jr., xxx-xx-..., U.S. Army.

Brig. Gen. Thomas C. Foley, xxx-xx-xxxx, U.S. Army.

Brig. Gen. Thomas H. Harvey, Jr., xxx-xx-..., U.S. Army.

Brig. Gen. Marvin D. Brailsford, xxx-xx-..., U.S. Army.

Brig. Gen. Robert D. Chelberg, xxx-xx-..., U.S. Army.

Brig. Gen. John P. Dreska, xxx-xx-xxxx, U.S. Army.

Brig. Gen. Harry G. Karegeannes, xxx-xx-xxxx, U.S. Army.
Brig. Gen. William F. Streeter, xxx-xx-xxxx, U.S. Army.
Brig. Gen. Charles E. Dominy, xxx-xx-xxxx, U.S. Army.
Brig. Gen. Charles A. Hines, xxx-xx-xxxx, U.S. Army.
Brig. Gen. John A. Renner, xxx-xx-xxxx, U.S. Army.
Brig. Gen. Merle Freitag, xxx-xx-xxxx, U.S. Army.
Brig. Gen. Wayne A. Downing, xxx-xx-xxxx, U.S. Army.
Brig. Gen. Craig H. Boice, xxx-xx-xxxx, U.S. Army.
Brig. Gen. Thomas P. Carney, xxx-xx-xxxx, U.S. Army.
Brig. Gen. Thomas G. Rhame, xxx-xx-xxxx, U.S. Army.
Brig. Gen. Leon E. Salomon, xxx-xx-xxxx, U.S. Army.
Brig. Gen. Horace G. Taylor, xxx-xx-xxxx, U.S. Army.
Brig. Gen. Daniel R. Schroeder, xxx-xx-xxxx, U.S. Army.

The following-named Army Nurse Corps Competitive Category officer for appointment in U.S. Army to the grade indicated under the provisions of title 10, United States Code, sections 611(a) and 624:

*To be permanent brigadier general*

Col. Clara L. Adams-Ender, xxx-xx-xxxx, Army Nurse Corps Competitive Category, U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

*To be general*

Gen. Joseph T. Palastra, xxx-xx-xxxx, U.S. Army.

*In the Navy*

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

*To be vice admiral*

Vice Adm. Jonathan T. Howe, xxx-xx-xxxx, U.S. Navy.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

*To be vice admiral*

Vice Adm. Thomas J. Hughes, Jr., xxx-xx-xxxx, U.S. Navy.

DEPARTMENT OF STATE

Max M. Kampelman, of the District of Columbia, to be counselor of the Department of State, vice Edward J. Derwinski.

Hume Alexander Horan, of New Jersey, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Saudi Arabia.

Willard Ames De Pree, of Maryland, a career member of the Senior Foreign Service class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of Bangladesh.

Lester B. Korn, of California, to be the representative of the United States of America on the Economic and Social Council of the United Nations, with the rank of Ambassador.

U.S. INFORMATION AGENCY

Anthony J. Gabriel, of Virginia, to be Inspector General, U.S. Information Agency, new position.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, MARINE CORPS, NAVY

Air Force nomination of David L. Franks, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of June 16, 1987.

Air Force nominations beginning Richard R. Digney, and ending Chesley G. Williams, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 16, 1987.

Air Force nominations beginning Drue L. Deberry, and ending David L. Franks, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 16, 1987.

Air Force nominations beginning David T. Anderson, and ending Anthony M. Tolle, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 16, 1987.

Air Force nominations beginning Charles M. Baier, Jr., and ending Roberta V. Mills, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 16, 1987.

Air Force nominations beginning Sidney C. Wisdom, and ending Larry P. Kelly, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 18, 1987.

Air Force nominations beginning Maj. Larry L. Allen, xxx-xx-xxxx, and ending Maj. Diane M. Koren, xxx-xx-xxxx, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 18, 1987.

Army nominations beginning *David C. Ballew, and ending *Jeffrey M. Young, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 16, 1987.

Army nominations beginning *John S. Ahmann, and ending *Mark K. Zygmond, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 16, 1987.

Marine Corps nominations beginning Francis P. Ahearn, Jr., and ending John M. Young, Jr., which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 16, 1987.

Marine Corps nominations beginning David R. Aday, and ending Bertrand L. Zeller, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 16, 1987.

Navy nomination of Everette D. Stumbaugh, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of March 23, 1987.

Navy nominations beginning Philip B. Bailey, and ending Richard Dale Shepard, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 18, 1987.

Navy nominations beginning Dorrit E. Ahbel, and ending Arthur Eugene Wickerham, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 18, 1987.

## LEGISLATIVE SESSION

## OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1987

The Senate continued with the consideration of S. 1420.

Mr. NICKLES. Mr. President, will the majority leader yield?

Mr. BYRD. I yield.

Mr. NICKLES. Is it the majority leader's desire to have an amendment pending on the trade bill? It deals with multilateral banks. We would be prepared to lay down that amendment, if it is the majority leader's request.

Mr. BYRD. Mr. President, I ask unanimous consent that the pending amendment by Mr. MOYNIHAN which would carry with it the second-degree amendment be temporarily laid aside.

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

AMENDMENT NO. 426

(Purpose: To oppose assistance by international financial institutions for the production of commodities or minerals in surplus, and for other purposes)

Mr. NICKLES. Mr. President, I have an amendment and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES] for himself, Mr. SYMMS, Mr. GRASSLEY, Mr. KARNES, Mr. MCCLURE, Mr. HATCH, and Mr. HELMS, proposes an amendment numbered 426.

Mr. NICKLES. I ask unanimous consent that the reading of the amendment be dispensed with.

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

At the appropriate place, insert the following new sections:

SECTION . SHORT TITLE.

This Act may be cited as the "Foreign Agricultural Investment Reform (FAIR) Act."

SEC. . LIMITATIONS ON INTERNATIONAL FINANCIAL ASSISTANCE.

(a) The Secretary of the Treasury (hereafter in this Act referred to as the "Secretary") shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank and the Fund for Special Operations, the International Monetary Fund, the Asian Development Bank, the Asian Development Fund, the Inter-American Investment Corporation, the African Development Bank, and the African Development Fund to use the voice and vote of the United States to oppose any assistance by these institutions, using funds appropriated or otherwise made available pursuant to any provision of law, for the production or extraction of any commodity or mineral, unless the Secretary—

(1) determines, in consultation with the Secretaries of Agriculture, Energy and Interior as appropriate, that such commodity or mineral, as the case may be, is not in surplus on world markets;

(2) certifies that assistance from sources other than those institutions listed in this section accompanies the proposed assistance by such institutions, and is provided in an amount sufficient to demonstrate the economic viability of such production or extraction of the commodity or mineral;

(3) determines in consultation with the Secretaries of Agriculture, Energy and Interior as appropriate, that the production, marketing, or export of commodities or minerals due in part or in whole to such assistance is not subsidized as described within the Agreement on Interpretation and Application of Articles V, XVI, and XXIII of the General Agreement on Tariffs and Trade and the annex relating thereto, done at Geneva on April 12, 1979; and

(4) submits to the Congress a report detailing the justification for his determinations.

(b) If any international financial institution described in this section approves financial assistance for the production or extraction of any commodity or mineral which would require the opposition of the United States Executive Director to that institution pursuant to this Act, the Secretary or his designees acting as the governor to that institution shall not agree to—

(1) any increase in the capital share of that institution;

(2) any replenishment of funding for that institution; or

(3) the letting of any instrument or note of credit by that institution either in the United States or denominated in the currency of the United States.

until he obtains a written commitment from the management of the institution that no future assistance will be proposed which would require the opposition of the United States Executive Director to that institution pursuant to this Act.

SEC. . REDUCTION OF UNITED STATES CONTRIBUTIONS.

(a) The amount of payments which the United States may make to the paid-in capital of an international financial institution described in section 2 during any capital expansion or replenishment of such institution may not exceed the amount of funds which the United States agreed to pay for paid-in capital under such expansion or replenishment minus an amount which bears the same proportion to the aggregate amount of assistance described in subsection (b) furnished by such institution as the United States share of the expansion or replenishment bears to the toal amount of the expansion or replenishment.

(b)(1) The aggregate amount of assistance referred to in subsection (a) is the amount of assistance furnished by an international financial institution which, pursuant to this Act, would have been opposed by the United States Executive Director to that institution during the period described in paragraph (2).

(2) The period referred to in paragraph (1) is the same number of years as the capital expansion or replenishment period which immediately preceded the first year of the expansion or replenishment period.

(c) Any funds withheld from payment to an internatioanl financial institution pursuant to this section shall be used to reduce the public debt in the manner specified in section 3113 of title 31, United States Code.

SEC. . NOTIFICATION.

The Secretary shall notify the institutions described in section 2 of the provisions of this Act upon it date of enactment.

SEC. . USE OF COMMODITIES IN LIEU OF CASH.

(a) Chapter 4 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 535. SUPPORT FOR COMMODITY IMPORT PROGRAMS.—(a) The President shall provide assistance under this chapter to a country for commodity import programs whenever he determines that the needs of such country and of the United States would be better met through such programs rather than through cash transfers. The President shall evaluate each country proposed to receive assistance under this chapter with respect to the needs described in the preceding sentence.

"(b)(2) Wherever practicable each country receiving a cash transfer under this chapter shall use such transfer to pay for goods produced or grown in the United States, including agricultural commodities, and for services performed by a national of the United States.

"(c) The Comptroller General of the United States shall monitor and audit, to the extent practicable, the expenditures of cash transferred under this chapter in each country receiving such cash.

"(d) For purposes of this section, the term 'national of the United States' means (1) a natural person who is a citizen of the United States or who owes permanent allegiance to the United States, and (2) a corporation or other legal entity which is organized under the laws of the United States, any State or territory thereof, or the District of Columbia, if natural persons who are nationals of the United States own; directly or indirectly, more than 50 percent of the outstanding capital stock or other beneficial interest in such legal entity. Such term does not include aliens.".

(b) The amendment made by subsection (a) shall take effect on October 2, 1987.

AMENDMENT NO. 427

(Purpose: To oppose assistance by international financial institutions for the production of commodities or minerals in surplus, and for other purposes)

Mr. SYMMS. Mr. President, I send an amendment to the desk, and amendment to the Nickles amendment.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Idaho [Mr. SYMMS], for himself and Mr. NICKLES, Mr. GRASSLEY, Mr. KARNES, Mr. MCCLURE, Mr. HATCH, and Mr. HELMS, proposes an amendment numbered 427 to the Nickles amendment 246.

Mr. SYMMS. 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:

Strike all after the word "SECTION". At the appropriate place, insert the following new sections:

SEC. —. SHORT TITLE.

This Act may be cited as the "Foreign Agricultural Investment Reform (FAIR) Act".

SEC. —. LIMITATIONS ON INTERNATIONAL FINANCIAL ASSISTANCE.

(a) The Secertary of the Treasury (hereafter in this Act referred to as the "Secretary") shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank and the Fund for Special Operations, the International Monetary Fund, the Asian Development Bank, the Asian Development Fund, the Inter-American Investment Corporation, the African Development Bank, and the African Development Fund to use the voice and vote of the United States to oppose any assistance by these institutions, using funds appropriated or otherwise made available pursuant to any provision of law, for the production or extraction of any commodity or mineral, unless the Secretary—

(1) determines, in consultation with the Secretaries of Agriculture, Energy and Interior as appropriate, that such commodity or mineral, as the case may be, is not in surplus on world markets;

(2) certifies that assistance from sources other than those institutions listed in this section accompanies the proposed assistance by such institutions, and is provided in an amount sufficient to demonstrate the economic viability of such production or extraction of the commodity or mineral:

(3) determines, in consultation with the Secretaries of Agriculture Energy and Interior as appropriate, that the production, marketing, or export of commodities or minerals due in part or in whole to such assistance is not subsidized as described within the Agreement on Interpretation and Application of Articles V, XVI, and XXIII of the General Agreement on Tariffs and Trade and the annex relating thereto, done at Geneva on April 12, 1979; and

(4) submits to the Congress a report detailing the justification for his determinations.

(b) If any international financial institution described in this section approves financial assistance for the production or extraction of any commodity or mineral which would require the opposition of the United States Executive Director to that institution pursuant to this Act, the Secretary or his designees acting as the governor to that institution shall not agree to—

(1) any increase in the capital share of that institution:

(2) any replenishment of funding for that institution; or

(3) the letting of any instrument or note of credit by that institution either in the United States or denominated in the currency of the United States.

until he obtains a written commitment from the management of the institution that no future assistance will be proposed which would require the opposition of the United States Executive Director to that institution pursuant to this Act.

SEC. —. REDUCTION OF UNITED STATES CONTRIBUTIONS.

(a) The amount of payments which the United States may make to the paid-in capital of an international financial institution described in section 2 during any capital expansion or replenishment of such institution may not exceed the amount of funds which the United States agreed to pay for paid-in capital under such expansion or replenishment minus an amount which bears the same proportion to the aggregate amount of assistance described in subsection (b) furnished by such institution as the United States share of the expansion or replenishment bears to the total amount of the expansion or replenishment.

(b)(1) The aggregate amount of assistance referred to in subsection (a) is the amount of assistance furnished by an international

financial institution which, pursuant to this Act, would have been opposed by the United States Executive Director to that institution during the period described in paragraph (2).

(2) The period referred to in paragraph (1) is the same number of years as the capital expansion or replenishment period, which immediately preceded the first year of the expansion or replenishment period.

(c) Any funds withheld from payment to an international financial institution pursuant to this section shall be used to reduce the public debt in the manner specified in section 3113 of title 31, United States Code.

SEC. —. NOTIFICATION.

The Secretary shall notify the institutions described in section 2 of the provisions of this Act upon its date of enactment.

SEC. —. USE OF COMMODITIES IN LIEU OF CASH.

(a) Chapter 4 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 535. SUPPORT FOR COMMODITY IMPORT PROGRAMS.—(a) The President shall provide assistance under this chapter to a country for commodity import programs whenever he determines that the needs of such country and of the United States would be better met through such programs rather than through cash transfers. The President shall evaluate each country proposed to receive assistance under this chapter with respect to the needs described in the preceding sentence.

"(b)(2) Whenever practicable, each country receiving a cash transfer under this chapter shall use such transfer to pay for goods produced or grown in the United States, including agricultural commodities, and for services performed by a national of the United States.

"(c) The Comptroller General of the United States shall monitor and audit, to the extent practicable, the expenditures of cash transferred under this chapter in each country receiving such cash.

"(d) For purposes of this section, the term 'national of the United States' means (1) a natural person who is a citizen of the United States or who owes permanent allegiance to the United States, and (2) a corporation or other legal entity which is organized under the laws of the United States, any State or territory thereof, or the District of Columbia, if natural persons who are nationals of the United States own, directly or indirectly, more than 50 percent of the outstanding capital stock or other beneficial interest in such legal entity. Such term does not include aliens.".

(b) The amendment made by subsection (a) shall take effect on October 1, 1987.

Mr. NICKLES. Mr. President, just so our colleagues and others might know what we are doing, basically the amendment we have is commonly called the FAIR market. It is called the Foreign Agriculture Investment Reform Act amendment. Basically it instructs the negotiators to multilateral banks to withhold funds to go to subsidize our foreign competition whether it be in minerals or whether it be in foreign agricultural products. That is the essence of our amendment.

We do not have a time agreement at this time. I am perfectly willing to enter into a time agreement.

We have Senator SYMMS and we have several other cosponsors. I think several people would like to speak on it. I do not know if anybody wants to speak on it all that long. There may be some opposition to it. We passed the same provision three times in the Senate before. Once with a recorded vote.

I expect we will be debating and discussing this issue Tuesday morning if that is in agreement with the majority leader.

Mr. BYRD. Mr. President, I thank the distinguished Senator.

UNANIMOUS CONSENT REQUEST

Mr. METZENBAUM. Mr. President, I rise to offer a unanimous-consent request in connection with the trade bill plant closing part of that bill.

I ask unanimous consent that at the hour of 2 p.m. on Wednesday, July 8, Senator METZENBAUM be recognized to offer an amendment which will have language providing for changes in the plant closing provisions, including a small employer exemption to be raised from 50 to 100 employees; 120 to 180-day advance notice will be reduced to 90 days. No notice will be required for layoffs unless one-fourth of the work force is affected. No notice will be required for a faltering company trying to stay in business. Season agriculture and part-time records cannot trigger notice requirements. No notice need be required when closing results from strike or walkout. Information for disclosure requirements will be entirely eliminated, and at that point, the amendment will be considered accepted and agreed to, without debate, and that a motion to reconsider be deemed made and tabled.

I also ask unanimous consent that following the adoption of the Metzenbaum amendment, and the motion to reconsider and table, the Senator from Indiana [Mr. QUAYLE] be recognized to offer a motion to strike part B of title 22, and that the motion, and the provisions to be stricken, not be subject to any further amendments, points of order or motions; that there be 4 hours of debate on the Quayle motion to strike, the time on the motion to be equally divided and controlled between the Senator from Indiana [Mr. QUAYLE] and the Senator from Ohio [Mr. METZENBAUM] or their designees, with a vote to occur on or in relation to the motion at 6 p.m. on that day. That once the motion to strike made by the Senator from Indiana [Mr. QUAYLE] has been disposed of, that no further amendments, modification, points of order, or motions that would have the effect of changing language in part B of title 22 would be in order.

Mr. QUAYLE. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. QUAYLE. Mr. President, reserving the right to object, and I will have to object to this unanimous consent.

First, we still do not know exactly. We have an idea what the amendment will look like as outlined by Senator METZENBAUM, but we still do not have at least in this unanimous-consent agreement what the amendment would be to set a time on Wednesday, 2 p.m. and to vote on it at 6.

I think we could probably get started on it a lot earlier.

As the Senator from Ohio knows, I have accommodated a request to put off any discussion on this on Friday, Saturday, early Tuesday, although late last night we were prepared to go but we were given a very short ultimatum and we agreed not to do anything today. But that has passed. Today will be passing. We will be going out.

I wanted to heed the advice of the distinguished majority leader that sometimes you just have to go, sometimes you just have to do it, and I intend to proceed sometime very soon on Tuesday.

I would have to object to this and tell the Senator what I would be willing to do is enter into a unanimous-consent agreement that I would be allowed to strike what is in the committee-reported amendment. I offer to strike that. As a matter of fact, I agree to a 2-hour time limit beginning on Tuesday, whatever time the Senator from Ohio and the majority leader would say, and we would get that out of the way and then when the Senator finally gets all of his amendments and modifications and substitutes and METZENBAUM 6, 7, 8, or whatever we are going to be, then he can offer his amendment but I think that is the way to go to begin.

I think that is the way to go to begin this debate on plant closing legislation. It is going to be a good debate. It will be a fair debate. But the Senator from Indiana is just exhausted as far as putting off, and this is the last day we will put off, but I will have to respectfully object to this, Mr. President.

The PRESIDING OFFICER. Objection is heard.

Mr. QUAYLE. I would ask unanimous consent that on Tuesday at a time designated by the majority leader for the Senator from Ohio that the Senator from Indiana would be recognized to offer a motion to strike part B of title XXII with an up-down vote and no amendments thereto, 2 hours equally divided.

Mr. METZENBAUM. Objection.

The PRESIDING OFFICER. Objection is heard.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The majority leader.

## ROUTINE MORNING BUSINESS

Mr. BYRD. I am awaiting the results of a telephone call. While awaiting the

results of the telephone call, Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond 10 minutes, and that I may be permitted to speak therein.

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

## SENATORIAL CAMPAIGN FINANCING REFORM

Mr. BYRD. Mr. President, we have debated campaign financing reform legislation for much of the month of June. We have shown repeatedly that a majority of the Senators favors a system of public financing tied to voluntary spending limits.

The bill reported from the Rules Committee was carefully constructed to be fair to all and yet halt the staggering spiral of growing campaign costs, limit the role of moneyed special-interest groups in campaigns in order to retain the public's trust and remove income limits and challenges alike from the money chase.

Unfortunately, a sufficient number of Senators opposed to that legislation has kept the majority from acting on it by refusing to cut off the filibuster. On five occasions, the effort has been made to invoke cloture. Thus far, we have been able to get within 7 votes of cloture, 7 votes of the necessary 60.

The principal objection raised by opponents was to the public financing aspect.

In good faith, Mr. BOREN and other Senators and I then offered a compromise proposal which cut by more than half the cost of the public financing provisions and cut the maximum proportion of total 6-year election cycle costs that a candidate could receive in public funds to less than 25 percent.

We hoped that at least some of those who initially had been opposed would meet us after we had gone more than half way in their direction. But they did not.

In a step that I believe was both ill advised and ill considered, the Republican conference chose at that time to take a harsh stand against any such legislation, thereby moving toward turning a matter which should not be tainted with partisan considerations into a partisan matter.

Mr. President, it is clear to Senator BOREN and myself and others that, despite all of the merits of the committee-reported public financing proposal, and the compromise matching version later introduced as an amendment, the almost monolithic opposition to public financing will assure a long, arduous path for either of those proposals.

Mr. President, we are realists and we can count, and especially we can count to 41, which is all the minority needs to prevent passage of any legislation through this body.

But we are not defeated, Mr. President. Senator BOREN and I and other Senators have constructed a new campaign financing reform proposal in the form of an amendment that contains all of the essential ingredients of campaign financing reform but does not rely on public financing for Senate campaigns. It has the following major features:

It retains aggregate PAC contribution limits computed as they were in S. 2.

It establishes voluntary spending limits and limits on the use of personal wealth.

It contains no public financing for Senate general elections so long as candidates abide by the voluntary spending limits.

It establishes incentives for candidates to abide by those spending limits by making such candidates eligible for preferential postage rates that the candidates who exceed the voluntary spending limits will trigger compensating payments to opponents who have agreed to remain within those limits.

It assures that candidates who are targetted by independent expenditures against them or for their opponents will be able to respond effectively, by increasing the primary spending limits of participating candidates when such expenditures are made during the primary period, and by providing a compensating payment to participating candidates when such expenditures are made during the general election period.

Additionally, the amendment will establish the voluntary spending limits it contains as mandatory spending limits if a constitutional amendment is ratified permitting the establishment of such mandatory limits, and at that time drops the incentive provisions for abiding by the voluntary limits I described previously.

Finally, even the very slight potential cost of this legislation is more than fully offset within it. The amendment ends preferential mailing rates for political parties. In effect, the amendment as it now is drawn will result in no net cost to the Federal budget—and quite possibly a reduction in the Federal budget deficit if all candidates live within the spending limits for their States—at the same time it sets in place vital reforms in our system of campaign financing.

It is time, Mr. President, to find out precisely which Senators support basic campaign financing reform and which Senators do not.

There can be no true campaign financing reform without establishing spending limits which are equitable and establishing a set of incentives to encourage candidates to choose to abide by the limits and establishing effective limits on the amounts of money which can come to candidates via the actions of political action committees.

This amendment contains all these essential features.

Mr. President, those of us who originally sponsored S. 2 and moved it to the Senate floor have attempted time and again to demonstrate that we are trying in every way we know to move meaningful campaign financing reform legislation on a nonpartisan basis. We have reached out to our colleagues on the other side of the aisle again and again. We offered a major compromise amendment cutting the amount of public funds by more than half.

Today we return—with a new amendment with a new structure, one that does not entail public financing—except as an enforcing mechanism—but, instead, relies on the least costly mix of incentives that can be devised to make a system of voluntary spending limits feasible within the confines of the Supreme Court's decision in Buckley versus Valeo.

We urge those Senators, in both parties, who have not yet supported campaign financing reform legislation, to join us in supporting this amendment. We urge those Senators, in both parties, who have been voting to prevent the Senate from considering and acting on this legislation, to vote now to permit that consideration and to permit the Senate to act.

This is a moment of reckoning for the Senate—and especially for those Senators who have opposed campaign financing reform legislation this year up to this point. This is a new opportunity. This is the chance to be for a strong, workable, fair bill that contains the essential ingredients of reform.

I hope we will be joined by many of those Senators within the next day or two.

On this same subject, Mr. President, today's lead editorial in the Washington Post concerns the issue of the obscenely high costs of Senate races and the efforts underway in this Congress to deal with this problem. I would like to read excerpts from that editorial:

U.$. $ENATE

The system has become obscene. Its defenders argue that the money now in politics is a sign of vigor, a healthy form of participation. Yes, up to a point—but that healthy point is past. The ceaseless quest for money absorbs the entire Congress, not only in election years. The National Journal recently compiled the amounts that senators not due to run until 1988 or 1990 had raised in 1985-86. By the end of last year four of the senators likely to run in 1990 had already raised more than $1 million; one was only $15,000 away; two more had raised more than $700,000. What notion of good government is served by that?

It was easy for Republicans to block the Democratic bill when it contained a large measure of public finance; they could stand on principle. Now the issue is much more

clearly the limits. Hardliners still resist the bill, on grounds that the Republicans, who are better fund-raisers, would be condemning themselves to permanent minority status. But money isn't what will deliver the Senate to the Republicans; nor, in the long haul, can it be healthy for the Republicans to link themselves to this iron lung.

Two Republicans—Robert Stafford and John Chafee—have joined the Democrats in voting to invoke cloture and move a bill. At least half a dozen others have acknowledged the need for restraints.

The latest bill is fair; the Republicans should agree to bargain on it. The alternative will soon be to change the name on the place. It fast becomes the U.$. $enate.

Mr. President, I ask unanimous consent that the entire editorial be included in the RECORD at this point.

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

U.S. SENATE

The average Senate reelection campaign now costs $3 million. To amass that much, a senator must raise $10,000 a week 52 weeks a year every year of his term. Let him miss a week for some reason—could it be the press of legislative business?—and he must raise twice that much the next week, three times as much the week after that. If he represents a large state or fears a strong opponent—or wants to scare such an opponent off—he must also raise more than average. And they do.

The system has become obscene. Its defenders argue that the money now in politics is a sign of vigor, a healthy form of participation. Yes, up to a point—but that healthy point is past. The ceaseless quest for money absorbs the entire Congress, not only in election years. The National Journal recently compiled the amounts that senators not due to run until 1988 or 1990 had raised in 1985-86. By the end of last year four of the senators likely to run in *1990* had already raised more than $1 million; one was only $15,000 away; two more had raised more than $700,000. What notion of good government is served by that?

The Democrats seek to restore a sense of proportion to this process. They would impose spending limits. The Supreme Court has said that to satisfy the First Amendment, spending limits must be voluntary; as a practical matter that means they must be in return for federal funds. But Republicans object to public financing of congressional campaigns. The Democrats have therefore moved successively to minimize the role of public funds. Their latest proposal is that a candidate could get such financing only if he agreed to abide by the spending limits for his state and his opponent did not. The public money would be only an insurance policy.

It was easy for Republicans to block the Democratic bill when it contained a large measure of public finance; they could stand on principle. Now the issue is much more clearly the limits. Hardliners still resist the bill, on grounds that the Republicans, who are better fund-raisers, would be condemning themselves to permanent minority status. But money isn't what will deliver the Senate to the Republicans; nor, in the long haul, can it be healthy for the Republicans to link themselves to this iron lung.

Two Republicans—Robert Stafford and John Chafee—have joined the Democrats in voting to invoke cloture and move a bill. At least half a dozen others have acknowledged the need for restraint. "There is no doubt that campaign spending is out of hand," said Sen. Pete Domenici at one point in last month's debate. "I would be very happy to see some kind of overall limitation," said Sen. William Roth. "I believe there is no surer way to a complete breakdown of our electoral process than to ignore burgeoning campaign costs," said Sen. Daniel Evans. "It seems to me there have to be some limits," said Minority Leader Bob Dole.

The latest bill is fair; the Republicans should agree to bargain on it. The alternative will soon be to change the name on the place. It fast becomes the U.$. $enate.

Mr. BYRD. Mr. President, I also ask unanimous consent that an explanation of the Boren-Byrd-Exon et al. amendment appear in the RECORD at this point.

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

AMENDMENT TO S. 2 PROVIDING PUBLIC FINANCING ONLY TO CANDIDATES WHOSE OPPONENTS EXCEED SPENDING LIMITS

NOTE: All references to the contents of S. 2 are to S. 2 as reported by the Committee on Rules and Administration.

All provisions noted below are to be effective with respect to the Senatorial elections for which the general elections are to be held in November, 1990, except as specifically noted.

*I. Voluntary Spending Limits in exchange for benefits.*

I.A. Voluntary state-by-state spending limits contained in S. 2.

I.B. Voluntary limits on use of personal or family wealth contained in S. 2.

*II. Benefits for Participants.*

All participating general election canditates who satisfy the individual contributions threshold amounts on a state-by-state basis as provided in S. 2, and who complied with the voluntary spending limits in the primary elections, will receive the following benefits:

II.A. Preferential television, radio, and mailing rates:

Only participating candidates will be entitled to the lowest unit rate advertising cost on television and radio. Broadcasters will be prohibited from discriminating against candidates in the amount, class or period of time made available to such candidates on behalf of their campaigns.

Only participating candidates will be entitled to a preferential first class mailing rate of one-quarter the then-standard first class rate (at present rates that would be 5½ cents per piece) and a third-class rate 2 cents-per-piece less than the preferential first class rate (which would be 3½ cents at the current time)—with the amount of a candidate's general election spending limit which he can spend for postage at these preferential rates limited to 5 percent).

II.B. Actions to Compensate Participating Candidates for Opposing Actions Outside State Spending Limits.

1. Compensation for Independent Expenditures.—S. 2 provisions pertaining to features compensating candidates for independent expenditures made against them or for their opponents are retained. (In primary periods, once the independent expenditures of any one organization or person exceed $10,000, the spending limit of the targetted candidate would be increased by the amount of such independent expenditures; for participating candidates in general election periods, such independent expenditures, once they exceed $10,000 per organization or person, would be matched with public dollars.)

2. Compensation when opponent exceeds spending limits.—If a candidate accepts contributions or makes expenditures exceeding the voluntary spending limits for the general election, the opposing participating candidate shall be entitled to receive compensating public funds. When the high-spending candidate accepts contributions or makes expenditures in excess of 100 percent of the state's spending limit, the other candidate, if he is a participating candidate, will receive a grant equal to ⅔ of the amount of the state's spending limit. If the high-spending candidate continues to raise funds or make expenditures, to the point that either exceeds 133⅓ percent of the state's spending limit, the participating opponent will receive a grant equal to ⅓ of the amount of the state's spending limit, and his spending limit is removed. The participating candidate continues to retain the preferential T.V. and radio rates not enjoyed by the nonparticipating candidate. In order to prevent a participating candidate from being surprised by a candidate exceeding the spending limit late in a campaign, any candidate who has not pledged to abide by the spending limit must notify the Federal Elections Commission within 24 hours of raising or spending 75 percent of the state spending limit (at which point the private fund-raising limit is removed for all other candidates in that race) and each time additional fundraising or spending aggregates an additional 5 percent of the state's spending limit until the funds raised or expended equal or exceed 133⅓ percent of the state's spending limit. In the case of a candidate who spends amounts, from his own or his family's resources, or incurs personal loans, which aggregate $250,000 or more, these same provisions apply, plus the candidate must report to the F.E.C. in $10,000 increments all expenditures of his own or family's resources or personal loans incurred after the initial $250,000 is passed.

III. Other Provisions.

A. Retained from S. 2, with the same effective dates as in S. 2:

1. Candidate and independent expenditures definitions and reporting provisions.

CHANGES FROM S. 2 AS REPORTED FROM COMMITTEE

1. No public financing is provided to a candidate unless his/her opponent exceeds the spending limit in either fund-raising or campaign expenditures. If all candidates live within the established spending limits, no public funds will be granted to candidates for general expenses pertaining to their elections.

2. Two non-cash benefits are provided to candidates who agree to abide by the bill's voluntary spending limits: reduced rates for television and radio time (lowest unit rate), and reduced first and third class postage rates (first class rate ¼ of the then-current rate, and third class rate 2 cents less per item than the lower first class rate). (This translates, currently to a first class rate of 5½ cents per item and a third class rate of 3½ cents per item.) Nonparticipating candidates will be eligible for neither broadcasting nor postage preferential rates.

3. A candidate facing a high-spending opponent will receive compensating funding in two installments—with the objective to spread out the disincentive to spend higher amounts. Such a candidate receives a grant equal to ⅔ of the state's spending limit

when the opponent exceeds 100 percent of the state's spending limit in fund-raising or expenditures, and a second grant equal to ⅓ of the state's spending limit when the opponent exceeds 133⅓ percent of the state's spending limit in fund-raising or expenditures.

4. Nonparticipating candidates must report expenditures or fund-raising in increments of five percent of the state's spending limit once either exceeds 75 percent of the state's spending limit until it exceeds 133⅓ percent. A candidate spending large amounts of his own or his family's resources, or incurring personal loans in large amounts, must report in $10,000 increments all such expenditures or loans once they equal $250,000 in aggregate. (Beyond these special provisions, the original reporting provisions of S. 2 apply.)

5. If the amount in the trust fund obtaining its revenue from the "checkoff" exceeds the amount necessary to fund the projected costs of the Presidential and Senate campaign financing systems, the excess will be returned to the General Fund.

6. Candidates who do not accept the voluntary spending limits must place on all advertising or announcements a disclaimer acknowledging they do not abide by those limits.

7. The provision of law is repealed which extends to political party committees the third class mail rates now available to qualified nonprofit organizations. The anticipated savings from this provision are projected to fully offset the costs of the Senate campaign financing reform provision reflected in this amendment.

8. If and when a Constitutional amendment is ratified permitting the Congress to set spending limits, the provisions of the bill providing benefits to participating candidates and compensating funds to candidates whose opponents exceed the limits will be repealed, and the spending limits contained in S. 2 will become the spending limits to implement the Constitutional amendment.

9. S. 2 limitations on state and local party expenditures for materials for volunteer activities, and new S. 2 restrictions on the types of materials for which such expenditures are permitted, are removed.

Mr. BYRD. Mr. President, I ask unanimous consent that the amendment by Senator BOREN, Mr. BYRD, Mr. EXON, and other Senators be printed, and that it also appear in the RECORD.

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

(The text of the amendment is printed in today's RECORD under Amendments Submitted.)

## EXTENSION OF MORNING BUSINESS

Mr. BYRD. Mr. President, I ask that the period for morning business be extended in which the Republican leader may speak.

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

## MAJOR STEP FORWARD IN KOREA

ON THE RIGHT TRACK NOW

Mr. DOLE. Mr. President, the decision by South Korean President Chun to institute major constitutional and political reforms marks a major step forward on the road to preserving stability, and establishing democracy, in South Korea.

We have a special interest in what happens in Korea. Peace on the Korean peninsula is central to peace in East Asia. That's why 40,000 American troops are there. Burgeoning United States-Korean trade has dramatically increased the economic interdependence of our two nations.

And, last but certainly not least, the United States has a special interest in the struggle for democracy wherever it occurs—and doubly so when it unfolds in a country with which we have enjoyed a long, close relationship.

RESPONDING TO THE SIGNAL

President Chun has done the right thing. The Korean people clearly signaled they wanted a major change. He is responding. That alone should put to rest the specious comparisons which have been made to the Philippines.

South Korea is not out of the woods. But it's on the right path.

Mr. President, we are on the right path, too. The administration has pushed hard on President Chun for reform. We must continue that pressure.

THE WHOLE PICTURE

But, as we do that, we must never lose sight of the whole picture in Korea.

It is pretty obvious that South Koreans want change, and they are getting it. But one thing I can say with certainty—there is not a single South Korean who thinks any of the answers can come from the North. There is not a single, thinking South Korean who does not recognize that everything they have achieved, and are in the process of achieving, can be sustained only if North Korea is kept at bay.

1985 VISIT

Mr. President, I still have vivid memories of my own visit to South Korea in 1985. It is a remarkable country—marked by enormous economic vitality and, clearly visible even then, considerable political ferment. Hopefully, the Korean Government is now responding constructively to that ferment, so that it is channeled as a force for positive change, not chaos.

What I remember most of all from that trip, though, is our short helicopter hop up to the DMZ. "Frontier of freedom" is a common metaphor in this Chamber. But in Korea, it is not a metaphor. It is a reality. North Korean jets could strike Seoul in 7 minutes. North Korean troops could be there within hours. "Life and death" is a metaphor, too—but it could also be the reality in Korea, within minutes.

So the stakes are about as high as they can be. The need for stability and an evolution toward democracy is about as acute as it can be. Right now, all parties seem to be responding to that urgency. Let us remain hopeful, and vigilant, and keep our eye clearly on our final goal: a stable, democratic and prosperous, South Korea.

## SENATORIAL CAMPAIGN FINANCE REFORM

Mr. DOLE. Mr. President, I listened with interest to the majority leader's comments with reference to campaign finance reform. I think there are some fundamental differences. They may be narrowed. We will obviously study this bill very carefully. We have had briefings in the majority leader's office. We have been given the highlights. I had a brief discussion today with the distinguished Senator from Oklahoma [Mr. BOREN]. We are looking outside to bring in outside experts to give us assistance just as the majority leader has done. There is this I think justifiable concern in one-party States about limiting expenditures which in the view of many, not just Republican partisans but in the view of many would in effect stifle any growth of the Republican Party in those States and any real opportunity for Republicans to be elected to the Senate and the House of Representatives.

That is one major impediment. Second, though I understand it has been changed the public financing feature is still there. Maybe it would only happen, as I listened to the majority leader, if it is triggered. There may be other objections others have, but just listening to my Republican colleagues in the many meetings we have had, I think third is some not only disclosure but some limitation on what is known as soft money, and that covers a range of things that we could probably get into sometime next week.

So I am not certain I can hold out any hope that we can resolve this soon, but I can say very honestly we are continuing to discuss it among ourselves. There may be enough Republicans at some point who will join with a majority on this side. I am not certain of that. I am not recommending that at this point. But I do know there are a number of Senators on this side of the aisle who have a number of ideas. I think some are very good. We hope to have some response to the majority leader sometime next week.

Mr. BYRD. Mr. President, I thank the able Republican leader.

## CORRECTION IN ENROLLMENT OF H.R. 558

Mr. BYRD. Mr. President, is there a House message at the desk on House Concurrent Resolution 150?

The PRESIDING OFFICER. There is a message at the desk.

Mr. BYRD. Mr. President, I ask that the Chair lay before the Senate that House message.

The PRESIDING OFFICER. Without objection, the clerk will report.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 150) to correct technical errors in the enrollment of the bill H.R. 558.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## THE INJURY OF PVT. STACY SCOTT VALENCIA

Mr. HECHT. Mr. President, too often we Americans take the wonderful things we have for granted. Among our most precious resources in this country are the millions of young men and women in uniform who have been willing to risk their lives to keep this Nation free.

People often think of dangers associated with military service only in terms of battle, but every single day there are men and women out there risking their lives for this country in routine military activities.

Everyday servicepeople like Pvt. Stacy Scott Valencia, whose family lives in Laughlin, NV, are continually performing an invaluable service to their country. And there are always dangers involved, no matter what activity they are engaged in.

On June 28, Private Valencia was conducting demolition training exercizes with his company, the 58th Combat Engineers, of the 11th Armored Cavalry Regiment, in Hohenfels, West Germany. A bomb they were training with, a "cratering shape charge" used to render bridges, roads, and airfields unusable, detonated prematurely. The blast left three of Private Valencia's comrades dead on that road in Germany, and 12 of the servicemen injured, including himself.

The American people owe a debt of gratitude to Private Valencia, to the men he served with, and to all the brave men and women in the Armed Forces. Not all of them are always engaged in romantic, exciting, daring endeavors, but it's important to remember that every last one of them is a vital link in the defense chain.

The Valencia family is lucky, Mr. President, although Stacy received facial injuries and some broken bones. The families of three of his compatriots were not as fortunate—their sons made the supreme sacrifice for their country. These men are no less deserving of our recognition, our thanks, and our honored remembrance than soldiers who were killed or injured defending this country in battle.

If the price of liberty is vigilance, then these are the men and women who pay the check. We owe them our thanks.

Thank you, Mr. President.

## THE SECOND SEMIANNUAL REPORT OF THE TVA INSPECTOR GENERAL

Mr. SASSER. Mr. President, the Tennessee Valley Authority recently released its second semiannual report of the Tennessee Valley Authority's inspector general. It shows that in the most recent 6-month span the TVA inspector general has completed 17 audits, identified $34 million in questioned contractors' claims, and completed 333 investigations. More than a third of those investigations involved TVA's struggling nuclear power program.

At my suggestion, TVA established its inspector general's office to allow independent reviews of the agency's efficiency and effectiveness. The TVA Board of Directors selected Mr. Norman A. Zigrossi for the position. His illustrious background has provided him with the qualifications for this important task. Mr. Zigrossi came to TVA after a 24-year career with the FBI, which included a year as a headquarters inspector conducting audits of FBI field divisions, 4 years as special agent in charge of the San Diego field office which has 300 employees, and culminated in 2 years as special Agent in Charge of the Washington, DC field office—which with more than 1,000 employees is the second largest field office in the country. He was twice named Outstanding Manager by the Director of the FBI and received the law enforcement award from the association of Federal investigators. He is a member of the President's Council on Integrity and Efficiency and has also been named to the National Intergovernmental Audit Forum.

Mr. Zigrossi's reports since joining TVA, which now cover a full year of operations, show a genuine promise of substantial contributions to TVA, in the coming years. He notes in his last report that a major portion of his office's efforts have been devoted to the nuclear power program. He has completed investigation of 131 employee concerns related to the nuclear program, of which 28 were substantiated, and is still investigating 290 others. His office has begun an audit of the nuclear quality assurance program. Because of TVA's decision to use loaned employees supplied by major companies, the inspector general has indicated he is continually monitoring the application of guidelines to prevent conflicts of interest in that arrangement.

Mr. Zigrossi has referred two cases for prosecution that could involve millions of dollars defrauded from TVA in coal deliveries. More than $1 million in billings from a major manufacturer were also questioned and documented.

The significant point, however, is the promise for success in the long run. The progress Mr. Zigrossi has made so far make me optimistic about improved operations in all of TVA's programs. Although an inspector general cannot replace sound management, an inspector general can be an additional safeguard for the public.

TVA's experience with an inspector general to date convinces me even more that the Nuclear Regulatory Commission would benefit from one. A regulatory function as important as the NRC's simply must have the continuing independent oversight of an inspector general. In addition, the current and future investigations of the NRC's programs and management would be aided by the facts and views that an inspector general could provide.

## NORIEGA SUPPORTERS ATTACK U.S. EMBASSY

Mr. HELMS. Mr. President, this past Friday the Senate approved, 84 to 2, bipartisan resolution which I offered along with Senators DURENBERGER, KERRY, and KENNEDY. The resolution expressed the sense of the Senate with regard to democracy and human rights in Panama.

This past Monday, the Government of Panama lifted the 21-day-old suspension of guarantees. On the surface, it appeared that the Government of Panama perhaps had responded positively to the Senate resolution by lifting the state of siege. Actions in Panama yesterday, however, lead me to believe that the state of siege was lifted for another reason.

Mr. President, yesterday at noon in Panama City thousands of protestors joined in a violent attack, organized and sanctioned by the Government of Panama, against the U.S. Embassy, consulate, and USIS offices. I emphasize that this protest was sponsored by the pro-Noriega forces. Government employees were told that if they did not participate, they would not receive their paychecks.

According to my information the Panamanian antiriot police withdrew from the scene of the demonstration one-half hour before the violence began. This was to allow the demonstrators free reign to destroy anything within their reach. The protestors threw rocks at windows and cars inside the Embassy compound, and splashed red paint on the U.S. Embassy build-

ing. United States sources have informed me that the damage will reach into the tens of thousands of dollars.

Following their destructive attack on the U.S. Embassy building, the pro-Noriega protestors marched two blocks to the U.S. consulate and the U.S. Information Service Offices and continued to destroy property there—all the while shouting anti-U.S. epithets. In all, about 20 automobiles inside U.S. property were severely damaged.

Mr. President, it is perfectly clear that this was orchestrated by the Panamanian Government. According to the Miami Herald of today, "eight cabinet ministers and other top officials led the anti-American demonstration." Included among the top government officials was the Minister of Government and Justice. Also present was the President of the government party, the Democratic Revolutionary Party.

I commend the Reagan administration for swiftly condemning the actions of the protesters. The United States has now closed down the United States consulate until the Panamanians guarantee that they will once again prevent such orchestrated violence.

Mr. President, the time has arrived for the United States to take even stronger actions. The United States should consider withdrawing our Ambassador to Panama for consultation, and should suspend all assistance to Panama until the Government of Panama compensates the United States for all damages to our property and facilities.

Mr. President, I ask unanimous consent that an article from today's Miami Herald be printed in the RECORD.

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

[From the Miami Herald, July 1, 1987]

U.S. FACILITIES STONED IN PANAMA

(By Michele Labrut)

PANAMA.—About 2,000 pro-government demonstrators, protesting what they called American intervention in Panamanian affairs, marched to the U.S. Embassy and other American facilities Tuesday, throwing rocks and paint, breaking windows and damaging cars.

Eight cabinet ministers and other top officials led the anti-American demonstration, the latest in a series of actions protesting a resolution passed by the U.S. Senate last week calling for free elections and an end to military control of Panama's government.

The resolution also criticized Gen. Manuel Antonio Noriega, who, as commander of the Defense Force, is Panama's military strongman, and called for an independent investigation of allegations made against him.

Despite heavy iron gates and bars installed at the American Embassy compound on Balboa Avenue last year as part of a complete remodeling of U.S. embassies around the world to avoid terrorist attacks, demonstrators broke embassy windows and damaged most of the 25 cars in the embassy parking lot behind the building.

The demonstrators then continued to the U.S. Consulate two blocks away, again smashing windows, throwing rocks at the offices and shouting anti-U.S. slogans.

About 30 protesters broke windows of the Amador-Washington Library operated by the U.S. Information Service in a building housing the embassy cultural section.

The demonstrations came after the government coalition parties called for a meeting in front of the Foreign Ministry to protest the resolution approved by the U.S. Senate on Friday.

At the rally, several thousand government supporters heard speakers denounce "U.S. intervention in Panamanian affairs" and repudiate participants in recent anti-government protests as "Panamanian traitors who serve U.S. interests."

Mario Parnther, a former student leader and organizer of anti-American demonstrations during the 1970's, said the meeting was called to support the alliance of the military and the people in the "indestructible unity" inherited from former strongman Omar Torrijos. Parnther finished his speech by urging the protesters to march toward the embassy.

A Foreign Ministry source later said, "We condemn this aggression [against the U.S. Embassy], the same way we condemn the aggression that we are suffering from the U.S. Senate.

"The Foreign Ministry disapproves any violence against any embassy of a friendly country," the source added.

The U.S. Embassy issued a communique in which it said it was "the target of violent anti-American demonstrations orchestrated by well-known political elements."

It also said the embassy was "preparing a strong note of diplomatic protest to the government of Panama which is responsible for the protection of diplomatic premises."

On Monday, Panama's legislators had urged the government to declare U.S. Ambassador Arthur Davis *persona non grata*, requiring his withdrawal from the country. But a Foreign Ministry source said the "measure had not been considered" by the executive branch.

Just before the legislators voted, Davis was summoned to a meeting with Foreign Minister Jorge Abadia Arias.

Upon emerging from the meeting, Davis characterized the short consultation "like a meeting between two friends," during which Abadia Arias used "strong words."

The ambassador was given a copy of the minister's letter to Secretary of State George Shultz describing Panamanian indignation at the U.S. Senate resolution.

The Legislative Assembly vote followed outraged comments on the Senate resolution in the local press, at a time when U.S.-Panamanian relations were at one of the lowest points since the anti-American riots in 1964 that left 22 Panamanians dead.

On Saturday, President Eric Arturo Delvalle declared the U.S. resolution an "intervention" and recalled his ambassador to Washington for consultations.

The Defense Force general staff also rejected the Senate position as meddling Panamanian military and internal affairs.

Meanwhile, thousands of other Panamanians staged a counter-demonstration against the government Tuesday. They honked car horns, banged pots and pans and waved white handkerchiefs to demand a military withdrawal from politics and investigations into alleged corruption.

## WELCOMING PRESIDENT CHUN'S ANNOUNCEMENT

Mr. ROCKEFELLER. Mr. President, 1 week ago many commentators were suggesting that there was little chance of compromise and peaceful change in South Korea. Yesterday, the Korean people and President Chun Doo Hwan proved them wrong.

In an historic address to the South Korean people, President Chun voiced clear support for the democratic reform agenda first put forward by the opposition party and then embraced by Mr. Roh Te Woo earlier this week. In so doing, he has paved the way for a democratic and peaceful transfer of governmental power early next year.

I know that all of my colleagues welcome this development and congratulate President Chun for moving to defuse the political crisis by putting his country squarely on the path to democratic governance.

Congressman STEPHEN SOLARZ best expressed the profound importance of yesterday's announcement: "It appears that South Korea, which has produced one of the great economic miracles of our time, will produce one of the great political miracles of our time."

The commitment to direct presidential elections, the release of political prisoners, freedom of the press, and other reforms has drastically altered the political landscape in South Korea. The politics of confrontation have given way to compromise and reconciliation. A new sense of optimism and trust has been generated among South Koreans as a result of this week's developments.

Mr. President, a tremendous and unexpected new beginning has been made in South Korea. But there remains much to be done in transforming the promises into political reality. Many years of distrust must be overcome as the government and opposition parties work toward a compromise constitutional reform in the National Assembly beginning next week. But with good faith and a genuine commitment to the spirit of democratic government, I am confident that the South Korean people will succeed. The eyes of the world will be on them.

## FIVE VERSIONS OF PLANT CLOSING LEGISLATION

Mr. QUAYLE. Mr. President, yesterday we did not vote on the plant closing amendment, as had been planned. On the basis of information in my possession yesterday afternoon, I was ready to move ahead. However, the content of the Metzenbaum plant closing language has been changing at a rapid pace. I hope the text of the proposal will settle down so we know what we are discussing.

Since its introduction on January 26, 1987, the plant closing language has been altered substantially. In fact, it has gone through no less than five changes. But, Mr. President, the leopard cannot change its spots, and despite these changes, the bill is still a mandatory plant closing and "mass layoff" notice proposal which will hamper American business and restrict our ability to compete in today's international marketplaces.

METZENBAUM I

As introduced by Senators METZENBAUM, KENNEDY, and others, the plant closing language covered employers of 50 or more full-time or full-time equivalent workers.

Employers who either closed a business or who laid off 50 or more workers were required to:

First. Give notice of 90 days for layoff or termination of 50 to 100 employees; 120 days notice for layoff or termination of 101 to 499 employees; and 180 days' notice for layoff or termination of 500 or more employees.

Second. Consult with local governments and workers' representatives in good faith for the purpose of agreeing to alternatives to the proposed closing or layoffs.

Third. If requested by local governments or worker's representatives, supply "relevant information as necessary for the thorough evaluation to order a plant closing or mass layoff."

The information included: (a) the reasons and basis for the decision to order a plant closing or mass layoff; (b) alternatives that were considered and the reasons alternatives were rejected; (c) plans with respect to relocating work of the facility where employment loss is to occur; and (d) plans with respect to the disposition of capital and assets.

Fourth. An exception for "unforeseeable business circumstances" was provided.

Fifth. Penalties were to be assessed against employers who disobeyed. Employers would have to pay to each affected employee back pay, computed on wages and fringe benefits and $500 per day to local governments.

METZENBAUM II

During markup of the plant closing bill, the Labor Committee majority approved a second version of the proposal. This variant of the bill eliminated the provisions requiring employers to consult with workers' representatives and local governments "for the purpose of agreeing to alternatives" to the plant closing or layoff.

First. In its place, the disclosure of information provision was expanded and refined. Employers now would have to supply more specific information regarding the proposed closing, such as:

The most recent financial statements and audit reports available for the past 3 years for the place of employment involved; any studies or evaluations assessing the feasibility or infeasibility of maintaining operations which the employer considered in proposing the plant shutdowns or mass layoffs; a statement of the employer's present plans with respect to relocating the work of the facility where the employment loss is to occur and with respect to the disposition of capital assets of that facility.

Second. Employers who failed to disclose information would be fined $10,000.

Third. If an employer proved to the satisfaction of the court, that his violation was "in good faith" and that he had "reasonable grounds for believeing that—the violation—was not a violation" the court may reduce the employer's liability.

Fourth. Exemptions were included for:

Employees hired for work of a limited duration or a certain project; plant closings or mass layoffs which are the result of a sale of business in which the buyer agrees to hire "substantially all" of the employees with no more than a 2-week break; and plant closings and mass layoffs which are the result of a relocation of the business, within a "reasonable" commuting distance, and the employer offers to hire "substantially all" of the affected employees.

Fifth. Civil action against workers' representatives and local governments was permitted for disclosure of the employer's information, but only for recovery of actual financial loss suffered as a consequence of the violation.

METZENBAUM III

Plant closing language is now proposed to be added to the Omnibus Trade bill. This third version of plant closing legislation as called for made several key changes, to wit:

First. Straight 90-day notification for all covered employers, rather than the graduated 90/120/180-day notice provision.

Second. The definition of plant closing and "mass layoff" was bifurcated. Under Metzenbaum III, plant closings are permanent or temporary shutdowns the place of employment, facilities, operating units, or functions involving 50 or more workers over a 30-day period. Part-time or seasonal employees are excluded.

Third. "Mass layoffs" involve an "employment loss" of at least 50 employees and one-third of the employer's workforce over a 30-day period—part-time and seasonal workers excluded.

Fourth. Notification periods are permitted to be reduced if the employer is "actively seeking capital or business" which, if gained would have prevented layoffs and which the employer "reasonably and in good faith" believed would have precluded new capital investment.

Fifth. Information disclosure was slightly modified to exclude feasibility studies when he is staying in the same line of business in the same geographic market in U.S. facilities.

Sixth. Strikes and lockouts are not considered "plant closings" for the purpose of the bill.

Seventh. Penalties payable to the employees for wages and benefits shall be for a maximum of one-half the number of days the employee was not employed, less actual payments made to the employee by the employer.

METZENBAUM IV

About 5 o'clock yesterday evening, we heard that there was to be a fourth version of the plant closing bill. Here are the changes it made:

First. Changed the definition of "employer" to one who employs 100, or more full time, or full-time equivalent workers.

Second. Preempted State plant closing laws.

Third. Eliminated the temporary or permanent shutdown of a function within a place of employment from the definition of plant closing.

Fourth. Civil actions against workers' representatives and local governments was deleted.

METZENBAUM V

Along about 7 o'clock yesterday evening, we received a fifth version of the plant closing bill.

This one completely deleted the duty to disclose information and the penalties for failure to disclose.

Mr. President, I get the impression that this proposal is like a chameleon: It is changing its color to blend in with the surroundings. The leopard cannot change its spots, as I stated earlier, and Metzenbaum V is still a federally mandated regulation of when and how private sector employers may lay off employees.

I feel it is important for Senators and staff to see the bill that we will be discussing. Mr. President, we have to know what version of this thing is before us, and whether it is going to be changed, again. If it going to be changed again, I think we all ought to sit tight until a final version is before us.

## A LETTER FROM BARBARA MATIA, OF SCOTTSDALE, AZ

Mr. DECONCINI. Mr. President, I ask unanimous consent that a letter I received from Barbara Matia of Scottsdale, AZ, which is self-explanatory, be printed in the RECORD at this point.

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

Mr. Chairman, Senators and Staff:

I am Barbara Matia of Scottsdale, Arizona.

The only thing worse than having rheumatoid arthritis yourself is learning that your daughter has rheumatoid arthritis as well. My daughter's story and mine parallel one another, only I did not learn of Dr. Brown's treatment program, which is based upon the infectious theory of rheumatoid arthritis, until my adult life and until after I was bedridden with arthritis. My arthritis began as a very young child with my first flare beginning in my jaws. I had all the symptoms which Dr. Brown believes are a part of rheumatoid arthritis—pain, weakness, fatigue, anemia, lack of memory, inability to concentrate, irritability and depression. My mental acuity was affected.

I truly lived a half life, yet no doctor was able to diagnose my disease. It was not until my daughter's birth that I was diagnosed as having severe rheumatoid arthritis.

Two years ago I took my daughter to the pediatrician because she had not been feeling well for some time. The doctors thought my daughter might have mononucleosis, valley fever or arthritis, but nothing showed up on her blood test, even after several tests. However, her symptoms persisted and she developed nodules on her wrist. To my pediatrician's credit, he was more than willing to send her blood work to Dr. Brown at the Arthritis Institute in Arlington, Virginia. Dr. Brown called me several days later to tell me that Bethany had active rheumatoid arthritis. If it were not for my having the disease and understanding all of the symptoms, Bethany's arthritis might not be diagnosed today. She was in the hospital at this time last year for her first treatment with intravenous antibiotics, followed by oral antibiotics at home.

All of her symptoms have improved. She is alert and feeling much better rather than just coping with life.

Bethany's and my story are not unique. I cannot begin to tell you how many patients are sent to the Arthritis Institute who could not be diagnosed by their physician or rheumatologist.

There are two significant questions that can no longer be left unanswered because the answers to these questions could bring hope to the 37,000,000 arthritics in our country.

First, what is Dr. Brown doing to detect rheumatoid arthritis that permits him to diagnose it earlier than the diagnoses achieved through the standard blood tests for rheumatoid arthritis? One test he uses that is not used elsewhere is a mycoplasma antibody test. A positive mycoplasma antibody test indicates that appreciable levels of mycoplasma are present. Under Dr. Brown's theory of the disease, appreciable levels of mycoplasma would suggest that rheumatoid arthritis is developing. The fact that these early diagnoses are later confirmed by the more widely used tests for rheumatoid arthritis would in itself suggest a connection between mycoplasma and rheumatoid arthritis. But whether or not this is the case, the test has proven to be a reliable early indicator of rheumatoid arthritis.

The second question that can no longer be left unanswered is why, if the antibiotic treatment program is so significant that it allows the arthritic sustained control and even a reversal of the disease, is the treatment program not spreading across our country like hotcakes? It is because the source of the infection has not been confirmed. And there are very definite reasons why this has not happened.

First, while Dr. Brown isolated the mycoplasma organism in 1937 and has done so intermittently since then, the isolation of the organism on a regular basis is difficult. It is also hard to grow in culture or to demonstrate on a regular basis outside of the body. Therefore, it will take years of further research to fully understand the workings of the infectious agent.

Second, the discovery of cortisone blocked the infectious theory for decades. Everyone thought the cure was at hand. Years of research went into purifying cortisone to try to eliminate its terrible side effects. It has since been discovered that cortisone blocks the body's immune system reaction but does nothing to stop the progress of the disease. But all those years were lost.

Third, while interest in the infectious theory returned in the late 1960's, that interest was snuffed out as a result of the Boston Study of tetracycline as a treatment for rheumatoid arthritis. Although it is acknowledged today that the study was improperly formulated, the study showed no effect from the tetracycline and the medical community has been reluctant to revisit the infectious theory ever since.

Finally, because of lack of funding for research into the infectious theory for the reasons set forth above, Dr. Brown pursued the treatment program for the disease based upon his belief that the cause was an infectious agent.

Therefore, while Dr. Brown has an important lead that an infectious agent is the cause, most rheumatologists refuse to try the antibiotic treatment program where the infectious agent is not confirmed even though they will give cortisone and other "accepted" remedies before any cause is confirmed.

Dr. Brown's fifty years of research and clinical experience make him the most knowledgeable doctor in the country today with respect to the infectious theory of rheumatoid arthritis. Dr. Lawrence Shulman, Director of the new Arthritis Institute of the National Institutes of Health, has said "Dr. Brown has made his mark with the antibiotic treatment program." While that statement represents significant progress, there has still been no action to make the antibiotic treatment program available to the nation's arthritics.

In 1983, when I first testified before this subcommittee, I quoted to you from a 1972 statement of the then head of the NIADDK that "heartening progress was being made in determining the cause of rheumatoid arthritis." Four more years have gone by and from the standpoint of the rheumatoid arthritic, nothing new has been offered them except methatrexate which can have results worse than the disease. Four times this subcommittee has asked the NIADDK to take positive steps to explore the antibiotic treatment program of the Arthritis Institute. Twice during that period the NIADDK turned down a grant application to fund a clinical trial of that program.

After the experience I have had with my daughter, I am convinced now more than ever that the arthritic does not have to live a half life and that a treatment program to return the other half of life to the arthritic is currently available. This subcommitee can make the difference!

Thank you very much.

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Mr. Chairman, Members of Congress and Staff:

I am Bethany Matia and I am 12 years of age.

What is arthritis? Who gets arthritis? How do you know when you have arthritis? Is there a cure for arthritis?

Since my mother was in bed sick with arthritis when I was learning to talk, one of my early questions was will I get arthritis when I grow up?

The question was answered for me last year when I was diagnosed as having active rheumatoid arthritis. I have been hospitalized twice during the year.

When my mother took me out for ice cream and told me I had arthritis, I didn't believe her. The symptoms are hard to understand. No one wants to be different. I always thought I had a headache, the flu and that I was just tired. I slept most days after school and I was not able to handle my school work in fifth grade. I have been treated with nothing but antibiotics this year. My symptoms have all improved and so have blood tests as well as my school grades.

My disease would not be diagnosed if it weren't for my mother and for Dr. Brown. I hope that my visit today will interest you in the infectious theory for arthritis, so that we can help all the children that are in the early stage of arthritis and don't even know they have the disease.

Thank you very much.

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## NOMINATION OF ROBERT BORK

Mr. KENNEDY. Mr. President, I oppose the nomination of Robert Bork to the Supreme Court, and I urge the Senate to reject it.

In the Watergate scandal of 1973, two distinguished Republicans—Attorney General Elliot Richardson and Deputy Attorney General William Ruckelshaus—put integrity and the Constitution ahead of loyalty to a corrupt President. They refused to do Richard Nixon's dirty work, and they refused to obey his order to fire Special Prosecutor Archibald Cox. The deed devolved on Solicitor General Robert Bork, who executed the unconscionable assignment that has become one of the darkest chapters for the rule of law in American history.

That act—later ruled illegal by a Federal court—is sufficient, by itself, to disqualify Mr. Bork from this new position to which he has been nominated. The man who fired Archibald Cox does not deserve to sit on the Supreme Court of the United States.

Mr. Bork should also be rejected by the Senate because he stands for an extremist view of the Constitution and the role of the Supreme Court that would have placed him outside the mainstream of American constitutional jurisprudence in the 1960's, let alone the 1980's. He opposed the Public Accommodations Civil Rights Act of 1964. He opposed the one-man one-vote decision of the Supreme Court the same year. He has said that the first amendment applies only to political speech, not literature or works of art or scientific expression.

Under the twin pressures of academic rejection and the prospect of Senate rejection, Mr. Bork subsequently re-

tracted the most neanderthal of these views on civil rights and the first amendment. But his mindset is no less ominous today.

Robert Bork's America is a land in which women would be forced into back-alley abortions, blacks would sit at segregated lunch counters, rogue police could break down citizens' doors in midnight raids, schoolchildren could not be taught about evolution, writers and artists would be censored at the whim of government, and the doors of the Federal courts would be shut on the fingers of millions of citizens for whom the judiciary is often the only protector of the individual rights that are the heart of our democracy.

America is a better and freer Nation than Robert Bork thinks. Yet, in the current delicate balance of the Supreme Court, his rigid ideology will tip the scales of justice against the kind of country America is and ought to be.

The damage that President Reagan will do through this nomination, if it is not rejected by the Senate, could live on far beyond the end of his Presidential term. President Reagan is still our President. But he should not be able to reach out from the muck of Irangate, reach into the muck of Watergate, and impose his reactionary vision of the Constitution on the Supreme Court and on the next generation of Americans. No justice would be better than this injustice.

Mr. President, I ask unanimous consent that a statement by Benjamin L. Hooks and Ralph G. Neas of the Leadership Conference on Civil Rights opposing the nomination may be printed in the RECORD.

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

STATEMENT OF BENJAMIN L. HOOKS, CHAIRPERSON, AND RALPH G. NEAS, EXECUTIVE DIRECTOR, LEADERSHIP CONFERENCE ON CIVIL RIGHTS

There is no question that a very substantial majority of the civil rights community will strongly oppose the nomination of Robert Bork to be Associate Justice of the United States Supreme Court.

The confirmation of Robert Bork, an ultra-conservative, would dramatically alter the balance of the Supreme Court, putting in jeopardy the civil rights achievements of the past three decades. Well established law could overnight be substantially eroded or overturned.

This is the most historic moment of the Reagan presidency. Senators will never cast a more important and far-reaching vote. Indeed, this decision will profoundly influence the law of the land well into the 21st century.

## NOMINATION OF ROBERT H. BORK TO THE SUPREME COURT

Mr. DOLE. Mr. President, I heartily support the nomination of Robert H. Bork to the Supreme Court.

It is apparent, already, that Judge Bork's nomination will come under intense scrutiny—as well it should. For a Supreme Court Justice fills a critical, pivotal role in the balance of power between the three branches of Government. And the men and women who serve on the Court must meet the highest standards of judicial competence and integrity. I don't know of anyone who doubts Judge Bork's qualifications.

There are some who will try to turn the confirmation of Robert Bork into a political debate—an ideological debate. But that is not what the Senator's role is. We have a constitutional responsibility to advise and consent, but that should be based on judicial qualifications, not on whether or not a prospective justice tilts the Court one way or the other, philosophically.

Bork, is a former Yale Law School professor, and is widely acknowledged as one of this Nation's foremost legal scholars. Plus, having served 4 years as Solicitor General and 5 years on the Federal court of appeals, he has hands-on experience in the day-to-day workings of the Court.

Mr. President, I hope we will all think carefully before we make a decision about this nomination—it is a very, very significant one. And we should make our judgments on the right grounds—the litmus test should be the correct one—whether this nominee is qualified and could be qualified and serve on the Supreme Court of the United States, and I believe that he is highly qualified, eminently qualified with impeccable credentials.

## THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES

Mr. WARNER. Mr. President, on May 16, 1987, the Uniformed Services University of the Health Sciences graduated its seventh class since the founding of the school. This class consisted of 155 uniquely trained uniformed medical officers of the Armed Forces, and marked the continued growth of the university as a national resource for quality health care and medical readiness of our armed services.

I wanted to apprise my colleagues of this milestone, as well as the progress being made by the university. In addition, this commencement was an especially meaningful one in light of the fact that President Reagan was the commencement speaker. I would ask unanimous consent that the President's commencement address be included in the RECORD.

For those who are not directly familiar with the outstanding work of the university, the school offers a 4-year medical education program including a full curriculum unique to military medicine encompassing preventive medicine, operational and emergency medicine, and military medical field studies. The university's current enrollment includes 635 medical students and 100 graduate students. In addition to offering the M.D. degree, the university also offers doctoral degrees in the basic sciences and masters degrees in tropical medicine and hygiene and public health.

With the graduation of the class of 1987, the university will have more than 900 alumni serving in active duty assignments throughout the world. Graduates of the university have a 7-year obligation after they have completed their residency training. Currently alumni are serving in staff positions; as general medical officers in locations such as Korea, Turkey, and the Philippines; flight surgeons with the 101st Airborne Division, aboard the U.S.S. *Blue Ridge*, flagship of the 7th Fleet, and in other assignments crucial to readiness. The university's graduates represent a corps of career medical officers trained specifically in military medicine.

The university hopes to make a further contribution to readiness by acting as lead agency with the military services in developing a militarily unique curriculum for implementation of graduate medical education—residency—programs at the request of the Assistant Secretary of Defense for Health Affairs.

It is clear that the promise of this institution, which Congress recognized when it was created, has been fully achieved. The programs of the university in medical, graduate, and continuing education, as well as basic science and clinical research activities underway at the university, combine to produce trained medical personnel who are prepared and eager to serve the Nation.

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

REMARKS BY THE PRESIDENT AT COMMENCEMENT CEREMONY FOR THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES, THE KENNEDY CENTER CONCERT HALL

THE PRESIDENT. Thank you all very much. And Secretary Weinberger, Chairman Olch, Dean Sanford, members of the graduating class, ladies and gentlemen: I must tell you before I start how relieved I was when Dean Sanford told me that I was going to walk on after the procession. I thought that I was going to come in with the Dean and, with his reputation, I'd been afraid that the good news was that we might perch on the backstage rafters and rappel in—and the bad news—that we'd jump from 10,000 feet.

But it's a pleasure to be here to welcome you, the graduates of this, the West Point, and Annapolis, and Colorado Springs for physicians, into your new profession as military and public health service doctors.

You know, I hope you won't mind if I pause for a minute, but that reminds me of something. At my age, everything reminds you of something. People will be calling you

"doctor." And there are all kinds of doctors. I'm even one kind of doctor. Last week, down at Tuskegee University, at the commencement there, I was awarded an honorary degree. I am a Doctor of Law now. And I told them at that time, that they had compounded a sense of guilt I had nursed for some 55 years because I always was suspicious that the first degree I got when I graduated from college was honorary.

You know, I was devoted to some other activities such as football, and swimming, and campus dramatics. And I've often wondered since, if I'd spent more time and worked harder as a student how far I might have gone.

But, seriously, there's no doubt about what you, with your hard work, have accomplished. The British poet, Robert Louis Stevenson, once said, "There are men and classes of men that stand out; the soldier and the sailor, not unfrequently, and the physician almost as a rule."

Well, today, you become both—soldier, sailor, or airman and physician. Today, you enter one of the oldest and most honored ranks in the service of America's freedom. Today, you take up the flag once carried by men like Army Major Walter Reed, Rear Admiral Edward Stitt, Air Force Major General Harry Armstrong, and Public Health Service Surgeon Joseph Goldberger.

Yes, ever since the Continental Congress established the Army and Navy Medical Services in 1775, patriots like these men and women, and like you, have carried their powers of healing onto the battlefields and to swamps and deserts, mountains and plains, all around the world. Their accomplishments reach into almost every area of medicine.

For almost a century, for example, America's uniformed services have been the world's leader in the battle against tropical diseases. They entered the fight in the jungles of Panama, after Walter Reed and his team took less than a year to determine the cause of yellow fever. Today, after decades of progress, your faculty of USUHS is helping military medicine to continue leading the charge—it is testing new vaccines for malaria as well as for adult dysentery, a major tropical killer.

In field after field, America's doctors in uniform have pushed forward the battle lines of medical treatment, even while under fire. Military physicians developed the use of massive blood transfusions in treating shock and trauma. They pioneered burn research and treatment. They found how man could live at higher and higher altitudes and finally in outer space itself. And again, of course, your faculty continues the tradition—leading in such areas as research on vascular surgery and reconstruction, the development of treatments for lacerated eyes, and in developing computer graphic tools for medical teaching and research.

When I hear about the can-do spirit of America's doctors in uniform, it reminds me of a story about a group of Marines. I hope those of you in the other services will forgive me for telling this, but the get-it-done spirit applies to all of America's physicians in uniform.

These Marines had been sent to the Army Airborne School for training. And came the day for the first jump, the training officer told them that they would come in at 1,500 feet, they would jump from the plane, hit the ground, and move south. The Marines seemed a little disturbed by this and they went into a huddle. Then one of them as a spokesman for the group, went to the officer and asked, couldn't the plane come in at 500 feet instead of 1,500? And the officer explained that, if they took the plane in too low, it wouldn't give them time for the parachutes to open. And he said, "Oh, you mean we're wearing parachutes?"

America's physicians in uniform have always been leaders and, in the 10 years since its first class, USUHS itself has found a place as a leader in American medicine—a leader in teaching as well as in research. As students, you went through one of the most rigorous programs in the country. You took 640 hours of training in military medicine, on top of your standard curriculum. You prepared yourselves to treat patients anywhere in the world, under any circumstance, because yours is the only medical school in America that trains physicians to be ready for duty on the bottom of the ocean or on the surface of the moon, and anyplace in between. Recently, the noted Houston surgeon, Dr. Ken Mattox, echoed the medical community's growing esteem when he said, in picking interns and residents, "Give me a USUHS student any day."

Yes, today USUHS is the kind of school that Congressman F. Edward Herbert had in mind during his 25-year crusade to establish a military university for medicine.

It's helping our military become—in medicine as in so many areas—the best it's ever been.

You know, among the most gratifying parts of my job is visiting our Army, Navy, and Air Force bases around the world. Time and again, I've been told that our young recruits are the best we've ever had—the best educated, the most dedicated, and I've seen it for myself. For a long time, some people said that the weak economy was the reason. But then we began on what is now 54 months of economic expansion, along the way creating over 13 million six hundred thousand jobs and still counting. Today a greater proportion of Americans is at work than ever before in our history, and yet we're continuing to get the best recruits.

A new burst of quality—that's what I've heard about USUHS applicants, too. USUHS has also—always selected outstanding classes—from that first class of 32 over a decade ago, to this year's entering class of 163. But I understand that the quality of the total pool of applicants from which the classes are chosen shot up six years ago—just as the quality of all those who wanted to enter the military did. And again and again, when you ask why, the answer has come back more or less the same. It has something to do with patriotism, service. It's again a proud thing to wear the uniforms of the United States. It's again a noble thing to serve in the cause of freedom and the defense of liberty around the world.

There are some who say we've been in a period of "me, me, me" the last six years. Well, I say they should go to any American military base in the world, or they should come here today. They should meet you, America's young patriots. You're the best we've ever had. You carry on a more-than-200-year-old tradition of service. And you carry it as proudly today as it has ever been carried.

And that goes for your faculty as well. USUHS has more than 1,500 faculty members—most of them affiliated with other schools or institutions, but who donate their time to USUHS, donate it because that's a way to serve our country.

A quarter century ago, Douglas MacArthur gave his farewell address to the "long gray line"—the cadets of West Point. He stood in the vast hall of the academy, below the balcony they call the poop deck, and spoke about the soul, not just of the Army, but of all the services that you now enter. "The long gray line," he said, "has never failed us. Were you to do so, a million ghosts in olive drab, in brown khaki, in blue and gray, would rise from their white crosses thundering those magic words: duty, honor, country."

Duty, honor, country—the motto of West Point. And, like the men and women of West Point and all of our military institutions, our physicians in uniform have never failed us. They've been ready when called—ready for hardship and sacrifice, for adventure and exploration, ready to extend the hand of compassion and healing care. Ready, if called to give the last full measure of their devotion and you now join that company. You now enter the service of your country in one of the world's most honored professions—that of physicians.

And so, as your Commander-in-Chief, I say to you today, on behalf of a grateful country, good luck, congratulations, Godspeed.

Thank you and God bless you.

## PLAN TO PROTECT KUWAITI TANKERS

Mr. KENNEDY. Mr. President, the Senate would be derelict in its responsibilities if it did not speak out to delay the administration's premature and ill-considered plan to offer American flags and naval protection to Kuwaiti tankers.

Once again, the administration has leaped before it looked on a sensitive issue in the Middle East, in reckless disregard of the consequences for our military forces and for our foreign policy in the region. The tragedy of the terrorist attack on the Marine Corps barracks in Beirut should have taught us that the bravery of our service men and women is no substitute for a flawed and faulty foreign policy. But the administration seems intent on repeating its mistakes, rather than learning from them.

U.S. flags on Kuwaiti tankers only compound the folly of the administration's Iran-Contra policy. Protecting Kuwaiti tankers and tilting toward Iraq does not neutralize the blunder of selling weapons to Iran.

America's interests in the Persian Gulf are clear. More than two-thirds of the free world's oil reserves are located there. If access to this oil is denied, oil prices will soar, inflation will climb, and western economies will be in even more jeopardy than they are today.

The principal threat to our interests in the gulf is equally clear: the Iran-Iraq war. This war is a danger in two ways. The attacks by both sides on shipping in the gulf could impede the flow of oil. A clear military victory by Iran could lead to a radicalization of the whole region and a new threat to Western access to oil.

Neither of these threats, however, is imminent. The tanker war has not resulted in a reduction, let alone a blockage, in the flow from the gulf. And, the land war between Iran and Iraq remains a stalemate.

Nevertheless, both the tanker war and the wider war between Iran and Iraq remain significant long-term threats to our interests. The issue is whether providing U.S. flags and escorts for Kuwaiti tankers will dampen the flames of the gulf war or fan them higher.

The CIA, in an analysis that the administration has ignored, has concluded that the escort plan carries a significant risk of escalating the war. Iran is likely to challenge the United States either through direct attacks on our ships in the gulf or, more likely, through terrorist incidents. In either case, there is the risk of significant American casualties.

A direct United States-Iranian confrontation would set back our interests in the gulf in several ways. First, it would raise obstacles to our diplomatic efforts in the U.N. and elsewhere to end the Iran-Iraq war. It is these efforts, not U.S. convoying of Kuwaiti tankers, that is most likely to end the war.

Second, an escalating confrontation with Iran would ensure long-term hostility between the United States and the most powerful state in the gulf. It could also reignite the waning enthusiasm of the Iranian people for their 7-year war with Iraq.

Finally, the administration constantly cites the danger of Soviet gains in the gulf if we fail to accept the Kuwaiti request to protect these tankers. But it is not in the long-term interests of Kuwait or the other Arab states in the gulf for Moscow to establish a prominient and permanent presence. The real danger of an increased Soviet role in the gulf arises from the fact that a direct United States-Iranian conflict may cause Teheran to overcome its traditional fear of Moscow and seek Soviet assistance.

In short, the administration's plan to escort Kuwaiti tankers is far more likely to undermine, than to protect, our vital interests in the gulf. I urge Congress to do all that it can to halt this policy before it starts.

## THE HOLLIDAY CLAN'S STEWARDSHIP OF GALIVANTS FERRY POST OFFICE

Mr. HOLLINGS. Mr. President, in the course of American history, if there is one institution that has defined rural American it is the country post office. In villages and small towns across America, the local post office is far more than a place to pick up the daily mail. It is the central meeting place, the place where neighbors gather to talk and do business. Not surprisingly, the local postmaster is often a figure of special respect and esteem.

This great American tradition is exemplified, Mr. President, by the century of service rendered to the U.S. Post Office by the Holliday family of Galivants Ferry, SC. In the years following the Civil War, Joseph W. Holliday was selected as the first postmaster of Galivants Ferry. Legend has it that he was singled out for the honor because he was the only local resident who could read and write. He served until his death in 1904, and was succeeded as postmaster by his wife, Nettie Grissette Holliday. She, in turn, was succeeded by George J. Holliday, who served as postmaster until his death in 1941. In the 1920's, the Holliday family operated three country stores—Galivants Ferry, Aynor, and Jordanville—and each store doubled as a post office.

From 1941 until his death in 1981, Joseph W. Holliday served as postmaster. He was succeeded by John M.J. Holliday—better known as president of the Pee Dee Farms Co. On June 1 of this year, John M.J. Holliday tendered his resignation as Galivants Ferry postmaster. Thus ended a remarkable century of continuous stewardship by the Holliday family.

Mr. President, this is a most unusual record of service to community and country. On behalf of the people of South Carolina, I extend congratulations and gratitude to the entire Holliday family.

## ARTHUR BURNS: IN MEMORIAM

Mr. HOLLINGS. Mr. President, I rise to salute and bid farewell to my friend Arthur Frank Burns. For three decades, he was a force to be reckoned with in this town—a man whose opinion was not only welcomed, but actively sought out, for with Arthur Burns you got not only sound advice, you got credibility.

In recent years, professional economists have given smoke and mirrors a bad name. With Arthur Burns, the only smoke was from his ubiquitous pipe. His advice was shrewd, unvarnished, and on-the-money. He was, when necessary, a blunt instrument in this citadel of safespeak. And that was refreshing.

Arthur Burns will be best remembered as a great leader of the Federal Reserve Board, a dogged defender of its political independence. For 9 years, he presided atop the sluice gates of the Nation's money supply. The skittish politicians—eyes on the next election—clamored for easy money. Arthur Burns—eyes on inflation—frequently said no. Like all great Fed chairmen, he saw it as his duty to take away the punch bowl before the parties got out of hand.

It was easy to caricature Arthur Burns as "Dr. Pain," the starchy professor all too ready to slam on the brakes and throw the economy through the windshield. But, in retrospect, he was smarter and wiser than the rest of us. If it is the politician's skill to fit the least possible ideas into the most possible words, Arthur Burns was the opposite: He was the slowest talker and faster thinker in Washington. In a city famous for its intellectual fireflies, Arthur was a 100-watt bulb that was on all the time.

Up here on Capitol Hill, Arthur Burns was accorded the deference and reverence usually reserved for Presidents. More recently, in Germany as our Ambassador from 1981 through 1985, his outspoken ways and wisdom won him great respect there as well. It is a measure of the man that this curmudgeonly old-school Republican, tutor of Ike Eisenhower in the 1950's, closed his career in the 1980's as a confidant and adviser to Helmut Schmidt, the Social Democrat.

I can assure you, Mr. President, we will miss this man. Arthur Burns served the United States—his adopted country—with consummate skill and integrity. He was a great public servant and a grand man.

## HYMAN BOOKBINDER: A TRIBUTE

Mr. HOLLINGS. Mr. President, on July 6, Mr. David Harris will take up the duties of Washington representative of the American Jewish Committee. He follows a very tough act, indeed, one of the classiest acts in Washington for two decades running. Of course, I am speaking of the extraordinary Hyman Bookbinder—a superb advocate of Jewish concerns, a man who has been truly catholic in his humanitarian interests and advocacies.

Indeed, Hyman has always defined Jewishness and Judaism as a commitment to justice for all people, to peace for all people, to freedom for all people. He insists that this commitment to universal justice does not shortchange Jewish interests, but in fact protects those interests.

It is typical of the breadth of causes embraced by Hyman Bookbinder that he once had to excuse himself early from a 12:30 White House luncheon in order to join a 2 p.m. Haitian protest outside the White House gates. In recent years, he has devoted his considerable energies to, among other organizations, the President's Commission on the Status of Women, the Eleanor Roosevelt Memorial Foundation, the President's Task Force on Poverty, the President's Commission on the Holocaust, and the Pax World Peace Fund—all this in addition to his full-time job with the Jewish National Committee.

Of course, Hyman Bookbinder is best known in Washington as a passionate, dedicated fighter for Jewish interests. He takes enormous pride in the effectiveness of the American Jewish Committee, and in the hard-earned respect accorded AJC by political friend and foe alike. I will always remember Bookie's poignant rumination on what an organization like AJC might have accomplished in the Hitler era. Let me quote from one of his speeches:

If in the late thirties and early forties we had developed the lobbying effectiveness and the coalitional bonds that we have today—the ability to muster 70 or 80 Senators, 300 or 400 Congressmen, to express their collective anguish and their collective demands when Israel is threatened or when Soviet Jewry needs special support—if we had had that kind of community capability, for example, to press Roosevelt and his White House associates to spare a single plane to bomb the railroad tracks to Auschwitz—or to open our doors to more refugees—yes, it is painful to ask, how many of those 6 million might have been spared?

Senator HOWARD METZENBAUM has referred to Hyman Bookbinder as the "101st Senator." That appellation, it seems to me, honors the Senate as much as it does Hyman Bookbinder.

Mr. President, I am pleased to report that Bookie's retirement from the American Jewish Committee is more accurately described as "semi-retirement." He will continue to work part time with AJC as special representative. And this, we all hope, will mean our continuing association—professional and personal—with Hyman Bookbinder. He has earned our deep respect, and we wish him the very best in his new endeavors.

## IRMO HIGH SCHOOL WINS TOP HONORS IN NATIONAL SCIENCE OLYMPICS

Mr. HOLLINGS. Mr. President, it is a great pleasure, on behalf of the entire U.S. Senate, to congratulate the science team of Irmo High School in Columbia, SC, for its performance in the 1987 National Science Olympiad. The Irmo Science Team placed first in the competition, which encompassed 23 events ranging from genetics to chemistry to physics to marine biology.

Special congratulations are due to the team's science-teacher coach, Ms. Glenda George, as well as to the three Irmo students who placed first in their events: Ivanie Yeo, Ken Peters, and Allan Chong. But, truly, this was a superb overall team effort. The other 12 teammates—seniors Rodney Clark, Misty Felix, Christopher Gulledge, LanSing Hsieh, Mike Keller, Ellen Reddick, and Amy Stough; juniors Lu Carter, Paige Dickson, Steve Sansonetti, and Ravi Veeraswamy; and sophomore Amy Matthews—all did an outstanding job.

Mr. President, this victory was the culmination of countless hours of study and preparation and practice. I doubt that any athletic team prepares any harder or more intensely for competitions that does the science team. Indeed, the proof is in the pudding: the Irmo team has gone undefeated in statewide competitions for the past 3 years now.

Mr. President, all of us in South Carolina are enormously proud of Irmo High School's many achievements. I look forward to reporting to you this time next year on the school's successful defense of its championship in the 1988 Science Olympiad.

## RETIREMENT OF RAYMOND E. HOOPER

Mr. HOLLINGS. Mr. President, at the end of this month, the Senate will bid farewell to Raymond E. Hooper, who is retiring as chief of the Senate staff of the Veterans' Administration's Congressional Liaison Service. Ray has been an energetic and dedicated veterans advocate for 17 years—5 years with the other body and the last 12 years with the Senate.

Ray is known and respected in all 100 Senate offices. Any veterans caseworker will readily testify to his mastery of veterans issues and his commitment to the welfare of veterans. Ray has never hesitated to go the extra mile in response to a request from my staff—something I appreciate very much.

Ray Hooper is a model civil servant, a model public servant. I'm sure I speak for the entire Senate in wishing him a long and happy retirement. We will miss him.

## HENRY WENDT ON TRADE DEFICIT

Mr. HEINZ. Mr. President, I recently received a copy of a speech delivered by Henry Wendt, the chairman and chief executive officer of SmithKline Beckman Corp., at the International Monetary Conference on June 16, 1987. While not everyone will agree with all of Mr. Wendt's proposals to restructure our national ecomomy, he does offer an insightful explanation of the present U.S. trade deficit. I urge all my colleagues to study his comments, which are especially timely as we debate the merits of trade legislation.

Mr. Wendt concludes that an exclusive focus on trade policy to correct the U.S. trade imbalance is to miss the essential point. He argues that insufficient savings and over consumption are behind the huge current account deficits. He also discusses something about which I have spoken on many occasions—reliance on the incredible skrinking dollar to solve our balance and competitiveness problems will just not work. He recognizes the seriousness of our trade position and the real need to do something about it.

I ask unanimous consent that the text of his speech be printed in the RECORD.

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

REMARKS BY HENRY WENDT, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, SMITHKLINE BECKMAN CORP., INTERNATIONAL MONETARY CONFERENCE

Thank you, Mrs. Hardy [Mrs. Chandra Hardy, Senior Economist, The World Bank, moderator of panel].

My topic is world trade, and specifically the U.S. trade deficit, which as everyone here knows has become the subject to seemingly tireless discussion.

The deficit has explored nearly five-fold over the last four years—from $36 billion in 1982 to $170 billion last year. In the category of high technology goods alone the U.S. last year recorded its first deficit since that category was invented in the 1960s.

On the financial side, the United States has moved from a net exporter of capital as recently as 1981 to the largest net importer of capital the world has ever known. Our current rate of national borrowing, about $140 billion per year, has transformed us into the "black hole" of world savings.

Yet the fundamentals underlying our trade deficit are much simpler than we often like to think. American runs a trade deficit because it purchases and consumes, more than it produces. By systematically suppressing its national rate of savings, the United States during the 1980s has transformed itself into a structural-deficit economy. Which means that at no stage of the business cycle can we generate the amount of savings necessary for minimal investment at home.

During 1986, in fact, fully half of our entire investment in housing and in business plant and equipment would not have occurred without dollars saved and invested here by other nationals.

Much of the debate over trade policy, especially as it resounds in Washington, neglects an elementary fact about our balance of payments. Dollars that flow abroad when we purchase imports tend to flow back, either to purchase our goods and services or to purchase our IOUs. During the 1980s, Americans decided that our biggest export should be IOUs. In 1986 we sold foreigners a total of $147 billion worth of marketable financial and real assets, everything from stocks, T-bills, and corporate bonds to bank balances, businesses and land. The resulting sale of assets in the United States is the flip side of our trade deficit.

Thus an exclusive focus on trade policy to correct the U.S. trade imbalance is to miss the essential point. Not only because protectionism hurts the consumer and invites foreign retaliation, but also because it cannot quell the American thirst for the savings of other countries. The trade deficit is a symptom of an economy driven by excessive consumption.

Some have suggested that external savings have been forced into U.S. credit markets by a deliberate policy of slow growth and high savings in other national economies. The data do not support that claim. Since 1979, real GNP growth among the other Big Six industrial nations and the United States has been nearly identical. In

the United States, growth has been primarily due to more workers; abroad, it has been primarily due to more productivity per worker.

From the 1970s to the 1980s, moreover, net savings rates in the Big Six have remained essentially unchanged at about 10.6 percent of GNP. But in the United States they have fallen from an average of 8.1 percent of GNP in the 1970s to an average of 4.0 percent of GNP in the 1980s.

It would be nice to think that other nationals are sending us their savings because they regard us as a hotbed of economic growth. But the fact is that both U.S. productivity growth rates and U.S. investment rates (even after borrowing) currently lag behind those of every other industrial nation.

Insufficient savings and over-consumption are the fundamental dynamics behind America's huge current-account deficits. Why do Americans have such a poor savings performance?

Federal budget deficits are a big part of the explanation. In 1986, for example, the U.S. Treasury's sale of $230 billion worth of federal bonds effectively absorbed over 70 percent of the savings generated by every other sector of the economy. Had the U.S. federal budget been balanced, we could have achieved a higher rate of domestic investment (though still not on par with the 1970s) without any external borrowing.

Yet federal budgets aren't the sole explanation. Private-sector savings rates have also fallen since the 1970s. Indeed, the U.S. personal savings rate in 1986 has fallen to the lowest level in 40 years.

Then there is the role played by continuing stagnation in productivity. When growth in product per worker is disappointingly slow—as it has been in the Eighties—the deferral of consumption in favor of savings becomes painful.

During the 1980s, real U.S. consumption per worker has risen by $3,100, a yearly rate that is nearly as steep as in the 1960s. But only $950 of this extra yearly consumption has been paid for by growth in real product for each U.S. worker.

The other $2,150 has come from cuts in domestic investment and from a deepening river of debt. Our underlying growth rate in product per worker is a mere 20 percent of what it was in the 1960s and only 60 percent of what it was in the 1970s.

What does this phenomenon suggest for the future? What is our destination?

On the one hand, it seems unlikely that the rest of the world will want to remain investors in the United States once our indebtedness rises to nearly 25 percent of GNP, or about $1 trillion at today's prices. In terms of debt-service to export ratio, after all, that would put America at about the same level as many of the lesser developed country debtors.

It is therefore manifestly impossible for the United States to go on much longer borrowing principal at or near its current pace of about 3.4 percent of GNP per year. Such a course would lead to an absurd $3 trillion in debt by the end of the century. External investors would close down the pipeline long before we got there.

On the other hand, it is practically inevitable that U.S. external debt will reach the $1 trillion mark by the early 1990s no matter how vigorously we act to stem the inflow. There are practical limits to the speed at which the United States can generate exports and curtail consumption.

We must redirect and restructure our economy. The most important conclusion, however, is that this is an American problem—red, white and blue—not the result of a malicious act by our trading partners. The solution, therefore, must be "made in the U.S.A."

An increase in exports will help. Aided by a weaker dollar, exports are rising but they cannot close the gap. We have lost to improved agricultural productivity many of the markets for our farm products and our manufacturing exports would have to grow at more than 10 percent per annum for a full decade to balance the books.

A 10 percent real growth rate in manufacturing exports would be better than the rate we achieve during the 1970s, a golden age for world commerce, when U.S. exports expanded at their highest real rate in the twentieth century.

The Reagan administration insists that higher rates of domestic economic growth abroad—particularly in what are viewed as the stagnant-demand economies of West Germany and Japan—will solve America's problem. I cannot agree.

Hardly anyone expects that the sustainable growth rate in other national domestic economies can possibly be raised by more than 2 percent. In the best of all possible worlds, therefore, the United States might get a 2 percent yearly increase in exports—far short of the 10 percent yearly increase that is needed.

What about the effect of the weaker dollar?

Current forecasts by the IMF and OECD suggest that even further declines in the dollar are unlikely to push the U.S. current account deficit much below $100 billion over the next few years.

We must then ask: To what extent will fiscal and monetary policies in the rest of the world accept an even weaker dollar? And nearly all economists have been humbled by their overstatement of the extent to which world trade balances would adjust to changes in exchange rates.

We should keep in mind that the dollar has dropped in value primarily against the Deutschmark and the Yen but not much against the currencies of many of our very important trading partners. The decline has been extremely unequal.

Also, we must keep in mind the recent warning of Chairman Volcker: "History is littered," he said, "with examples of countries that acted as if currency depreciation alone could substitute for other actions to restore balance and competitiveness."

Clearly, we are approaching a horizon. In business, the dollar has now reached the point where further declines place everything for sale in this country at fire-sale prices.

In finance, we have also entered a danger zone, where further dollar declines are likely to be accompanied not, as in the past, by lower interest rates, but by higher interest rates. This presents the Fed with a no-win choice between protecting the dollar by tightening credit or risking hyperinflation as the dollar continues to fall. It will also present U.S. creditors with losses in bond-market values and will greatly distress the banking system. If credit isn't tightened, the preconditions for a dollar-dump panic and hyperinflation may move into place.

Of course, we all agree on the following steps:

We must improve our savings rate.

We must reduce the federal budget by reducing federal spending.

We must continue our work to open markets to our products.

We must defend our intellectual property rights both at home and abroad by supporting the next GATT round and the work that has been done already through GATT to guarantee the protection of intellectual property rights. Intellectual property rights are the trump card in the U.S. economic hand, and we must play that card during the current GATT negotiations.

We must coordinate macroeconomic policy.

We must find ways to stabilize exchange rates.

But as I suggested earlier in this talk, the hole in which we find ourselves is so deep that even in the most optimistic of scenarios we may not be able to climb out of it without more drastic action—action to redirect and restructure our national economy.

So finally and with the greatest reluctance—and recognizing that we must strike at the core of the problem—excess consumption—we are required to consider domestic tax policy. A national sales tax with exemptions for export and for a period of time a surcharge on imports are necessary to reorient our economy away from its present exaggerated consumption-driven structure.

These painful steps are necessary to redirect the U.S. economy toward improved productivity and capital formation, just as the Japanese must, as the Maekawa Commission reports, reorient their economy away from an excessive export-driven structure. A national sales tax *and* an import surcharge will help the people of the United States make that necessary adjustment.

An import surcharge is contemplated under GATT, although there is some controversy about conditions permitting its use. It has these advantages to the U.S.A.:

A. The revenue goes to government and helps to reduce the federal budget deficit. Along with the revenue raised by a national sales tax, these funds will reverse the tide now running toward a $1 trillion national debt.

B. It will help reorient the general economy away from excessive consumption.

C. It will help stabilize the financial markets and lower interest rates.

D. It is nondiscriminatory both with respect to country of origin and economic sector in contrast to the present policy, which seems to be almost randomly selective with respect to symbolic targets. One month it's cedar shingles from Canada with the next month it's $300 million of microchips from Japan. Neither of these little tempests will change the course of events one iota.

All people of good faith regard an import surcharge as a draconian measure to be considered only in a court of last resort. But, ladies and gentlemen, we *are* in a court of last resort. We have run out of time and options. We must reorient our economy in a way that will correct the problem—our problem. A surcharge on imports, coupled with a national sales tax, although a drastic solution, will put us back on the road toward a strong economy properly balancing consumption and production.

Thank you, Mrs. Hardy.

## STEEL POLICIES OF OTHER NATIONS

Mr. HEINZ. Mr. President, I want to recognize the thoughtful comments recently presented by Walter F. Williams, the chairman and chief executive officer of Bethlehem Steel Corp.,

at the annual general meeting of the American Iron & Steel Institute on May 20, 1987. While not everyone will agree with all of Mr. Williams' conclusions, his speech, entitled "Steel Policies of Other Nations," makes very insightful points and I urge my colleagues to review it carefully.

Mr. Williams discusses the problem of overcapacity in the steel industry and the inability of steel producing nations to adjust to new realities. Instead, these countries are more concerned with retaining jobs and excess capacity than with downsizing and restructuring their steel industry. He points out that the United States is way ahead of other developed countries in cutting capacity and facing the hard facts about the size of the industry, but at the same time, the U.S. market has suffered the greatest harm.

I ask unanimous consent that the text of the speech be printed in the RECORD.

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

STEEL POLICIES OF OTHER NATIONS

(Presentation by W.F. Williams, AISI Press Briefing)

I am sure that all of you here are aware that one of the greatest problems facing steel producers throughout the world is chronic global overcapacity. No matter where you look, there is just too much supply chasing after today's steel demand. The effects of such a mismatch are apparent in that the financial results of the world's steel producers are totally unsatisfactory. In that regard, don't be deceived by the improved financial results of domestic steel producers in early 1987—the structural problems of the industry still persist and must be corrected before a lasting recovery can get underway.

The problem of overcapacity is not new. Steel production in the developed countries of the world peaked back in 1974. In the 13 years since then, we have seen a lot of changes:

The slowing of capital spending worldwide,

The downsizing of automobiles,

The more efficient use of improved steels,

And, working in the other direction, the rapid growth of steel capacity in third world countries.

All these events have steadfastly pointed to the fact that future production needs, at least in developed countries, were likely to be substantially less than during the 1974 peak.

You would think that 13 years would be sufficient time for steel producing nations to adjust to new realities. But, that has not been the case! In light of clear evidence of declining steel production requirements, how has the normal equilibrium of supply and demand gotten so far out of balance? And, furthermore, what policies have made the problem worse?

For the answer, you don't have to look much beyond the headlines of the past year.

In France, the government again converted its previous loans to Sacilor and Usinor into equity—this time the conversion was worth $7.5 billion. That's a pretty good deal! This means that the government of France wiped out the loans, and thereby eliminated the steel companies' interest payments and strengthened their balance sheets. I might add—this benefit is to two companies that lost over $500 million in 1986.

In Brazil the government actions were double barreled. First, Siderbras transferred $12 billion of steel company debt to the government. This huge assistance went to an industry that only produced 30 percent of the tonnage of the U.S. industry last year. On a comparable basis—if we got the same help—the U.S. industry's figure would be about $40 billion. Second, in the same year, a new strategic plan was unveiled to double Brazil's steel production by the year 2000.

As far as broad government intervention is concerned, the European Community is "Exhibit A."

Even the West Germans are complaining about subsidies—pointing out that steel producers in France, Italy, and Belgium lost $2.2 billion in 1986—and yet subsidization continues beyond the end of the 1985 deadline! A case in point is a proposed $1.5 billion loan to Italy's national steel company.

In total, an estimated $38 billion in some type of subsidy has been granted to European Community producers between 1980 and the end of 1985.

Those examples are indicative of the financial decisions being made by foreign governments to support steel operations which are exporting significant quantities of steel to our markets while maintaining employment at home.

In addition, beyond government ownership and subsidies, the European Community has employed a wide range of techniques to shelter its steel market in recent years, such as:

Production quotas

Price controls

Import agreements with price, volume and other regulatory features, and

Investment controls.

The end result is a relatively high-cost steel-producing region that is still dependent on exporting to the rest of the world. Their exports in 1985 were essentially the same as they were eleven years earlier in the boom year of 1974! The extent of downsizing by the European Community over the years only reflects their own reduced home demand!

For the European Community, the tens of billions of dollars of subsidies—a figure well in excess of $40 billion to date—have, to a great extent, been misspent! The Europeans are not low-cost world-steel suppliers, nor, do we believe, they ever will be. Their steel producers have been too insulated from world events by the maze of controls within which they have been operating. Too much has been spent on maintaining steel jobs and excess capacity—not enough on hard-headed downsizing and restructuring.

If we look at the situation in Japan, we see many of the same problems. Japan only now appears to be taking some significant steps in steel restructuring, but that's about a dozen years too late. Japan found itself with a far outsized steel industry years ago and has tried to maintain it ever since. Between 1974 and 1985 (the latest year for which we have data), Japan's steel exports declined only a marginal two percent. And that doesn't include the steel in all the autos, trucks and machinery the Japanese are now pumping into the rest of the world.

Japan's steel imports are still less than 10 percent of their exports. And, as to autos, I see from the Wall Street Journal that not even one of Korea's highly-touted new cars, the Hyundai, was imported into Japan last year (that was down from "1" in 1985). So much for open markets in Japan!

The restructuring of Japan's steel industry is likely to be painful and expensive—and it is likely to continue for many years, but it can't come too soon for the relief of all other steel-producing nations in the Free World.

Because of time limitations, I won't go into detail on the vast sums that have been poorly invested in third-world steel capacity over the last thirteen years. In country after country with debt problems, large investments in unprofitable steel mills—operations which now must be run for exports to earn foreign exchange—are part of the problem. Based on expansion plans that have recently been announced by countries like Brazil and Mexico, we haven't seen the end of the problem.

That brings us to the United States where steel production has been reduced 45 percent since 1974 (compared to 28 percent in the European Community and 16 percent in Japan) while imports have soared and exports have collapsed. The United States is way ahead of other developed countries in cutting capacity and facing the hard facts about the proper size of its steel industry. On the other hand, the U.S. market has suffered the greatest harm by the surge of import penetration.

The overcapacity problems of other steel-producing nations have already badly damaged the American steel industry. Future adjustments must be distributed more equitably. As a nation, we must insist that our trading partners downsize appropriately and until that has been accomplished, the President's Steel Program must be enforced and extended!

One final note. The domestic downsizing undertaken by the domestic industry has incurred enormous liabilities, a subject which is being thoroughly studied by President Reagan's EPC Steel Task Force. We commend the President, Secretary Baker, and Under Secretary Smart, for this study, and we very much need and deserve government support in the industry's restructuring problems during this transition period.

## GENERAL P.X. KELLEY, RETIRING COMMANDANT OF THE MARINE CORPS

Mr. GLENN. Mr. President, today marks the changing of the watch at the helm of the Marine Corps as a new Commandant is sworn in. It is only fitting on this occasion that we recognize the exceptional officer who has led the corps these past 4 years—the 28th Commandant of the Marine Corps, Gen. Paul X. Kelley.

That the Marine Corps has had some difficult times over these 4 years is undeniable. But throughout the extraordinary challenges that he has faced, P.X. Kelley has displayed firm leadership and resolve, a leadership characterized by his willingness and ability to confront these problems head on and to push toward a successful resolution.

Early in his tour as Commandant, General Kelley established as one of his primary objectives the need to ensure a heightened combat effective-

ness of the individual marine, and through him a heightened combat effectiveness of the corps as a whole. This translated to a need not only for improved training and more modern equipment, but also an improved quality of life for the men and women of the corps and their families. By any assessment, General Kelley has succeeded admirably in meeting this objective, an accomplishment that will be of lasting benefit to the corps.

I would be remiss if I did not also specifically recognize the major influence General Kelley has had in outfitting the corps with modern weaponry. The very positive effect of the many hardware procurement programs that he initiated will be felt not only into the 1990's, but, indeed, well into the 21st century. This new weaponry and equipment will give marines substantially improved firepower and mobility, both critical factors on the battlefield.

Overall, General Kelley's well-conceived and admirably executed program of modernization of the corps has resulted in the most combat ready Marine Corps in our Nation's peacetime history. And, after all, combat capability—the ability to take on an enemy and win—is the only true measure of the worth of a fighting organization. General Kelley's legacy to the country will be a Marine Corps fully capable of doing exactly that—fighting and winning on the modern battlefield.

So P.X., as you relinquish command of your beloved corps today, may I speak for all of your many admirers and offer you a hearty Bravo Zulu—well done. May you and Barbara have fair winds and a following sea in your well-deserved retirement.

Mr. President, at this point I ask unanimous consent to have printed in the RECORD the official Marine Corps biography of General Kelley.

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

GENERAL PAUL X. KELLEY, USMC

General Paul X. Kelley is the Commandant of the Marine Corps, Headquarters Marine Corps, Washington, D.C.

General Kelley was born on November 11, 1928, in Boston, Mass. He graduated from Villanova University with a B.S. degree in Economics and was commissioned a Marine second lieutenant in June 1950.

In March 1951, after completing instruction at The Basic School, Quantico, VA., he served consecutively as a platoon leader, assistant battalion operations officer and assistant division training officer with the 2d Marine Division, Camp Lejeune, N.C. He was transferred to the USS SALEM, Flagship of the 6th Fleet, during September 1952, serving as the Executive Officer and then the Commanding Officer of the Marine Detachment for a period of 20 months. He was promoted to captain on Dec. 16, 1953.

He was ordered to Camp Pendleton, Calif., in July 1954, where he served as a battalion executive officer with the 1st Infantry Training Regiment, Transferred to Japan in February 1955, he served as the Division Training Officer, 3d Marine Division. From August 1955 to June 1956, he served as the Aide-de-Camp to the Deputy Commanding General, and then as Assistant Force Training Officer Fleet Marine Force, Pacific, in Hawaii.

Returning to the U.S. in July 1956, General Kelley became the Special Assistant to the Director of Personnel at Headquarters Marine Corps, Wahington, D.C., until December 1957. Following his assignment in Washington, he completed the Airborne Pathfinder School at Ft. Benning, GA. In February 1958, he was assigned to the newly activated 2d Force Reconnaissance Company, Force Troops, Fleet Marine Force, Atlantic, Camp Lejeune, where he served as the Executive Officer and then Commanding Officer.

From September 1960 to May 1961, he was the U.S. Marine Corps Exchange Officer with the British Royal Marines. During this tour he attended the Commando Course in England, served as Assistant Operations Officer with 45 Commando in Aden, and as Commander "C" Troop, 42 Commando in Singapore, Malaya and Borneo. On March 1, 1961, he was promoted to major.

He was assigned to Marine Corps Schools, Quantico, in July 1961, and served there as a tactics phase chief at The Basic School; and then Reconnaissance and Surveillance Officer at the Marine Corps Landing Force Development Center.

In June 1964, he assumed duties as Commanding Officer, Marine Barracks, Newport, R.I. He remained at that post until August 1965, when he was transferred to Vietnam and reported to the 3d Marine Amphibious Force, FMF, Pacific, as the Combat Intelligence Officer. Following this assignment, he served as the Commanding Officer, 2d Battalion, 4th Marine Regiment in Vietnam. He was promoted to lieutenant colonel on January 20, 1966. During this tour as battalion commander, he earned the Silver Star Medal, the Legion of Merit with Combat "V" and two awards of the Bronze Star Medal with Combat "V".

From Vietnam, he proceeded to the U.S. Army Infantry School at Ft. Benning, where he served from August 1966 to July 1968, as the Senior Marine Corps Representative of the Commandant of the Marine Corps. He then attended the Air War College, Maxwell Air Force Base, Ala., graduating as a "Distinguished Graduate" in May 1969. For his excellence in politico-military strategy while a student at the Air War College, the Board of Trustees of the National Geographic Society elected him a life member.

He returned to Headquarters Marine Corps in June 1969, as the Military Assistant to the Assistant Commandant. He was promoted to colonel on April 1, 1970, and in June 1970 was reassigned to Vietnam where he commanded the 1st Marine Regiment, 1st Marine Division, General Kelley redeployed the regiment, the last Marine ground combat unit to leave Vietnam, to Camp Pendleton, Calif., in May 1971. During his second tour in Vietnam, he was awarded a second Legion of Merit with Combat "V".

Reassigned to the Washington area in July 1971, General Kelley served as the Chief, Southeast Asia Branch, Plans and Policy Directorate. Organization of the Joint Chiefs of Staff, where he remained until November 1973, when he was assigned as the Executive Assistant to the Director, Joint Staff. Upon completion of this tour he was awarded a third Legion of Merit.

Following his promotion to brigadier general on August 6, 1974, he was assigned as the Commanding General, 4th Marine Division.

In June 1975, General Kelley was ordered to the Marine Corps Development and Education Command, at Quantico, where he assumed the duties as Director, Development Center. He then assumed duties as Director, Education Center and was advanced to the grade of major general on June 29, 1976.

In May 1978, General Kelley was ordered to Headquarters Marine Corps, where he became Deputy Chief of Staff for Requirements and Programs.

On February 4, 1980, General Kelley was promoted to lieutenant general and appointed by the President as the first Commander of the Rapid Deployment Joint Task Force, (renamed the United States Central Command (USCENTCOM) in January 1983), a four service force with headquarters at MacDill AFB, Tampa, Florida.

General Kelley was promoted to the rank of general and assumed duties as Assistant Commandant of the Marine Corps and Chief of Staff on July 1, 1981. He assumed his present office as Commandant of the Marine Corps on July 1, 1983.

General Kelley's personal decorations and awards include: the Distinguished Service Medal; the Silver Star Medal; Legion of Merit with Combat "V" and-two gold stars in lieu of second and third awards; the Bronze Star Medal with Combat "V" and a gold star in lieu of a second award; the Joint Service Commendation Medal; Navy Commendation Medal; and the Army Commendation Medal. He is a Marine Corps Parachutist and U.S. Army Master Parachutist.

General Kelley has been awarded honorary doctoral degrees from Villanova University, Norwich University, Webster University, Jacksonville University, and the United States Sports Academy.

General Kelley and his wife, the former Barbara Adams of Fall River, Mass., have a daughter, Mrs. John Cimko.

## THE NEED FOR ECONOMIC INDEPENDENCE

Mr. BYRD. Mr. President, on Friday, July 3, the President is scheduled to deliver an address that the White House says will call for an economic bill of rights. Reportedly among those rights will be a balanced budget amendment to the Constitution and more power for the President in the form of a line-item veto.

But what the American people really need is not a speech in front of the Jefferson Memorial filled with shopworn ideas and wrapped in patriotic bunting. What this country needs is a declaration of independence—independence from the Reagan deficits, independence from the Reagan debt.

We all know what the problem is. It is an unbroken string of triple digit deficits since 1981. It is $1.3 trillion in additional public debt. And it is spending the equivalent of 37 cents out of every income tax dollar paid by working men and women just to service that mountain of debt.

We also know what the solution is. It is a budget that makes the tough choices of reducing spending and increasing revenues. It is a budget that prepares for America's future. It is a budget that keeps us the bulwark of democracy in the free world.

Unfortunately, the President has a different view. He speaks of the progress of the past 6 years as if the deficits do not exist. As if someone else were in the Oval Office since January 1981.

Ignoring the problem will not make it go away. We cannot stick our heads in the sand and expect the deficits to be gone when we pull it out. Part of the responsibility of leadership is facing problems squarely, leveling with the American people, and working together on the solutions. The Congress has demonstrated its leadership on the budget issue. Unfortunately, the President, so far, has abdicated his.

Mr. President, those of us who have an opportunity to view the National Archives Building on the way to work in the mornings are reminded by a saying carved into its granite walls that "The Past is Prologue." That is especially true of our budget situation. Unless we change our fiscal course, the deficits will continue, the debt will mount, and the debt service costs will squeeze more and more worthwhile programs out of the budget.

Earlier this year, the President said he would not sit down with Congress until we produced a budget. Mr. President, we have done that. As each Member knows, that was not easy. It had to be done without the cooperation of Members on the other side of the aisle. That is certainly their right. But it has not made the job any easier.

Now that we have a Democratic budget, I hope that the President will follow through on his commitment and sit down with us. Unless we have the cooperation of the President in reducing the deficit, triple digit deficts will continue and there is little hope of getting on the glide path to a balanced budget until January 1989.

The debate over the budget and the deficit is really a debate about the future. What kind of Nation will we leave to our children? Some may have us prepare for the future by ignoring it. But we cannot ignore the need to improve education, health, and job training programs that will lead to a more productive work force, or ignore the need for more support of scientific research to help restore our competitiveness in international markets.

With Independence Day soon upon us, we should take time to reflect on the legacy of our Founding Fathers and what we must do today, and tomorrow, and the day after, to maintain it. We all share a responsibility to present to our children a better nation than we inherited from our parents.

I hope that the President's speech Friday will recognize that we do not have an economic right—indeed any right—to saddle future generations with a mountain of debt. Yet, that is what has happened the past 6 years. If the President is serious about his economic bill of rights, he should sit down with the Congress and work with us on the real solution to our deficit crisis.

## SENATOR FORD WINS A DIPLOMA FROM THE "UNIVERSITY OF HARD KNOCKS"

Mr. BYRD. Mr. President, throughout its history, West Virginia has boasted a fair share of colorful and creative intellects.

One of the most distinguished of those current is Mr. James Comstock of Richwood, WV, the county seat of rugged, timber-rich, and beautiful Nicholas County.

Jim Comstock lays just claim to a number of ongoing, sometimes witty enterprises, not the least of which is his well-known newspaper, the West Virginia Hillbilly. The Hillbilly is an amalgam of sometimes irreverent humor, compelling folk history, West Virginiana, and often incisive commentary. Above all, Jim Comstock's Hillbilly is never boring.

Jim Comstock has for several years been identified with another endeavor, one that has involved some of our own Senate colleagues.

That is the "University of Hard Knocks."

Annually for 30 years, good old "UHK" has awarded degrees to men and women from all walks, all of whom have achieved some measure of success and notability, usually without benefit of any other academic recognition.

The brainchild of Jim Comstock, "The University of Hard Knocks, Incorporated," awards its honors on the campus of Alderson-Broaddus College in Philippi, WV.

To date, between 600 and 700 Americans have been granted UHK degrees, including Senator Barry Goldwater and Senator JESSE HELMS. UHK graduates do not wear caps and gowns during the award ceremonies, but they do receive diplomas, each sealed with Band-Aids and graciously delivered by Senator Jennings Randolph.

Incidentally, dear old UHK's colors are black and blue, a combination originally suggested to Mr. Comstock by Senator Randolph.

Among the "University of Hard Knocks" distinguished 1987 graduates was our own Senator WENDELL FORD. On June 15, Senator FORD was also honored as this year's UHK's commencement speaker.

Senator FORD delivered an address full of practical wisdom and Kentucky insight.

I ask that Senator FORD's commencement remarks to the alumni and graduates of the "University of Hard Knocks" be included in the RECORD.

REMARKS BY SENATOR FORD, UNIVERSITY OF HARD KNOCKS, PHILIPPI, WEST VIRGINIA, JUNE 13, 1987

It is a great honor for me to finally receive a degree from this school I've been attending for as long as I can remember—the University of Hard Knocks. And it makes me even happier to be named president of this distinguished class. I accepted your invitation as soon as I found out that I could become president of something without worrying about campaign finances.

As I reflect on this honor, my mind drifts back to Yellow Creek in Daviess County, KY, where my education began and where I had an excellent opportunity to learn by trial and error. I never completed my formal education at a regular university, although I always wanted to. And I guess that has something to do with why I'm here today with this distinguished group of Americans who have learned a lot of things the hard way on the long road to success—and to this belated graduation ceremony. It really does take a long time, a lot of hard work and sometimes a lot of pain and sacrifice to earn a degree from this university.

That general idea holds true, I think, whether we are talking about individuals, institutions or places. And I am thinking now about Kentucky and how it has struggled for hope and progress and how I came to offer myself as one of its stewards.

If the University of Hard Knocks gave degrees to states, I would be the first to nominate Kentucky. We haven't always had quite the level of business and industry and education that some other States have had. But we have caring people of spirit, determination and character, and we keep making progress.

I have no doubt that our hosts with Alderson-Broaddus College and also with the University of Hard Knocks, which I am told will put our names in the West Virginia Hillbilly, have similar feelings about West Virginia.

I understand their feelings because we live in adjoining States that have a certain kinship. And I'm sure that West Virginians will know exactly what I mean when I say that my inspiration has always been Kentucky. They will know that my love of Kentucky goes back to Yellow Creek, which runs through Thruston, which isn't far from Owensboro, which isn't much more than 100 miles from Louisville, which I'm sure everyone has heard of.

As a boy, I sometimes went around the countryside with my grandfather, who was a farm manager for a local bank. Farmers were losing their land in the depression, and I learned a lot about quiet suffering and hope and pride from them. Many of them did get their farms back when the depression was over. And that taught us the value of perseverance—a lesson that we might put to good use in the current farm recession.

Yellow Creek also is where I got my first lessons in politics. I learned about the aggravation of public life as I watched constituents come to my father, who was a State senator, with complaints and requests of every kind. Some would even come to him with confusing government forms they had

to fill out. But I eventually learned that it wasn't really aggravation. It was an essential part of the business of leadership because it had to do with knowing and understanding and caring about people.

Still I didn't decide to go into politics until I had spent some time attending the University of Kentucky, serving in the Army, farming, and working in my family's small business—an insurance agency. The best thing I did was to marry my wife, Jean, and start our family in Daviess County, which we will always call home. And probably the next best thing was becoming an active member of the Jaycees, a group that greatly increased my appreciation of the value of leadership and community spirit.

There were a lot of things that our community didn't have in those days. But we learned to go out and get them. I remember getting up at four in the morning to squeeze in some time disking the greens and building the fairways of a golf course we were building as a Jaycess project. If we needed a community building, we got together to put one up. If we needed a fire truck or a sewer system, we found out how to float a bond issue.

It wasn't long before I had the opportunity to help organize Jaycee chapters in many other parts of Kentucky. A person engaged in that activity almost had to learn something about the concerns and aspirations of his State. And it was that experience, as much as any other, that led me into politics and helped guide my approach to the problems of farmers, coal miners, small businessmen, and other Kentuckians.

I would like to think that this background has served me well. I have won elections as an underdog from Yellow Creek and as a frontrunner. I was highly honored when they put a historical marker in front of my boyhood home at Yellow Creek. But I did notice that the property hadn't appreciated all that much when someone auctioned it off early this year for $15,000.

Be that as it may, I know that there is much to be said for the University of Hard Knocks. Your rollcall of graduates over the years has been truly impressive. The entrepreneurial spirit, independence, and toughmindedness of self-made industrialists, businessmen, government leaders, and others are ingrained in our national heritage.

Still I have regretted the fact that I never found the time to finish college. I sincerely believe that education is the key to our Nation's future. In the next generation, as many as half of today's jobs could be replaced by new ones. Our ability to govern ourselves and survive in a high-technology world clearly depends on the applied intelligence of an informed citizenry.

We really need the best of both worlds—the strength and wisdom of self-made leaders like those in this audience and the academic knowledge and skill of our most highly educated citizens. Bringing these elements together might require an improved educational system, with a revival of our deepest human values, and other difficult changes. But I am convinced of two things—that we can reach our national goals and that there is no place better than right here to make a fresh start on that journey.

## MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Emery, 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 Committee on the Judiciary.

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

## MESSAGES FROM THE HOUSE

At 5:25 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 176. A act to provide for the uniform disclosure of the rate of interest which are payable on savings accounts, and for other purposes;

H.R. 1504. An act to provide for improvements in veterans' employment and education programs; and

H.R. 2327. An act to amend title 38, United States Code, to ensure eligibility of certain individuals for beneficiary travel benefits when traveling to Veterans' Administration medical facilities.

The message also announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 125. Concurrent resolution authorizing the printing of the revised edition of the pamphlet entitled "The Constitution of the United States of America";

H. Con. Res. 141. Concurrent resolution regarding the promotion of democracy and security in the Republic of Korea; and

H. Con. Res. 154. Concurrent resolution providing for an adjournment of the House from July 1 to July 7, 1987, and a recess of the Senate from July 1 or 2, to July 7, 1987.

ENROLLED JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker has signed the following enrolled joint resolutions:

S.J. Res. 15. Joint resolution designating the month of November 1987 as "National Alzheimer's Disease Month"; and

S.J. Res. 51. Joint resolution to designate the period commencing on July 27, 1987, and ending on August 2, 1987, as "National Czech American Heritage Week".

The enrolled joint resolutions were subsequently signed by the President pro tempore [Mr. STENNIS].

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At 6:50 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has agreed to the following concurrent resolution:

H. Con. Res. 155. Concurrent resolution correcting the enrollment of H.R. 1827.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

At 7:50 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bill and joint resolution:

H.R. 2480. An act to extend temporarily the governing international fishery agreement between the United States and the Republic of Korea, and for other purposes; and

S.J. Res. 75. Joint resolution to designate the week of August 2, 1987, through August 8, 1987, as "National Podiatric Medicine Week".

## MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 176. An act to provide for the uniform disclosure of the rates of interest which are payable on savings accounts, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

H.R. 1504. An act to provide for improvements in veterans' employment and education programs; to the Committee on Veterans' Affairs.

H.R. 2327. An act to amend title 38, United States Code, to ensure eligibility of certain individuals for beneficiary travel benefits when traveling to Veterans' Administration medical facilities; to the Committee on Veterans' Affairs.

The following concurrent resolutions were read, and referred as indicated:

H. Con. Res. 125. A concurrent resolution authorizing the printing of the revised edition of the pamphlet entitled "The Constitution of the United States of America"; to the Committee on Rules and Administration.

H. Con. Res. 141. A concurrent resolution regarding the promotion of democracy and security in the Republic of Korea; to the Committee on Foreign Relations.

## ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The PRESIDENT pro tempore [Mr. STENNIS] reported that on today he had signed the following enrolled bills and joint resolutions previously signed by the Speaker of the House of Representatives:

H.R. 626. An act to provide for the conveyance of certain public lands in Cherokee, De Kalb, and Etowah Counties, Alabama, and for other purposes;

H.R. 2166. An act to amend the Small Business Act and the Small Business Investment Act of 1958;

S.J. Res. 117. Joint resolution designating July 2, 1987, as "National Literacy Day"; and

H.J. Res. 181. Joint resolution commemorating the bicentennial of the Northwest Ordinance of 1787.

## ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, July 1, 1987, he had presented to the President the following enrolled joint resolution:

S.J. Res. 117. Joint resolution designating July 2, 1987, as "National Literacy Day".

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, with an amendment and an amendment to the title:

S. 828: A bill to provide authorization of appropriations for activities of the National Telecommunications and Information Administration (Rept. No. 100-93).

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 1198: A bill to authorize a certificate of documentation for the vessel F/V Creole (Rept. No. 100-94).

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute and an amendment to the title:

S. 1047: A bill to modify section 301 of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, and for other purposes (Rept. No. 100-95).

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

H.R. 317: A bill to amend the Wild and Scenic Rivers Act by designating a segment of the Merced River in California as a component of the National Wild and Scenic Rivers System (Rept. No. 100-96).

H.R. 921: A bill to require the Secretary of the Interior to conduct a study to determine the appropriate minimum altitude for aircraft flying over National Park System units (Rept. No. 100-97).

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 1459: A bill to authorize appropriations for the Coast Guard for fiscal years 1988 and 1989, and for other purposes (Rept. No. 100-98).

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, with amendments:

S. 1184: A bill to amend the Airport and Airway Improvement Act of 1982 to improve the safety and efficiency of air travel, and for other purposes (Rept. No. 100-99).

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, without amendment:

S. Res. 242: An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1184.

## EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. KENNEDY, from the Committee on Labor and Human Resources:

Carolyn L. Vash, of California, to be a member of the National Council on the Handicapped for a term expiring September 17, 1989;

Theresa Lennon Gardner, of the District of Columbia, to be a member of the National Council on the Handicapped for a term expiring September 17, 1989;

Harry J. Sutcliffe, of New York, to be a member of the National Council on the Handicapped for a term expiring September 17, 1989;

Sandra Swift Parrino, of New York, to be a member of the National Council on the Handicapped for a term expiring September 30, 1989;

Alvis Kent, Waldrep, Jr., of Texas, to be a member of the National Council on the Handicapped for a term expiring September 17, 1989;

Leslie Lenkowsky, of New York, to be a member of the National Council on the Handicapped for the remainder of a term expiring September 17, 1987, and for a term expiring September 17, 1990;

Joni Tada, of California, to be a member of the National Council on the Handicapped for a term expiring September 17, 1988;

Beryl Dorsett, of New York, to be Assistant Secretary for Elementary and Secondary Education, Department of Education;

Jean Vaughan Smith, of California, to be a member of the National Council on the Humanities for the remainder of the term expiring January 26, 1990; and

Legree S. Daniels, of Pennsylvania, to be Assistant Secretary for Civil Rights, Department of Education.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests 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. GLENN

S. 1458. A bill to clarify and restate the Comptroller General's authority to audit the financial transactions and evaluate the programs and activities of the Central Intelligence Agency, and for other purposes; to the Select Committee on Intelligence.

By Mr. HOLLINGS:

S. 1459. A bill to authorize appropriations for the Coast Guard for fiscal years 1988 and 1989, and for other purposes; from the Committee on Commerce, Science, and Transportation; placed on the calendar.

By Mr. WARNER (for himself and Mr. TRIBLE):

S. 1460. A bill to designate certain national forest areas in the State of Virginia as wilderness areas, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HECHT:

S. 1461. A bill to convey certain lands to the YMCA of Las Vegas, Nevada; to the Committee on Energy and Natural Resources.

By Mr. HEFLIN:

S. 1462. A bill to designate the Courthouse and Post Office Building at 83 Meeting Street in Charleston, South Carolina, as the "Ernest Frederick Hollings Charleston Judicial Building"; to the Committee on Environment and Public Works.

By Mr. TRIBLE (for himself, Mr. DOLE and Mr. COHEN):

S. 1463. A bill to eliminate security assistance and arms export preferences for New Zealand, and for other purposes; to the Committee on Foreign Relations.

By Mr. CRANSTON (for himself, Mr. MURKOWSKI, Mr. MATSUNAGA, Mr. DECONCINI, Mr. ROCKEFELLER, Mr. GRAHAM, Mr. STAFFORD, Mr. MOYNIHAN, Mr. CHILES, Mr. BINGAMAN, Mr. HEFLIN, Mr. DODD, Mr. DASCHLE, Mr. SANFORD, Mr. COHEN, Mr. EVANS and Mr. GRASSLEY):

S. 1464. A bill to amend title 38, United States Code, to provide eligibility to certain individuals for beneficiary travel payments in connection with travel to and from Veterans' Administration facilities; to the Committee on Veterans' Affairs.

By Mr. BREAUX:

S. 1465. A bill to provide for the transportation of solid waste in United States-flag vessels, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HEINZ:

S. 1466. A bill to amend the Internal Revenue Code of 1986 to treat as 5-year property for depreciation purposes facilities which use anthracite culm fuel; to the Committee on Finance.

## SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. HOLLINGS:

S. Res. 242. An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1184; from the Committee on Commerce, Science, and Transportation; to the Committee on the Budget.

By Mr. BYRD (for himself and Mr. DOLE):

S. Res. 243. A resolution to establish the Office of Senate Security; considered and agreed to.

By Mr. BYRD (for Mr. FORD (for himself and Mr. STEVENS)):

S. Res. 244. A resolution to clarify the procedures for the payment of Senate expenses incurred under the authority of House Concurrent Resolution 131 (100th Congress, 1st Session) and Senate Resolution 352, agreed to April 11, 1986; considered and agreed to.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GLENN:

S. 1458. A bill to clarify and restate the Comptroller General's authority to audit the financial transactions and evaluate the programs and activities of the Central Intelligence Agency, and for other purposes; to the Select Committee on Intelligence.

GENERAL ACCOUNTING OFFICE—CENTRAL INTELLIGENCE AGENCY AUDIT ACT

Mr. GLENN. Mr. President, I rise to introduce legislation that would allow the United States General Accounting Office [GAO] to audit the books and records of the Central Intelligence Agency [CIA]. The bill strikes an appropriate balance between the need for some accountability, particularly independent oversight of CIA financial activity, and the confidential and secure operation of the CIA. CIA is currently the only agency in this government which contests GAO's authority to audit its activities. This bill carefully limits the manner by which GAO would obtain access to CIA personnel and records, and will limit dissemination of the audit results to the

Senate and House Intelligence Committees.

THE NEED FOR INDEPENDENT AUDITS BY GAO

Before discussing the specific provisions of the bill, it may be helpful to discuss why it is essential to have both a strong intelligence capability and independent audits of our intelligence activities. I believe this country needs a strong, independent but accountable Central Intelligence Agency, operated by honorable men and women. Congress and the American people have supported the CIA with our treasure, and even more important, with sweeping powers and authority to complete the CIA's mission. These honorable men and women will not have their missions compromised by a statute requiring a prudent, circumspect and professional review of their activities. Indeed, the CIA maintains its own internal watchdog, the Inspector General's Office, which is currently headed by a distinguished and independent intelligence officer, to ensure that the agency remains true to its mission, obeys the law, and accounts appropriately for its funds.

The Iran-Contra mess is proof, however, that we cannot be content with internal reviews, alone. It is simply a fact that self-audit is justifiably subject to suspicion and distrust. To expedite such independent reviews Congress established the GAO.

A principal duty of GAO is to make independent audits of agency operations and programs and to report to the Congress on the manner in which Federal departments and agencies carry out their responsibilities. In establishing GAO, Congress recognized that the Office would require access to the records of the Federal agencies. This need would not be fulfilled if GAO's access to records, information, and documents pertaining to the subject matter of audit or review is limited. This legislation is intended to strengthen the GAO's ability to discharge its functions as an investigation and auditing arm of Congress. Congress relies on GAO to see that funds are used for their intended purposes; that agency resources are managed efficiently and economically; and that programs are achieving the objectives set forth by law. In 1979 and 1980 I led the successful effort to extend GAO audit coverage to unvouchered accounts in the executive branch, other than the CIA. Today's proposed legislation should be seen as the logical extension of that effort. I also recognize that legislative authority is not a complete panacea. For example, a more active audit of National Security Council [NSC] expenditures might have revealed the extraordinary activities of Mr. North and company, and spared this country the stupidities and perhaps felonies, now being exposed each day at the Iran-Contra hearings.

It is good public policy to have an independent audit of the expenditure and use of all public funds. Such reviews are an instrumentality for engendering public trust by those outside government, and act as a deterrent against abuse by those on the inside. Exceptions to the requirement for independent audits must be based not only upon exceptional factual circumstances, but require that there be a broad acceptance, public trust, and understanding of the rationale behind any such exceptions. I do not see the need for, the public support for, and trust of a complete exemption for the CIA.

There is a strong public acceptance of the necessity to have a powerful U.S. intelligence gathering and analytical capabilities, given the potentially hostile environment in many parts of the world, and the realities of the nuclear age. I share that acceptance. There is far less public acceptance or understanding of other intelligence activities, particularly covert operations, that may not always comport with the image of the United States as a defender of international law and of democratic principles democratically arrived at. The most successful covert activities are those that—by definition, and without acknowledgment—have been proposed, approved, planned, undertaken, completed, and closed, in support of established public policy, and without exposure in either the target country or domestically in the United States. Despite such successes, there has been sharp, and sometimes bitter, controversy over CIA—and now NSC—activities that have begun covertly, but have become exposed to public scrutiny, particularly where the covert operation is inconsistent with the public policy espoused by our Government. Nor are covert programs alone excepted from GAO review. No CIA activities are subject to independent audit review.

The lack of outside audits for any CIA activities is also in marked contrast with procedures throughout this Government. Every other agency and department is already subject to the audits of the GAO—including intelligence gathering by the National Security Agency [NSA], and the nonpublic development efforts at the Department of Defense programs requiring handling of highly classified national security information. The CIA is institutionally alone, and I believe honestly mistaken, in its belief that GAO is not legally authorized to audit their agency. In order to clearly resolve that dispute I am introducing this legislation. In the long run, I believe carefully controlled GAO audits of CIA will lower the probability of future abuses of power, boost the credibility of CIA management, increase the essential public support the Agency's mission deserves, assist the Congress in conducting meaningful oversight, and in no way compromise the CIA mission.

SECRECY NEEDS MUST EVENTUALLY YIELD TO CONGRESSIONAL OVERSIGHT IN A FREE SOCIETY

I recognize the legitimate concerns for tight security concerning CIA activities. There are many mechanisms within the CIA and all intelligence agencies to protect sensitive activities from unauthorized disclosure and security compromise. Information such as true names, financial data and locales, for example, may be segregated so that only those who have a direct "need-to-know" can have access to it. There is a discipline within professional intelligence organizations that calls for personnel to avoid ferreting out information that does not apply specifically to their own assigned activities and responsibilities. It is an accepted truism that the risk of security compromise expands with the number of people who have access to information on an activity. Intelligence officers must be concerned with maintaining the viability of activities that we will assume are authorized to be undertaken, perhaps covertly, recognizing that sometimes even the smallest slip can be fatal, or lead to enemy countermeasures. There are risks of compromise even with the most scrupulous attention to protective details and the application of professional intelligence techniques. As a result, there ordinarily is no internal incentive, whatsoever, for intelligence personnel to support granting access to outsiders even from their own government. Such access only complicates matters, and any independent outside audit will inescapably add some risk of compromise to the activities audited.

There is a perception on the part of many intelligence officials that the Congress "leaks like a sieve"—including the select committees on intelligence, to which special access and arrangements have been granted. I believe this perception is incorrect, but there is little question that this concern is shared by many intelligence officials on this subject, albeit in private.

Of course we have decided to require that secrecy needs give way to some amount of Congressional oversight by the Select Committees. This compact between the intelligence community and these committees has been, on balance, evolving in the desired direction. The Intelligence Committees have provided policy guidance, and the intelligence community has, with some notable exceptions, advised the committees in a timely manner of impending activities. But the Intelligence Committees do not have the personnel to establish audit trails, a lack that was demonstrated in the early congressional review of the Iran-Contra mess, when Congress borrowed GAO personnel to establish the money trail.

Since February, I have been discussing with colleagues the need to have independent audits at the CIA. I recognize and applaud the Senate Select Committee on Intelligence's decision to begin remedying the lack of independent audits at the CIA by hiring several auditors as committee staff. This action underscored for me the need to have the GAO available for such audits, with access to all GAO's resources, rather than merely depend on a talented, but very limited number of Senate staffers, to assist Congress in performing its oversight chores.

BALANCING SECRECY AND INDEPENDENT REVIEW IN THIS LEGISLATION

The crucial public policy issue is centered on whether a perceived gain in public trust and successful congressional oversight outweighs any increased risk of disclosure. Once we accept the need for conducting some measure of independent, and not in-house, review of CIA expenditures, the key policy concern is whether GAO's reviews can be conducted in a manner consistent with the safety and security of the CIA's operations. I believe all the available evidence shows it can be done.

By existing law and specific language in this bill, GAO's review power is carefully limited in at least six major ways to prevent damage to CIA operations. First, all GAO auditors must obtain appropriate security clearances from CIA before they are granted access to CIA information. Second, CIA records are to be kept at secure locations controlled by CIA. Third, any GAO documents created as a result of the audit will receive the same "derivative" security classification to the original document. Fourth, GAO personnel will be subject to criminal prosecution for breaches of security. Fifth, the congressional request for a GAO audit must come from the chairman or ranking minority member of the Select Committee on Intelligence of the Senate or the Permanent Select Committee on Intelligence of the House of Representatives. This will necessarily pose a significant limitation on the reminder of Congress, and emphasizes the central role of the Intelligence Committees in their area of oversight. If the GAO self-initiates an audit or review, the resulting report will only be shared with those committees and the Director of the CIA. Sixth, the President will have the power to exempt any individual CIA officer or employee from GAO access. These controls on the proposed GAO audit and dissemination process constitute an appropriate balancing of the need to protect CIA security and the need to ensure adequate oversight.

I urge my colleagues in the Senate to support this legislation, and I ask unanimous consent that an analysis of the bill be printed in the RECORD.

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

ANALYSIS OF S. 1458

I. BACKGROUND

Concerns about the accountability of government intelligence programs and activities carried on outside public scrutiny are not new. The Iran-Contra affair and other recent events underscore the need to review the balance between financial and program accountability and program flexibility and secrecy.

This bill addresses a single aspect of this issue—General Accounting Office [GAO] access to, and audit of, the financial transactions and programs and activities of the Central Intelligence Agency [CIA or Agency]. In the past, GAO has successfully audited secret military weapons projects that require special access and are known to a relatively small number of people. GAO has also reviewed highly classified weapons programs and tactical and strategic command, control, communications, and intelligence programs.

GAO, however, has been unsuccessful in gaining similar audit access to the CIA. The CIA has taken the position that GAO's involvement in reviewing its financial transactions and activities is unnecessary in light of the oversight roles of the congressional select committees on intelligence matters.

The purpose of this bill is to clarify GAO's authority to audit the CIA. The bill's approach is a balanced one, calculated to enhance Congress' oversight of these important and sensitive activities by clarifying the Comptroller General's audit and access authority, while at the same time providing the necessary protection of sensitive CIA activities from any unauthorized disclosure.

The bill contains safeguards to ensure that particularly sensitive activities are not jeopardized. Only suitably cleared GAO personnel will be allowed to participate in audits and evaluations. The results of GAO's audits or evaluations may be provided only to the House and Senate Intelligence Committees and the CIA Director. Finally, the bill leaves unimpaired the criminal sanctions applicable to the intentional disclosure of information identifying cover agents by individuals authorized access to such information (50 U.S.C. § 421).

II. SECTION BY SECTION ANALYSIS

Section one of the bill would add a new section (3523a) to title 31, United States Code, which clarifies GAO's authority to audit the financial transactions and to evaluate the programs and activities of the CIA. Subsection (a)(1) provides that GAO shall audit the financial transactions and evaluate the programs and activities of the CIA either on the initiative of the Comptroller General or when requested by the chairman or ranking minority member of the Select Committee on Intelligence of the Senate or the Permanent Select Committees on Intelligence of the House of Representatives.

The results of such audits may be disclosed only to the specified committees and the CIA Director. Since the method GAO uses to communicate, the results of its audits varies, the section is drafted to restrict the dissemination of GAO's findings, whether through testimony, oral briefings, or written reports, to only the named committees and the CIA. The last sentence of subsection (b) makes clear, however, that neither the provisions of subsection 716(e), title 31, nor the on-site retention provisions of (d)(2) of this section, limit or restrict GAO's disclosure of source documents or information to the specified committees of the Congress.

Subsection (c) provides that notwithstanding any other provision of law GAO may inspect and copy any relevant books, records, documents, property or any other information, regardless of the medium used to record the information, necessary to the performance of the audit. GAO's access extends to any books, records, documents or property which belong to, or is in the possession of control of, the Agency regardless of who was the original owner of such information or property. The "[n]otwithstanding any other provision of law" clause is included to remove any potential restrictions on GAO access to CIA information that may be inferred from the various provisions of the Central Intelligence Act of 1949 (See for example, section 6 (50 U.S.C. § 403g)) in addition to other legislation concerning the CIA.)

Nevertheless, subsection (c) limits the Comptroller General's normal authority to interview officers and employees of an agency or department to obtain information necessary to the performance of the audit. Thus, where the President finds in writing that access to certain officers and employees, would not be in the national interest, the Comptroller General shall have no access to such officers or employees. The President's determination is, however, nondelegable, and he or she must provide the specified committees and the Comptroller General with an explanation of the decision.

The Comptroller General may enforce the access rights provided under this subsection pursuant to the provisions of section 716(b)-(d), title 31, United States Code.

Subsection (d) contains several safeguards to protect the confidentiality of Agency materials and information. Paragraph (1) directs the Comptroller General, after consulting with the specified committees of Congress, to

establish procedures to protect classified and other sensitive information. Paragraph (2) requires the Comptroller General to retain on site his workpapers and records in suitable facilities provided by the Agency. The only exceptions are the rate occasions when Congress or its committees may need certain information from GAO's workpapers or where temporary removal off-site is needed, for example, for internal review processes. The Committee, however, expects off-site removals to be limited in numbers and strictly controlled and accounted for under the procedures established by the Comptroller General pursuant to paragraph (1) directs the Comptroller General, after consulting with the specified committees of Congress, to establish procedures to protect classified and other sensitive information. Paragraph (2) requires the Comptroller General to retain on site his workpapers and records in suitable facilities provided by the Agency. The only exceptions are the rare occasions when Congress or its committees may need certain information from GAO's workpapers or where temporary removal off-site is needed, for example, for internal review processes. The committee, however, expects off-sites removal to be limited in numbers and strictly controlled and accounted for under the procedures established by the Comptroller General pursuant to paragraph (1) of this subsection. In this regard, GAO employees must maintain the same level of confidentiality for the records of any agency as the agency itself and are also subject to the same statutory penalties for unauthorized disclosure or use of an agency record as the agency's employees. (See 31 U.S.C. § 715(e).)

Paragraph (3) provides that GAO employees are subject to CIA security reviews and procedures. Such procedures should be similar to those applied by the CIA to employees of other establishments of the Government. The Director is urged to expedite GAO employees security clearances.

Section (e) is a savings provision added to make clear that the authority contained in this section is in addition to other authority of the Comptroller General to audit and investigate. This subsection emphasizes that section 3523a is not to be construed to limit the authority of the Comptroller General to audit or investigate any other agency or department, including any agencies involved in foreign or domestic intelligence or counter-intelligence activities.

Section 3 of the bill amends section 3524 of title 31 United States Code, to conform section 3524 to GAO's audit of the unvouchered accounts of the CIA under section 3523a. Thus, paragraph (1) adds an introductory clause to section 3524(a) to provide that audits of the financial transactions of the CIA, including those accounted for only on the certificate of the Director, CIA, such as expenditures made under the authority of section 8(b) of the Central Intelligence Agency Act of 1949, 50 U.S.C. 403(b), are subject to the provisions of section 3523a of title 31, United States Code. Similarly paragaphs (2), (3) and (4) make conforming amendments to sections 3524(d)(2) and 3524(e) to reflect this change.

Subsection (b) adds a similar conforming amendment to section 8(b) of the Control Intelligence Act of 1949 to make absolutely clear GAO's authority to audit unvouchered accounts under new section 3523a. Subsection (c) conforms GAO's authority to enforce its access to CIA records to changes made by 31 U.S.C 3523a and 3524.

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By Mr. WARNER (for himself and Mr. TRIBLE):

S. 1460. A bill to designate certain national forest areas in the State of Virginia as wilderness areas, and for other purposes; to the Committee on Argiculture, Nutrition, and Forestry.

VIRGINIA WILDERNESS ACT

Mr. WARNER. Mr. President, I am joined today by my colleague, Senator TRIBLE, in introducing the Virginia Wilderness Act of 1987.

This legislation is the product of an effort Senator TRIBLE and I initiated in 1984. That year the Congress passed Virginia's first wilderness bill designating 11 areas comprising nearly 56,000 acres of land in the Jefferson and George Washington National Forests as wilderness.

This bill proposes for wilderness designation four areas previously under study that merit the full protection that a wilderness classification provides. These areas are Barbours Creek in the Jefferson and George Washington National Forests in Craig and Alleghany counties; Shawvers Run in the Jefferson National Forest in Criag County; Rough Mountain in the George Washington National Forest in Alleghany and Bath counties; and Rich Hole in the George Washington National Forest in Rockbridge and Alleghany counties.

The designation of these study areas as wilderness carries on our lasting resolve to preserve these unique pristine areas for our children and grandchildren to enjoy.

The areas consist of steep rugged terrain that is forested with southern hardwoods and an understory of mountain laurel, rhododendron, and ferns. It also contains approximately 5 miles of native trout streams as well as good populations of bear and turkey.

The Virginia Wilderness Act of 1987 enhances our recognition of the delicate balance between our citizens' desire to preserve Virginia's natural beauty and the need for the region to promote economic growth.

With the valued advice of the counties of Craig, Alleghany, Bath, and Rockbridge, the Westvaco Corp. and the citizens organizations of the Virginia Wilderness Committee, the Appalachian Forest Management Group, and the Mount Rogers Christmas Tree Association, I believe we have crafted a bill that will be widely received by the Senate.

These lands offer outstanding recreation opportunities and will remain open for hiking, camping, hunting, and fishing. All of these areas are federally owned as part of the National Forest System, so no private property will be condemned, and no cost will be incurred by the Federal Government.

As with the original wilderness legislation, this bill recognizes the benefits of the multiple-use of our natural resources. Those areas most appropriate for road construction, mining, timber production, petroleum exploration, and intensive recreational uses will all remain within the management of the Forest Service.

The expansion of the wilderness system in Virginia was, in part, initiated by the response of the Westvaco Corp. to more than 2 years of air quality monitoring by the company of the wilderness study areas near Westvaco's Covington paper mill.

I appreciate the concerns of Westvaco and the thousands of persons who make their livelihood from the papermill that an upgrading of the air quality standards to class I could jeopardize their operations.

Because of Westvaco's dedication to this issue and their commitment of financial resources for scientific study and environmental air quality modeling, they have advised me that wilderness designation of these areas would not adversely affect their growth plans.

I also reaffirm my pledge to Westvaco, its employees and the Commonwealth of Virginia that I will not seek or support the redesignation of these or former wilderness areas as class I areas.

This bill also contains a minor technical correction for Lewis Fork Wilderness Area with the addition of a small area of 72 acres. I am advised by the Forest Service that Congress intended these areas to be part of the original proposal but maps incorrectly excluded this area. Because the area is known for its Christmas Tree harvest, I have contacted and received the support of the Mount Rogers Christmas Tree Association.

Mr. President, it has been my pleasure to have been involved with legislation to recognize and preserve these unique areas through the establishment of a Virginia wilderness system. Today we are expanding the protection provided by a wilderness designation to four more deserving areas.

Mr. TRIBLE. Mr. President, I am pleased to introduce today, with my colleague from Virginia, Senator JOHN WARNER, the Virginia wilderness bill of 1987.

Today's action actually has its roots in the original Virginia wilderness bill, which was enacted in 1984. That legislation placed roughly 56,000 acres into the National Wilderness Preservation System. It also designated four areas, comprising some 25,000 acres, as wilderness study area. The study designation protected those areas from development and preserved their pristine qualities, while the Forest Service continued to study them for inclusion into the National Wilderness System.

That brings us to today.

This legislation completes the 1984 action by designating as wilderness the four areas that have been under study. Our bill designates as wilderness 9,300 acres, to be known as the Rough Mountain Wilderness Area, 6,450 acres to be known as the Rich Hole Wilderness Area, 5,700 acres to be known as the Barbours Creek Wilderness Area, and 3,570 acres to be known as the Shawvers Run Wilderness Area. The bill also includes 72 acres that were intended for inclusion in the 1984. All of this land will be incorporated into the National Forest System.

We owe it to future generations to preserve wilderness areas. The 1984 legislation struck a balance between the protection of areas of great natural beauty and economic development. It helped to preserve Virginia's unspoiled areas, but still permitted economic growth and industrial expansion in the Shenandoah Valley and southwest Virginia. I am very happy that we are able to build on our earlier accomplishments today.

Mr. President, I applaud the efforts of my distinguished colleague, Senator WARNER, for his hard work on this legislation. I urge my colleagues to support this legislation.

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By Mr. TRIBLE (for himself, Mr. DOLE, and Mr. COHEN):

S. 1463. A bill to eliminate security assistance and arms export preferences for New Zealand, and for other purposes; to the Committee on Foreign Relations.

NEW ZEALAND MILITARY PREFERENCE ELIMINATION ACT

Mr. TRIBLE. Mr. President, on June 4, 1987, the New Zealand Parliament enacted into law the 2-year-old policy of its Prime Minister banning U.S. Navy ships from entering New Zealand ports. This decision calls into question the future security relationship of the United States and New Zealand. New Zealand has severed its strategic bond with the United States, and this action deserves a forceful response. For that reason, I am introducing legislation to eliminate the military preferences now accorded New Zealand, and I am pleased that Senators DOLE and COHEN have joined me as cosponsors.

Since February 1985, New Zealand has refused to permit United States Navy ships to enter its ports because they might carry nuclear weapons. New Zealand has demanded that the United States identify which of its ships carries nuclear weapons, and will permit entry to ships carrying only conventional arms.

Mr. President, the United States has a unitary Navy. We do not have a nuclear Navy and a nonnuclear one. To protect the security of the United States and its allies, and to protect naval personnel at sea, the United States must keep secret which of its naval vessels carry nuclear weapons. Thus, the New Zealand policy has effectively banned United States Navy ships from New Zealand ports since February 1985.

Since that date, the administration has exercised considerable patience in responding to New Zealand's breach of its security obligations under the Anzus Treaty. The Anzus Treaty arrangement has been an important element in the defense of the Southern Pacific. There, as elsewhere, the United States naval fleet constitutes an important deterrent to hostile action by the Soviet Union and other countries that might threaten United States and allied security interests and block vital sea lanes.

In the hope that New Zealand might abandon its policy and resume its security obligations, the United States chose to leave the treaty regime and mutual military support arrangements intact. By August 1986, however, New Zealand's intransigence became clear, and the United States suspended its security obligations to New Zealand.

In February 1987, the United States informed New Zealand that it would not renew or renegotiate the expiring United States-New Zealand memorandum of understanding which provided for mutual military support arrangements.

On June 4, the New Zealand Parliament enacted the Nuclear Free Zone, Disarmament, and Arms Control Act. That act makes all New Zealand territory, waters, and airspace a nuclear free zone; prohibits the entry of nuclear-powered ships; and prohibits the entry of foreign military aircraft and ships unless the Prime Minister is satisfied that they will not be carrying any nuclear explosive device.

Prime Minister David Lange of New Zealand has explained New Zealand's stance as follows:

> New Zealand cannot be defended by nuclear weapons and does not wish to be defended by nuclear weapons. We have disengaged ourselves from any nuclear weapons strategy for the defense of New Zealand. * * * People in New Zealand must be satisfied that the ships and aircraft of other countries which visit New Zealand are not armed with nuclear weapons or not engaged in the transport of nuclear weapons.

Mr. President, New Zealand cannot expect to enjoy the benefits of close defense alliance with the United States without accepting the burdens that accompany it. New Zealand has made a concerted decision to shift its security relationship with the United States from one of close alliance to one of mere friendship. If New Zealand no longer wants the United States Navy, then New Zealand no longer deserves the special status it is accorded under United States law.

The time has come to adjust U.S. law to reflect the existing reality of the new relationship.

Accordingly, I am introducing the New Zealand Military Preference Elimination Act. The bill eliminates New Zealand from the list of allies—NATO countries, Japan, Australia, New Zealand—entitled to preferential treatment under various provisions of the Foreign Assistance Act of 1961 and the Arms Export Control Act. The bill would shift New Zealand's status under those statues from that of an allied country to that of a friendly country, reflecting the new security relationship to the United States that New Zealand has chosen for itself.

I am pleased that Senators DOLE and COHEN have joined me in cosponsoring this measure, and I urge my colleagues to join us. I also ask unanimous consent that a copy of this bill and a section-by-section explanation be printed in the RECORD.

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

S. 1463

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "New Zealand Military Preference Elimination Act".

SEC. 2. ASSIGNMENT OF UNITED STATES MILITARY PERSONNEL TO MANAGE DEFENSE COOPERATION MEASURES.—Section 515(a)(6) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321i(a)(6)) is amended by striking "Japan, Australia, and New Zealand" and inserting in lieu thereof "Japan and Australia".

SEC. 3. PREFERENTIAL TREATMENT IN ARMS TRANSFER CONGRESSIONAL REVIEW PROCESS.—Section 3(d)(2)(B) of the Arms Export Control Act (22 U.S.C. 2753(d)(2)(B)) is amended by striking "Japan, Australia, or New Zealand" and inserting in lieu thereof "Japan or Australia".

SEC. 4. PREFERENTIAL TREATMENT IN CHARGING CERTAIN ARMS SALES COSTS.—Section 21(e)(2) of the Arms Export Control Act (22 U.S.C. 2761(e)(2)) is amended by striking "Japan, Australia, or New Zealand" and inserting in lieu thereof "Japan or Australia".

SEC. 5. ELIGIBILITY FOR PREFERENTIAL STANDARDIZATION AND MILITARY TRAINING AGREEMENTS.—Section 21(g) of the Arms Export Control Act (22 U.S.C. 2761(g)) is amended by striking "Japan, Australia, and New Zealand" and inserting in lieu thereof "Japan and Australia".

SEC. 6. PREFERENTIAL TREATMENT IN ARMS EXPORT CONGRESSIONAL REVIEW PROCESS.—Section 36 of the Arms Control Act (22 U.S.C. 2776) is amended—

(1) in subsection (b)(1), by striking "Japan, Australia, or New Zealand" and inserting in lieu thereof "Japan or Australia";

(2) in subsection (b)(2), by striking "Japan, Australia, or New Zealand" and inserting in lieu thereof "Japan or Australia"; and

(3) in subsection (c)(2), by striking "Japan, Australia, or New Zealand" and inserting in lieu thereof "Japan or Australia".

SEC. 7. PREFERENTIAL TREATMENT IN ARMS LEASE CONGRESSIONAL REVIEW PROCESS.—Section 63(a)(2) of the Arms Export Control Act (22 U.S.C. 2796b) is amended by striking "Japan, Australia, or New Zealand" and inserting in lieu thereof "Japan or Australia".

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SECTION-BY-SECTION EXPLANATION

A number of statutory provisions governing U.S. security assistance and arms transfers to foreign countries give preferential treatment to certain countries which are parties to mutual defense treaties with the United States. Those provisions currently give preference to North Atlantic Treaty Organization (NATO) member countries, Japan, Australia, and New Zealand. The "New Zealand Military Preference Elimination Act" strikes New Zealand from the list of countries given preferred treatment.

Under the bill, New Zealand would no longer enjoy the special status accorded primary U.S. defense allies with respect to security assistance and arms exports. New Zealand would enjoy only the same status as other non-Communist countries.

Section 1 of the bill entitles the bill the "New Zealand Military Preference Elimination Act."

Section 2 of the bill amends Section 515(a)(6) of the Foreign Assisatnce Act of 1961 (22 U.S.C. 2321i(a)(6)). Section 515(a)(6) authorizes the President, in carrying out his responsibility for management of international security assistance programs, to assign U.S. military personnel to foreign countries to promote rationalization, standardization, interoperability, and other defense cooperation measures among NATO members and with the Armed Forces of Japan, Australia, and New Zealand. Section 2 eliminates promotion of defense cooperation measures with the Armed Forces of New Zealand as a basis for assignment of U.S. military personnel under Section 515(a)(6). Section 2 does not affect authority for assignment of U.S. personnel to any foreign country, including New Zealand, under any provision of law other than Section 515(a)(6) of the Foreign Assistance Act.

Section 3 of the bill amends Section 3(d)(2)(B) of the Arms Export Control Act (22 U.S.C. 2753(d)(2)(B)). Section 3(d) of the Arms Export Control Act prohibits the President (except in an emergency) from giving his consent to a foreign country's retransfer to another country of arms above a specified value received from the U.S. under the Foreign Assistance Act or the Arms Export Control Act, until 30 days after the President has notified the Congress of the proposed transfer, except that if the recipient of the arms is NATO or a NATO member country, Japan, Australia, or New Zealand, the President may give his consent 15 days after he has notified Congress. Section 3 of the bill eliminates New Zealand as a favored arms recipient with respect to whom the President must wait only 15 days after congressional notification before granting consent. After enactment of Section 3 of the bill, the President would be required to wait 30 days after congressional notification before giving his consent to a retransfer to New Zealand.

Section 4 of the bill amends Section 21(e)(2) of the Arms Export Control Act (22 U.S.C. 2761(e)(2)). Section 21(e) of the Arms Export Control Act provides that letters of offer for the sale of defense articles or services under Sections 21 and 22 of the Arms Export Control Act shall include appropriate charges for certain administrative services; use of plant and production equipment; nonrecurring costs; and recovery of ordinary inventory losses. Section 21(e)(2) of the Act authorizes the President to reduce or waive the charges for use of plant and production equipment and for nonrecurring costs for particular sales if the sales would significantly advance U.S. interests in NATO standardization; standardization with the armed forces of Japan, Australia, or New Zealand in furtherance of mutual defense treaties; or foreign procurement in the U.S. under coproduction arrangements. Section 4 of the bill eliminates advancement of U.S. interests in standardization with the armed forces of New Zealand as a basis for reduction or waiver of charges for use of plant and production equipment and for nonrecurring costs with respect to an arms sale.

Section 5 of the bill amends Section 21(g) of the Arms Export Control Act (22 U.S.C. 2761(g)). Section 21(g) authorizes the President to enter into standardization agreements with NATO countries, Japan, Australia, and New Zealand for the cooperative furnishing of training on a bilateral or multilateral basis under reciprocal financing principles. Section 5 of the bill eliminates New Zealand as a country eligible for such cooperative training agreements.

Section 6 of the bill amends Sections 36(b) and (c) of the Arms Export Control Act (22 U.S.C. 2776). Section 36(b) provides that a letter of offer of certain defense articles or defense services above a certain value shall not issue (except in an emergency) until 30 days after the President has notified the Congress of the proposed letter of offer, except that if the recipient is NATO or a NATO member country, Japan, Australia or New Zealand, the letter of offer may issue 15 days after the President has notified the Congress. Section 6 of the bill eliminates New Zealand as a favored arms recipient with respect to whom issuance of a letter of offer can occur 15 days after congressional notification. After enactment of Section 6 of the bill issuance of such a letter of offer to New Zealand could not occur until 30 days after congressional notification. Section 6 of the bill, also would remove New Zealand from the list of recipient allied countries with respect to whom the internal congressional procedures of one House specified by statute provide for a preferential motion to discharge a committee of a joint resolution blocking such a letter of offer.

Section 6 of the bill also amends Section 36(c) of the Arms Export Control Act, which requires notice to Congress 30 days prior to issuance of a license to export from the United States certain defense articles or defense services above a certain value, except for licenses for export to NATO or a NATO member country, Japan, Australian, or New Zealand. After enactment of Section 6 of the bill, a license for such export to New Zealand could not issue until 30 days after congressional notification.

Section 7 of the bill amends Section 63(a)(2) of the Arms Export Control Act (22 U.S.C. 2796(a)(2)). Section 63 of the Arms Export Control Act provides that the President shall notify the Congress 30 days prior to entering into or renewing an agreement with a foreign country to lease or lend certain defense articles above a specified value under the Arms Export Control Act or the Foreign Assistance Act of 1961 for a period of one year or longer. Section 63(a)(2) provides that Section 63, requiring congressional notification prior to such agreements to lease or lend, does not apply with respect to leases or loans to NATO or NATO member countries, Japan, Australia, or New Zealand. Section 7 of the bill eliminates New Zealand from the favored category of countries with respect to whom notification to Congress prior to such agreements is not required.

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By Mr. CRANSTON (for himself, Mr. MURKOWSKI, Mr. MATSUNAGA, Mr. DECONCINI, Mr. ROCKEFELLER, Mr. GRAHAM, Mr. STAFFORD, Mr. MOYNIHAN, Mr. CHILES, Mr. BINGAMAN, Mr. HEFLIN, Mr. DODD, Mr. DASCHLE, Mr. SANFORD, Mr. COHEN, and Mr. EVANS):

S. 1464. A bill to amend title 38, United States Code, to provide eligibility to certain individual for beneficiary travel payments in connection with travel to and from Veterans' Administration facilities; to the Committee on Veterans Affairs.

VETERANS' BENEFICIARY TRAVEL REIMBURSEMENT RESTORATION ACT

Mr. CRANSTON. Mr. President, as the chairman of the Committee on Veterans' Affairs, I am introducing today S. 1464, the Veterans' Beneficiary Travel Reimbursement Restoration Act of 1987. Joining me on this bipartisan measure are the ranking minority member of the Veterans' Affairs Committee, Mr. MURKOWSKI, my colleagues from the Veterans' Affairs Committee, Senators MATSUNAGA, DECONCINI, ROCKEFELLER, GRAHAM, and STAFFORD, as well as Senators MOYNIHAN, HEFLIN, BINGAMAN, DODD, DASCHLE, SANFORD, CHILES, COHEN, and EVANS. The basic purpose of this bill is to provide for the payment of beneficiary travel reimbursements—payments made to certain veterans to defray the expenses of their travel to VA healthcare facilities—to service-connected veterans, to low-income veterans, and to veterans who because of their rural or remote locations need assistance to overcome the high costs of travel which hamper their ability to obtain medical care for which they are entitled or eligible.

Mr. President, over the past 2 months there has been much discussion about the VA's revised beneficiary travel regulations which became effective on April 13, 1987. These regulations were promulgated to effectuate cuts made by the administration in the VA's fiscal year 1987 budget. Initially, in January 1986, the administration requested only $10 million for fiscal year 1987 for a program which

was then being projected by the VA to cost $125 million. These projections have been recently revised and decreased to $110 million. Once fiscal year 1987 began and it became clear that such a funding level was not workable, the administration proposed that an additional $58 million be made available for beneficiary travel by realigning, within the VA's medical care account, funds that had been appropriated for capital investments, to beneficiary travel. Thus, the total amount currently planned to be spent for this purpose in fiscal year 1987 is now $68 million. The program cutback of nearly half from the pre-April 13, 1987, scope of the program brought about by the new regulations does not adequately take into consideration the diverse needs of those of our Nation's veterans who rely on the VA for their health care.

While not amending the general eligibility criteria—service-connected veterans, non-service-connected veterans in receipt of VA pension benefits, persons whose annual incomes are less than or equal to the maximum annual base pension rates, and claimants who are unable to defray the cost of transportation continue to be eligible for beneficiary travel reimbursement—the new regulations which became effective on April 13, 1987, except in a few instances I will describe, permit only partial payment for the travel of those veterans traveling from beyond a 100-mile radius to the nearest appropriate VA medical care facility. If the travel occurs outside of the 100-mile one-way radius a veteran is reimbursed at the rate of 11 cents per mile; no payment is made for travel of less than 100 miles one way. In effect, veterans are generally being asked to pay an $11 one-way deductible, $22 round trip if they travel from beyond the 100-mile radius. If the travel occurs within the 100-mile radius, the VA will provide no reimbursement regardless of the cost of the travel or the number of times the veteran must make the trip to receive the needed care.

Prior to April 13, 1987, medically indicated emergency transportation was paid only if the veteran was unable to defray the cost. The new regulations would authorize payment for this form of transportation if, in the opinion of the physician, delay in immediate transportation would have been hazardous to the patient's health or life. Also, with the implementation of the new regulations, eligible beneficiaries will be paid in full for travel associated with compensation and pension examinations and special mode transportation when medically indicated.

There is a great need to reduce the towering Federal deficit, and it is certainly incumbent upon us to exercise prudence and restraint as we consider legislation related to Federal programs of benefits and services. At the same time, I continue to have an unswerving commitment—and I am confident that the U.S. Congress shares that commitment—to the maintenance of a strong, separate, and vital VA health-care program for those who answered their Nation's call in its hours of need. In addition, I share the concern of many who believe that some veterans may effectively be denied access to health care as a result of their being unable to afford transportation to a VA facility. That was a major focus of our committee's extensive oversight hearing in Hawaii on April 14, and Senator MATSUNAGA, who chaired that hearing at my request, has expressed great interest in rectifying the inequitable effect of the new regulations in his State. Other committee members share similar concerns.

Thus, our committee's ranking minority member, FRANK MURKOWSKI, and I have worked together in a bipartisan effort to design legislation which would provide for a travel reimbursement policy taking into account the needs of all of our veterans but still reflecting sound fiscal policy.

The legislation we are introducing today would provide that, if the VA provides any beneficiary travel reimbursement under section 111 of title 38 United States Code, it must provide such reimbursement to all those categories of veterans eligible under the pre-April 13 regulations, with certain changed conditions I will describe in a moment. Those veterans eligible prior to April 13 were: Veterans traveling in connection with vocational rehabilitation, veterans being examined to determine eligibility for compensation and pension; veterans having service-connected disabilities; veterans receiving pensions under section 521 of title 38; veterans whose annual incomes, determined in accordance with section 503 of title 38, do not exceed the maximum annual rate of pension—the approved pension standard—payable for pension under section 521 of title 38; veterans declared by the Administrator as otherwise unable to defray the expenses of necessary travel; and veterans requiring special mode or emergency transportation.

SUMMARY OF PROVISIONS

Mr. President, this legislation would amend section 111 of title 38, under which the VA has the authority to provide beneficiary travel reimbursement, to require that if the VA provides any beneficiary travel reimbursement under that section, then it must be provided in the case of travel by an eligible beneficiary as follows:

First, veterans requiring special-mode or emergency transportation and those traveling for the purpose of receiving examinations required to determine eligibility for compensation or pension would become eligible for beneficiary travel reimbursement.

Second, a $7.50 round trip—$3.75 one-way trip—deductible would be required except for special mode and emergency transportation and travel for compensation and pension examinations. This deductible may be increased by the Administrator so as to keep pace with inflation in transportation costs.

Third, in the case of veterans preapproved as needing to make trips for health care more frequently than at least six one-way trips per month, deductibles would not exceed $22.50 per month.

Fourth, the chief medical director would be required to make annual allocations to all health-care stations sufficient to fund their beneficiary travel reimbursements as set forth in the basic program. However, two waiver authorities would be provided under which individual stations could be authorized to pay beneficiary travel at a reduced level—including making no payments at all—and instead to expend the funds for direct health-care of veterans. These two authorities would be as follows:

(a) For any station that could demonstrate to the CMD that, prior to the April 13 regulations, less than full beneficiary travel payments were being made, the CMD would be required to authorize that station to continue to make payments at the prior level or at a greater level as proposed by the station director, less than the newly prescribed level;

(b) For any station that wished to make payments at a lower level than the newly prescribed level, the station head could make application to the CMD for authority to make payments at less than the prescribed level and, if the CMD determined that such a reduction would be in the best interests of furnishing health care and services at that station, the CMD would be authorized to permit payments to be made at the requested level or a higher level.

Any funds that a station would have available as a result of either waiver could be used for other authorized direct-health-care purposes.

Fifth, the legislation would direct the Administrator of Veterans' Affairs to take all appropriate steps to provide for a transportation program, in conjunction with veteran service organizations and the VA Voluntary Service [VAVS], and in cooperation and consultation with the Secretary of Transportation, under which veterans would be transported to and from health-care facilities within each VA facility's catchment area. This legislation would not make any changes in the way in which the VA provides for interfacility transfers of patients—a separate process which is utilized when a physician determines a transfer is necessary to

provide appropriate in-patient care for a veteran patient.

EMERGENCY AND SPECIAL-MODE TRANSPORTATION AND TRAVEL ASSOCIATED WITH COMPENSATION AND PENSION EXAMS

Taking into consideration the needs of particular veterans, travel associated with medical emergencies, medically indicated specialized modes of transportation, and travel for compensation and pension examinations would be reimbursed if the VA provides any beneficiary travel reimbursement under section 111 of title 38.

Unfortunately there are times when a veteran's health becomes such that immediate transportation to a VA medical facility is necessary. During this time of crisis the veteran, or his or her family, should not be burdened with the concern of how they might pay for emergency transportation. Our bill would help to alleviate fears associated with severe illness by authorizing the VA to pay for transportation in connection with a medical emergency of such a nature that the delay would be hazardous to the veterans' life or health.

Our legislation would also provide for the payment of beneficiary travel reimbursement in those instances where a special mode of travel such as wheelchair van or ambulance, authorized in advance by the Administrator, is necessary to assure the veteran has access to health care. These and other specialized modes of transportation are common for many disabled individuals and without special conveyances some veterans would be unable, because of their unique needs, to travel. While necessary for travel, these special modes are also very expensive and frequently beyond the means of the average veteran.

When applying for compensation or pension benefits, a veteran must report for a physical examination to determine eligibility. In consideration of this requirement and the financial hardships it may impose, our bill would authorize payment of beneficiary travel to those veterans traveling for the purpose of obtaining this physical.

BENEFICIARY TRAVEL PAYMENTS

Mr. President, to help defray the cost of this program, we are proposing a modest deductible of $7.50 per round trip, $3.25 one way, which may be periodically increased by the Administrator to help meet the costs of inflation. Because this policy will be applied to all eligible veterans, no one group of veterans will be unfairly penalized, as occurs under the present regulations in the case of veterans living within a 100-mile radius of the VA facility where they are furnished care, and who are generally ineligible for reimbursement under these regulations.

This proposal also takes into consideration those beneficiaries who under the new regulations are unable, by virtue of geographic inaccessibility, to obtain medical care for which they are entitled or eligible. Under the current regulations a veteran in Hawaii, Alaska, or the Virgin Islands may travel less than a 200-mile round trip to a VA facility but, because of their remote or rural location, have no choice but to utilize expensive air transportation to reach his or her destination. Transportation costs absorbed by these veterans as a result of our legislation would be limited to an affordable $7.50 per round trip or $22.50 per month for a preapproved frequent beneficiary traveler. The VA would reimburse for these costs if the veteran is eligible for beneficiary travel reimbursement.

According to preliminary estimates by the VA, a $7.50 deductible provision would cost $32.5 million more than the new regulations, which would bring the total cost of the beneficiary travel program to $87.5 million for fiscal year 1988.

CONSIDERATION FOR THE FREQUENT TRAVELER

Recognizing that some veterans who are receiving care from the VA must return frequently to a VA facility for health care, we are proposing that where veterans have been determined in advance to be required to make more than six one-way trips in the next calendar month to receive health care, the maximum deductible they would pay for travel to the facility in the following calendar month would be $22.50, regardless of the number of trips made. This $22.50 figure—as well as the $7.50 per round trip figure—could be periodically increased by the Administrator to help meet inflation. This provision would protect veterans receiving frequent treatment for such illnesses as chronic renal failure and PTSD from being denied access to urgently needed health care by virtue of their being unable to pay for their substantial transportation costs. Under current regulations, these veterans must themselves bear these high frequent-traveler expenses.

At the same time, the requirement for advance approval is designed to avoid the potentially very costly administrative burden of tracking the number of trips made monthly by each potentially eligible veteran.

Based upon preliminary figures furnished by the VA, this provision would cost an additional $1.3 million, bringing the total increased cost of the bill to $33.3 million above the new regulations, for a total cost of $88.8 million—at least $21.2 million less than the old regulations would have cost. Although it is tempting to restore the program to previous spending levels, we do not believe that to be sound policy. Funds spent on beneficiary travel come directly from the VA medical care appropriation where a priority must be attached to the furnishing of direct health-care services. In fact, as is further discussed in the following section of my statement, our legislation would provide for that priority to be taken into account before the funds are spent on beneficiary travel.

PROVISION FOR ALLOCATION OF FUNDS AND WAIVERS OF PAYMENTS

Recognizing that within the VA health-care system there are 172 hospitals and 226 outpatient centers located in different regions of our vast country and that each has diverse and unique characteristics, our bill would provide VA station heads with the flexibility to administer the beneficiary travel program as they, in consultation with local representatives of veterans service organizations can show would be the most beneficial to the health care of veterans. Some stations have told us that veterans in their areas are able to reach the VA without undue hardship. Others, as I will mention later, are actively working to form voluntary networks, transporting veterans as the need arises to meet their scheduled appointments. Therefore, in some areas of the country, it may not be necessary to implement the provisions of this legislation to the fullest extent in order to ensure that veterans receive the care they are due.

Our bill would require the VA Administrator to make annual allocations to all health-care stations sufficient to fund the beneficiary travel reimbursement provisions of the bill. Further, the legislation would provide for two waiver authorities under which individual VA station heads could be authorized to pay beneficiary travel at reduced levels: First, in those instances where a station head can demonstrate to the CMD that, on April 12, 1987, the facility was making beneficiary travel reimbursements at levels less than those authorized by this legislation, the CMD would be required to allow payments to be made at those prior or higher requested levels, and, second, in other cases in which the head of a facility proposes to make payments at a level less than that prescribed in this bill, if the CMD determines that making payments at this level would be in the best interests of furnishing health care and service to eligible veterans at the facility, the CMD may waive the requirements for paying beneficiary travel as prescribed in the legislation and authorize payments to be made at the level proposed by the station head. In each case, any funds not utilized for beneficiary travel payments could be channeled into other authorized direct-health-care purposes.

TRANSPORTATION NETWORKS

Mr. President, our legislation would direct the Administrator to build transportation networks in conjunction with the veterans service organizations and the VAVS, as well as ex-

plore the creation of special agreements in cooperation and consultation with the Secretary of Transportation—for example, under section 16(b) of the Mass Transportation Act of 1964, which authorizes grants to assist in providing mass transportation services to meet the special needs of elderly and handicapped persons—under which veterans would be transported to and from VA facilities within each VA facility catchment area.

Veterans service organizations and the VAVS can be very instrumental in establishing volunteer transportation services for veterans needing this type of assistance. Many of these organizations see this type of program as a natural extension of the services they already provide. In fact, the Disabled American Veterans [DAV] has already begun to place "hospital service coordinators" in VA acute-care facilities to assist in the development and implementation of such networks and has allocated $2 million in grant funds to provide for these programs if the funds are not available locally. As of June 22, 1987, DAV grants totaling $495,168 have been approved and $270,193 are pending. As of the same date, 26 States have active programs while 15 States have action pending; 61 service coordinators have been placed in VA hospitals. The coordinators, working with VA personnel in outpatient clinics and the admissions office of the hospital, prepare lists of veterans needing assistance with travel to and from their appointments. The coordinator then arranges the transportation with their volunteer van network at no charge to the veterans. According to DAV officials, while their service is very effective in meeting the needs of many veterans, their activities cannot expand quickly enough and the organization would welcome assistance and cooperation from other service organizations.

Under this provision in the bill, local public transit operations might also be encouraged to assist veterans needing transportation services to VA facilities. Many of these companies already do so for senior citizens or handicapped persons, and the VA may be able to negotiate special rates for certain veterans at a lower cost than they might otherwise have to pay. We are confident that the VA service organizations, and the VAVS and experts in the field could develop innovative proposals to help veterans in traveling to obtain VA health care over the relatively short distances for which reimbursement would not be provided under our bill.

Mr. President, although we must continue our efforts to reduce the increasing public debt, we must not lose sight of our promise to care for our veterans. We must strike a balance between deficit reduction actions and providing accessible health care to those who served our country in its time of need. I believe this legislation would strike that balance—it would spread a cost-sharing obligation over a broad base without unduly penalizing any one group, it would recognize that some veterans must make frequent visits to medical facilities and would provide appropriate relief to that group, it would provide descretionary authority to station heads and the CMD to reduce beneficiary travel spending if they, in consultation with service organizations locally, felt it necessary to maintain other priority services, it would respond to the fact that unique geographical barriers—such as in Hawaii or Alaska—place hardships upon certain veterans, and it would provide legislative direction to the VA to foster the development of voluntary transportation networks designed to provide assistance to veterans traveling short distances for which they would not be reimbursed.

We plan to consider this legislation during our committee markup later this month. I urge all my colleagues to support this measure.

Mr. President, I ask unanimous consent that the text of the bill and a statement by my colleague from Alaska Mr. MURKOWSKI, be inserted in the RECORD.

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

S. 1464

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

SECTION 1. SHORT TITLE: REFERENCE TO TITLE 38, UNITED STATES CODE.

(a) SHORT TITLE.—This Act may be cited as the "Veterans' Beneficiary Travel Reimbursement Restoration Act of 1987".

(b) REFERENCES TO TITLE 38.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

SEC. 2. VETERANS' ADMINISTRATION BENEFICIARY TRAVEL PROGRAM.

Section 111 is amended—

(1) by redesignating subsections (b), (c), (d), and (e) as subsections (c), (d), (e), and (f);

(2) by inserting after subsection (a) the following new subsection (b):

"(b)(1) Except as provided in subsection (g) of this section and notwithstanding any other provision of law, if, in any fiscal year, the Administrator exercises the authority under this section to make any payments, the Administrator, in such fiscal year, shall make the payments prescribed in this section, subject to any applicable deduction under paragraph (2) of this subsection, to or for the following persons:

"(A) A person receiving benefits under this title for or in connection with a service-connected disability.

"(B) A veteran receiving pension under section 521 of this title.

"(C)(i) A veteran whose annual income, determined in accordance with section 503 of this title, does not exceed the maximum annual rate of pension which would be payable to such veteran if such veteran were eligible for pension under section 521 of this title, or (ii) a veteran who is determined, under regulations prescribed by the Administrator, to be unable to defray the expenses of the travel for which payment under this section is claimed.

"(D) A veteran whose travel to a Veterans' Administration facility was incident to a scheduled compensation and pension examination.

"(E) A veteran whose travel to a Veterans' Administration facility was required to be performed by a special mode of travel and such travel (i) was authorized by the Administrator before such travel was commenced, or (ii) was in connection with a medical emergency of such a nature that the delay incident to obtaining authorization under subclause (i) of this subparagraph would have been hazardous to the person's life or health.

"(2)(A) Except as provided in subparagraphs (B) or (C) of this paragraph, the Administrator, in making a payment under this section to or for a person described in subparagraphs (A), (B), or (C) of paragraph (1) of this subsection, shall deduct from the amount otherwise payable an amount equal to $3.75 for each trip to or from a Veterans' Administration facility.

"(B) In the case of a person who is determined by the Administrator to be a person who is required to make six or more one-way trips to or from a Veterans' Administration facility for needed care or services under chapter 17 of this title during the following calendar month or months, the amount deducted by the Administrator pursuant to subparagraph (A) of this paragraph (A) of this paragraph from payments for trips made to or from such facility during any of such months shall not, except as provided in subparagraph (C) of this paragraph, exceed $22.50 with respect to travel made during such month.

"(C) Whenever the Administrator increases or decreases the rates of allowances or reimbursement to be paid under this section, the Administrator shall, effective on the date on which such increase or decrease takes effect, adjust proportionately the dollar amounts specified in subparagraphs (A) and (B) of this paragraph.";

(3) in subsection (f) (as redesignated by clause (1))—

(A) in paragraph (2)—

(i) by striking out clause (A); and

(ii) by redesignating clause (B) and (C) as clauses (A) and (B); and

(B) in paragraph (4)—

(i) by inserting "or adjusting amounts" after "rates" the first place it appears; and

(ii) by inserting "and amounts" after "rates" the third place it appears; and

(4) by adding at the end the following new subsections:

"(g)(1) With respect to any fiscal year in which the Administrator exercises the authority under this section to make payments, the Administrator shall prior to October 1 of such year make an allocation to each Veterans' Administration medical facility sufficient to enable the head of such facility to make payments during such year to persons entitled to such payments under subsection (b) of this section.

"(2)(A) In any fiscal year in which funds are allocated pursuant to paragraph (1) of this subsection, the head of each such facility, unless granted a waiver pursuant to subparagraph (B) of this paragraph and regula-

tions which the Administrator shall prescribe thereunder, shall utilize such funds, except as provided in subparagraph (C) of this paragraph, solely for the purpose of making payments under this section.

"(B)(i) In any case in which the head of such a facility demonstrates to the Chief Medical Director that, on April 12, 1987, such facility was making payments under this section at levels less than the levels then authorized under this section, the Chief Medical Director shall waive the provisions of subsection (b) of this section and authorize payments to be made at any such prior level of payment or at any higher level, proposed by such facility head, less than the amounts prescribed in such subsection.

"(ii) In any other case in which the head of such a facility proposes to make payments under this section at a level less than the amount prescribed in subsection (b) of this section, if the Chief Medical Director determines that making payments at such lesser level would be in the best interests of furnishing care and services to eligible veterans at such facility, the Chief Medical Director may waive the provisions of subsection (b) of this section and authorize payments to be made at the level proposed by such facility head or at any higher level less than the amounts prescribed in such subsection.

"(C) Any funds which are allocated to a facility pursuant to paragraph (1) of this section for the purpose of payments under this section but which are not expended for such purpose shall be available to the head of such facility for support of other authorized direct-health-care purposes.

"(h)(1) The Administrator, in consultation and coordination with the Secretary of Transportation and appropriate representatives of veterans' service organizations, shall take all appropriate steps to facilitate the establishment and maintenance of a program under which such organization or individuals who are volunteering their services to the Veterans' Administration would take responsibility for the transportation, without reimbursement from the Veterans' Administration, to Veterans' Administration facilities of veterans, primarily those residing in areas which are geographically accessible to such facilities, who seek services or benefits from the Veterans' Administration under chapter 17 or other provisions of this title.

"(2) Not later than 6 months after the date of the enactment of this subsection, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the implementation of this section.".

● Mr. MURKOWSKI. Mr. President, I rise to join with my friend from California, the distinguished chairman of the Committee on Veterans' Affairs, and many of my colleagues, in introducing the proposed Veterans' Beneficiary Travel Reimbursement Restoration Act of 1987. I am most pleased to join with Senator CRANSTON on this important initiative which will serve to provide eligibility for certain veterans for beneficiary travel.

During the past several years, I, along with other members of the committee, expressed some concerns about the increasing cost of a veterans' program known as beneficiary travel. Under this program, the VA reimbursed certain eligible veterans for the cost of their travel to and from VA facilities. By fiscal year 1986, the cost of the program had reached about $106 million. In fact, the actual cost was even higher because this figure excludes the staff needed at each facility to operate the program. Because there is no separate line-item appropriation for beneficiary travel, the funding for it comes from a general VA medical care appropriation. Thus, concerns were raised that the VA was, according to some studies, not able to provide medical treatment to some veterans and perhaps that limited funding might be better spent on medical care staff to perform direct patient care instead of beneficiary travel.

As a result of these concerns and the need to make difficult spending decisions with regard to the VA's medical care budget, the President's fiscal year 1987 budget request included only $10 million for this program. The VA then began the process of modifying its regulations to reflect this significant funding change to the beneficiary travel program.

Final regulations became effective on April 13, 1987. The VA's policy, as articulated in its regulations, was to provide free travel for those veterans who: First, required special modes of travel such as ambulance; second, required a compensation or pension medical exam; third, required emergency transportation; and, fourth, traveled over 200 miles round trip, with a deductible. The VA estimated the cost of the program—as modified by the regulations—would be about $55 million.

Since regulations became effective in April, I have been closely monitoring their impact on our Nation's veterans. I have listened to their concerns and worked with Senator CRANSTON to explore options which would reduce the hardship placed on some of our veteran population. In doing so, I have attempted to keep several key points in mind:

First, that the program should be easy to administer.

Second, that costs should be kept in control.

Third, that some flexibility in the implementation of the program was needed. That is, a medical center should have the ability to make decisions regarding the importance of beneficiary travel in relation to other priorities.

Fourth, that assistance to the frequent user of the VA system was essential; those, for example, who require cancer or dialysis treatment on a regular basis.

Fifth, that flexibility should be provided in areas where unique geographical conditions and/or the lack of a VA medical center make travel costly and access to the VA difficult. This is especially true in areas such as Alaska and Hawaii as well as other rural areas like Maine. For example, in Alaska—which is one-fifth the size of the United States and has about the same number of roads as Massachusetts—travel by air is often the only mode of transportation available. Obviously this is quite expensive. I am pleased that the VA has recognized this problem and is taking appropriate actions to address it.

And, sixth, that reliance on veterans service organizations and volunteer services to meet the transportation needs of our veterans are important.

I am most pleased that the thoughtful approach we have worked out takes into account my concerns and, I believe, the concerns of my colleagues. Specifically, our bill would provide travel reimbursement after paying a deductible of $7.50 (round trip) for each trip for veterans first, with service-connected disabilities, second, in receipt of pension or pension level, and third, unable to defray the cost of their travel, to be determined by VA regulations. Veterans who require special modes, emergency travel or compensation and pension exams would not be subject to a deductible. Additionally, there would be a cap of $22.50 per month for veterans who are frequent users of the VA system. This provision is designed to ensure that the veteran does not have unreasonable travel costs.

Because we are legislating at a time of prioritization and cutbacks in Government spending in order to reduce a staggering Federal deficit, the VA no longer has the luxury of fully funding every important program. VA medical centers are faced with extremely difficult spending choices. Medical center directors simply make choices as to whether to fund a program like beneficiary travel or to spend those limited resources on other programs. This is the harsh reality. Thus, in order to take these factors into account, the bill would provide a waiver authority whereby medical centers could be authorized to pay beneficiary travel at reduced levels or not at all—if determined to be in the best interest of the facility. The funds could be used for other health care services at the discretion of the medical center director. The medical center director should consult and advise veterans' representatives with regard to this issue. This is vital if support for changing priorities is to be achieved.

Finally and most importantly, our bill would require the VA to coordinate with the Secretary of Transportation and veterans' service organizations to facilitate the voluntary transportation of veterans. I applaud the Disabled American Veterans [DAV] for already taking the initiative in this area. The outstanding efforts of the DAV have helped many veterans re-

ceive the health-care services which they need. I am confident that other veterans' service organizations will assist in this program just as they have done so many times in the past. In this regard, the VA system is a model for other Federal health-care systems.

According to the VA, the cost of the program under our bill would be about $33 million over the current program cost for a fiscal year 1988 total program cost of about $88 million.

I again thank my colleagues for their interest in this veterans' program, and I urge them to join with Senator CRANSTON and me in supporting this legislation.●

● Mr. MOYNIHAN. Mr. President, I rise today in support of the legislation offered by Senator CRANSTON, chairman of the Committee on Veterans' Affairs.

On April 13, 1987, Veterans' Administration regulations went into effect to restrict reimbursement for veterans' beneficiary travel to and from VA facilities. In States like New York where veterans make up more than 10 percent of the population this is no small issue. On April 21, the first legislative day following this change, I introduced legislation to rescind the regulation to ensure our veterans would once again receive full reimbursement for medical care travel as they deserve.

Since that time the Committee on Veterans' Affairs has looked closely at this issue. Under the leadership of Chairman CRANSTON, they have crafted a solution to respond to veteran needs while taking into consideration the necessity of tightening the budget. Although my hopes were to fully restore travel benefits, Senator CRANSTON has found a compromise to both control spending and provide for our veterans.

I am pleased to join Senator CRANSTON as a cosponsor of his bill.●

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By Mr. BREAUX:

S. 1465. A bill to provide for the transportation of solid waste in U.S.-flag vessels, and for other purposes; to the Committee on Commerce, Science, and Transportation.

SOLID WASTE OCEAN TRANSPORTATION ACT

Mr. BREAUX. Mr. President, the disposal of solid waste is a problem that besets our society. EPA estimates that the United States produces about 450,000 tons of solid waste daily. New York City alone produces almost 20,000 tons every day. Most of this garbage, refuse, and other forms of nonhazardous waste is currently placed in landfills. Available landfill space in the United States is rapidly diminishing. A recent study by Combustion Engineering, Inc., projects that one-quarter of the Nation's major cities will run out of landfill space by 1992. Mount Trashmores are reaching inexorably skyward throughout the United States.

While the disposal of solid waste creates a problem of enormous proportions, it does at the same time offer opportunities. Solid waste can be converted into energy. Many communities are now exploring resource recovery plants. It is, however, unlikely that sufficient plants can be constructed in the United States to satisfy the need. One approach to this problem that is now being considered is the shipment of solid waste to foreign sites where it can be used as fuel to create steam or electricity. Such energy can be used to operate desalinization plants, new industries, and for the benefit of the local populations.

This is a development that offers many opportunities not only for the foreign nations involved but also for the U.S. merchant marine. It is a new area where the American merchant marine would be involved at the outset—not left at the starting gate only to have the field preempted by foreign-flag operators.

I am introducing today a bill entitled the "Solid Waste Ocean Transportation Act of 1987," which would restrict the waterborne transportation of solid waste produced in the United States to U.S.-flag ships. The purposes of this legislation are several: First, it is in our national interest to assure the reliability of the orderly removal and transportation of solid waste. Second, the U.S. merchant marine should have a role in this emerging shipping market for national defense as well as economic reasons.

It is crucial to the technological and political feasibility of waste export plans that the ocean shipments be made on a timely, regular, and reliable basis. The plans do not typically provide for interim storage of waste at either the originating or destination points. Mounting piles of garbage at U.S. inland points or port facilities would not only defeat the primary purpose of waste export plans but would pose unacceptable health hazards. Similarly, resource recovery plants in the receiving country will require regular deliveries of the waste in order to remain operative.

The risk of disruptions in ocean shipments would be minimized through the use of U.S.-flag ships. Foreign-flag ships are subject to possible interference and control by the flag country, and their crews are generally less reliable than U.S. crews. Moreover, U.S.-flag ships provide a greater assurance of compliance with the environmental and safety requirements associated with the carriage of waste.

An additional benefit of this legislation would be the provision of much needed employment for U.S. seafaring personnel and U.S-flag ships. This is an emerging market, and it is important that the U.S. merchant marine become involved from the beginning.

Mr. President, I ask unanimous consent that the full 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. 1465

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Solid Waste Ocean Transportation Act of 1987".

SEC. 2. TRANSPORTATION REQUIREMENTS.

When solid waste (as defined in section 1004(27) of the Resource Conservation and Recovery Act of 1976 (42 U.S.C. 6903(27))), or the residue from its combustion is transported by water between the United States and a foreign country, that waste must be transported by vessels documented under chapter 121 of title 46, United States Code.

SEC. 3. PENALTIES.

(a) Any person violating this Act is liable to the United States Government for a civil penalty of not more than $5,000 for each day during which the violation occurs.

(b) Any vessel operated in violation of this Act shall be forfeited to the United States.

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By Mr. HEINZ:

S. 1466. A bill to amend the Internal Revenue Code of 1986 to treat as 5-year property for depreciation purposes facilities which use anthracite culm fuel; to the Committee on Finance.

ANTHRACITE CULM

Mr. HEINZ. Mr. President, I am introducing today a bill to place anthracite culm waste in the same category as comparable alternative energy sources assigned 5-year depreciation in new section 168(e)(3)(B)(vi) of the Tax Reform Act of 1986. It is my belief that this amendment will correct an oversight in the drafting of that section last year.

It is altogether consistent with public policy that alternative energy projects such as those using geothermal, wind, solar, ocean thermal and biomass resources should retain certain incentives, even in today's budget environment, and these incentives have been retained in the Tax Reform Act. In my opinion, it was an oversight not to include in this category anthracite culm waste. My amendment will correct this oversight.

For those Senators who are not from Pennsylvania I should explain that anthracite culm is a waste product from the coal mining process. When raw material is extracted from an anthracite mine, it is taken to a processing plant where unwanted refuse is separated from the anthracite coal. This refuse, consisting of rock and small amounts of coal, is called anthracite culm. Being without value, it has accumulated in over 800 huge banks, generally rising about 20 stories high and extending for a half-mile. The U.S.

Bureau of Mines has estimated that the culm banks in Pennsylvania contain over 910 million cubic yards of material and cover a total area of 19 square miles. The removal of this eyesore and environmental threat has been a high prority for the State of Pennsylvania for many years, but only with the development of highly efficient, clean-burning technology, and in particular fluidized-bed combustion, has this become possible.

We need to keep in mind that this happy combination of cheap fuel and environmenal improvement stands on a fragile economic base. Eight small power production facilities now have contracts to supply power to one of Pennsylvania's public utilities, and three are under construction. All qualified under the Tax Code as it existed prior to the Tax Reform Act. One other small power facility also qualified under the old tax law. But unless this technical correction is enacted, there may be no more, for it is the favorable treatment under the Tax Code which makes this solution to the culm problem possible.

At the same time, it is becoming clear that the public utilities within economic distance on the culm piles, about 50 miles or so, are not going to be buying much more small powerplant output than they have contracted for in the next 5 years. I am told that only two or three more anthracite culm projects are likely to come on line in the 5-year period for which revenue loss is being calculated on the Tax Reform Act. On the basis of three additional plants the revenue loss has been estimated to be $16.8 million.

Mr. President, at long last we have seen a start on the removal of Pennsylvania's anthracite culm piles, the product of more than a hundred years of supplying fuel to the Nation. It is vital that this long-delayed effort be allowed to continue. My amendment is the key to its continuation.

I request unanimous consent that a copy of the bill be included in the RECORD.

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

S. 1466

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

SECTION 1. 5-YEAR PROPERTY TO INCLUDE PROPERTY USING ANTHRACITE CULM FUEL.

(a) IN GENERAL.—Subclause (I) of section 168(e)(3)(B)(vi) of the Internal Revenue Code 1986 (defining 5-year property) is amended by inserting ", or which uses an anthracite culm fuel (as defined pursuant to section 3(17)(C) of the Federal Power Act (16 U.S.C. 796(17)(C)), as in effect on September 1, 1986)" after "section 48(1)".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in the amendments made by section 201 of the Tax Reform Act of 1986.

## SENATE ORIGINAL RESOLUTION 242—WAIVING SECTION 303(a) OF THE CONGRESSIONAL BUDGET ACT OF 1974 WITH RESPECT TO THE CONSIDERATION OF S. 1184

Mr. HOLLINGS (from the Committee on Commerce, Science, and Transportation) reported the following original resolution; which was referred to the Committee on the Budget:

S. RES. 242

*Resolved,* That pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act are waived with respect to the consideration of S. 1184 at the levels of budget authority and outlays reported by the Committee on Commerce, Science, and Transportation. Such waiver is necessary because S. 1184 provides new budget authority for a fiscal year for which the concurrent resolution on the budget has not been agreed to, in accordance with section 301 of such Act.

## SENATE RESOLUTION 243—TO ESTABLISH THE OFFICE OF SENATE SECURITY

Mr. BYRD (for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 243

*Resolved,* That (a) there is established, within the Office of the Secretary of the Senate (hereinafter referred to as the "Secretary"), the Office of Senate Security (hereinafter referred to as the "Office"), which shall be headed by a Director of Senate Security (hereinafter referred to as the "Director"). The Office shall be under the policy direction of the Majority and Minority Leaders of the Senate, and shall be under the administrative direction and supervision of the Secretary.

(b)(1) The Director shall be appointed by the Secretary after consultation with the Majority and Minority Leaders. The Secretary shall fix the compensation of the Director. Any appointment under this subsection shall be made solely on the basis of fitness to perform the duties of the position and without regard to political affiliation.

(2) The Director, with the approval of the Secretary, and after consultation with the Chairman and Ranking Member of the Committee on Rules and Administration of the Senate, may establish such policies and procedures as may be necessary to carry out the provisions of this resolution. Commencing one year from the effective date of this resolution, the Director shall submit an annual report to the Majority and Minority Leaders and the Chairman and Ranking Member of the Committee on Rules and Administration on the status of security matters and the handling of classified information in the Senate, and the progress of the Office in achieving the mandates of this resolution.

SEC. 2. (a) The Secretary shall appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of this resolution. The Director, with the approval of the Secretary, shall prescribe the duties and responsibilities of such personnel. If a Director is not appointed, the Office shall be headed by an Acting Director. The Secretary shall appoint and fix the compensation of the Acting Director.

(b) The Majority and Minority Leaders of the Senate may each designate a Majority staff assistant and a Minority staff assistant to serve as their liaisons to the Office. Upon such designation, the Secretary shall appoint and fix the compensation of the Majority and Minority liaison assistants.

SEC. 3. (a) The Office is authorized, and shall have the responsibility, to develop, establish, and carry out policies and procedures with respect to such matters as:

(1) the receipt, control, transmission, storage, destruction or other handling of classified information addressed to the United States Senate, the President of the Senate, or Members and employees of the Senate;

(2) the processing of security clearance requests and renewals for officers and employees of the Senate;

(3) establishing and maintaining a current and centralized record of security clearances held by officers and employees of the Senate, and developing recommendations for reducing the number of clearances held by such employees;

(4) consulting and presenting briefings on security matters and the handling of classified information for the benefit of Members and employees of the Senate;

(5) maintaining an active liaison on behalf of the Senate, or any committee thereof, with all departments and agencies of the United States on security matters; and

(6) conducting periodic review of the practices and procedures employed by all offices of the Senate for the handling of classified information.

(b) Within 180 days after the Director takes office, he shall develop, after consultation with the Secretary, a Senate Security Manual, to be printed and distributed to all Senate offices. The Senate Security Manual will prescribe the policies and procedures of the Office, and set forth regulations for all other Senate offices for the handling of classified information.

(c) Within 90 days after taking office, the Director shall conduct a survey to determine the number of officers and employees of the Senate that have security clearances and report the findings of the survey to the Majority and Minority Leaders and Secretary of the Senate together with recommendations regarding the feasibility of reducing the number of employees with such clearances.

(d) The Office shall have authority—

(1) to provide appropriate facilities in the United States Capitol for hearings of committees of the Senate at which restricted data or other classified information is to be presented or discussed;

(2) to establish and operate a central repository in the United States Capitol for the safeguarding of classified information for which the Office is responsible; which shall include the classified records, transcripts, and materials of all closed sessions of the Senate; and

(3) to administer and maintain oaths of secrecy under paragraph (2) of rule XXIX of the Standing Rules of the Senate and to establish such procedures as may be necessary to implement the provisions of such paragraph.

SEC. 4. Funds appropriated for the fiscal year 1987 which would be available to carry out the purposes of the Interim Office of Senate Security but for the termination of such Office shall be available for the Office of Senate Security.

SEC. 5. (a) All records, documents, data, materials, rooms, and facilities in the custody of the Interim Office of Senate Security

at the time of its termination on July 10, 1987, are transferred to the Office established by subsection (a) of the first section of this resolution.

(b) This resolution shall take effect on July 11, 1987.

## SENATE RESOLUTION 244—TO CLARIFY THE PROCEDURES FOR THE PAYMENT OF SENATE EXPENSES INCURRED UNDER THE AUTHORITY OF HOUSE CONCURRENT RESOLUTION 131 (100TH CONGRESS, FIRST SESSION) AND SENATE RESOLUTION 352, AGREED TO APRIL 11, 1986

Mr. BYRD (for Mr. FORD) submitted the following resolution; which was considered and agreed to:

S. RES. 244

*Resolved,* That section 7(a) of Senate Resolution 352, agreed to April 11, 1986, as amended by Senate Resolution 166, agreed to March 12, 1987, is amended by inserting after "including" the following: "receptions, meals, and food-related expenses, and"

SEC. 2. For purposes of section 4 of House Concurrent Resolution 131 (100th Congress, First Session), the actual and necessary expenses of the Senate incurred in attending the ceremonial meeting of Congress in Philadelphia, Pennsylvania on July 16, 1987, including receptions, meals, and food-related expenses, shall be paid from the Contingent Fund of the Senate, out of the account of Miscellaneous Items, upon vouchers approved by the President pro tempore or his designee.

## ADDITIONAL COSPONSORS

S. 51

At the request of Mr. HATCH, the name of the Senator from Colorado [Mr. ARMSTRONG] was added as a cosponsor of S. 51, a bill to prohibit smoking in public conveyances.

S. 84

At the request of Mr. JOHNSTON, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 84, a bill to amend the Land and Water Conservation Fund Act of 1965.

S. 143

At the request of Mr. INOUYE, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 143, a bill to establish a temporary program under which parenteral diacetylmorphine will be made available through qualified pharmacies for the relief of intractable pain due to cancer.

S. 303

At the request of Mr. BRADLEY, the names of the Senator from Iowa [Mr. HARKIN], the Senator from Tennessee [Mr. SASSER], and the Senator from Michigan [Mr. RIEGLE] were added as cosponsors of S. 303, a bill to establish a Federal program to strengthen and improve the capability of State and local educational agencies and private nonprofit schools to identify gifted and talented children and youth and to provide those children and youth with appropriate educational opportunities, and for other purposes.

S. 407

At the request of Mr. GARN, the names of the Senator from Virginia [Mr. TRIBLE], and the Senator from Vermont [Mr. STAFFORD] were added as cosponsors of S. 407, a bill to grant a Federal charter to the *Challenger* Center, and for other purposes.

S. 430

At the request of Mr. METZENBAUM, the names of the Senator from Nebraska [Mr. EXON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Maryland [Ms. MIKULSKI], and the Senator from Ohio [Mr. GLENN] were added as cosponsors of S. 430, a bill to amend the Sherman Act regarding retail competition.

S. 604

At the request of Mr. PRYOR, the name of the Senator from Virginia [Mr. TRIBLE] was added as a cosponsor of S. 604, a bill to promote and protect taxpayer rights, and for other purposes.

S. 698

At the request of Mr. THURMOND, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 698, a bill to amend title 17, United States Code, to prohibit the conveyance of the right to perform publicly syndicated television programs without conveying the right to perform accompanying music.

S. 887

At the request of Mr. MATSUNAGA, the name of the Senator from Florida [Mr. CHILES] was added as a cosponsor of S. 887, a bill to extend the authorization of appropriations for and to strengthen the provisions of the Older Americans Act of 1965, and for other purposes.

S. 912

At the request of Mr. EXON, the names of the Senator from Indiana [Mr. LUGAR], and the Senator from Virginia [Mr. TRIBLE] were added as cosponsors of S. 912, a bill to amend the Rural Electrification Act of 1936 to permit the prepayment of Federal financing bank loans made to rural electrification and telephone systems, and for other purposes.

S. 1076

At the request of Mr. BRADLEY, the names of the Senator from Colorado [Mr. WIRTH], and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 1076, a bill to amend title XVIII of the Social Security Act to improve the availability of home health services under the Medicare Program, and for other purposes.

S. 1109

At the request of Mr. HARKIN, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 1109, a bill to amend the Federal Food, Drug, and Cosmetic Act to require certain labeling of foods which contain tropical fats.

S. 1114

At the request of Mr. HEFLIN, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of S. 1114, a bill to impose a temporary duty on laser discs.

S. 1188

At the request of Mr. SYMMS, the names of the Senator from Rhode Island [Mr. PELL], and the Senator from Utah [Mr. GARN] were added as cosponsors of S. 1188, a bill to amend the Internal Revenue Code of 1986 to allow certain associations of football coaches to have a qualified pension plan which includes cash or deferred arrangement.

S. 1189

At the request of Mr. MELCHER, the name of the Senator from Missouri [Mr. BOND] was added as a cosponsor of S. 1189, a bill to amend the Older Americans Act of 1965 to authorize grants to States for demonstration projects that provide to older individuals services in return for certain volunteer services provided to other individuals.

S. 1239

At the request of Mr. DASCHLE, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of S. 1239, a bill to amend the Internal Revenue Code of 1986 with respect to the treatment of certain short-term loans.

S. 1288

At the request of Mr. GARN, the names of the Senator from California [Mr. CRANSTON], the Senator from Arizona [Mr. MCCAIN], and the Senator from Colorado [Mr. WIRTH] were added as cosponsors of S. 1288, a bill to designate July 20 of each year as "Space Exploration Day".

S. 1333

At the request of Mr. MCCONNELL, the names of the Senator from Utah [Mr. HATCH], and the Senator from Nevada [Mr. REID] were added as cosponsors of S. 1333, a bill to allow the 65 miles per hour speed limit on highways that meet interstate standards and are not currently on the National System of Interstate and Defense Highways.

S. 1337

At the request of Mr. DURENBERGER, the name of the Senator from Minnesota [Mr. BOSCHWITZ] was added as a cosponsor of S. 1337, a bill to designate the Federal Building and United States Courthouse at 316 North Robert Street, Saint Paul, Minnesota, as the "Warren E. Burger Federal Building and United States Courthouse".

S. 1366

At the request of Mr. KENNEDY, the name of the Senator from Washington [Mr. EVANS] was added as a cosponsor of S. 1366, a bill to revise and extend the programs of assistance under title X of the Public Health Service Act.

S. 1370

At the request of Mr. BUMPERS, the names of the Senator from Illinois [Mr. DIXON], and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of S. 1370, a bill to provide special rules for health insurance costs of self-employed individuals.

S. 1401

At the request of Mr. DECONCINI, the names of the Senator from Alabama [Mr. SHELBY], the Senator from Montana [Mr. MELCHER], and the Senator from Michigan [Mr. LEVIN] were added as cosponsors of S. 1401, a bill to restore, on an interim basis, certain recently amended procedures for determining the maximum attorney's fees which may be charged for services performed before the Secretary of Health and Human Services under the Social Security Act and to require a report by the Secretary of Health and Human Services regarding possible improvements in such procedures.

S. 1402

At the request of Mr. KENNEDY, the names of the Senator from Maryland [Ms. MIKULSKI], the Senator from Mississippi [Mr. COCHRAN], and the Senator from Tennessee [Mr. GORE] were added as cosponsors of S. 1402, a bill to amend title VIII of the Public Health Service Act to establish programs to reduce the shortage of professional nurses.

S. 1417

At the request of Mr. HARKIN, the names of the Senator from South Carolina [Mr. THURMOND], the Senator from Washington [Mr. ADAMS], the Senator from Kansas [Mr. DOLE], the Senator from Massachusetts [Mr. KERRY], the Senator from Utah [Mr. HATCH], the Senator from Maryland [Ms. MIKULSKI], the Senator from Rhode Island [Mr. PELL], and the Senator from Hawaii [Mr. MATSUNAGA] were added as cosponsors of S. 1417, a bill to revise and extend the Developmental Disabilities Assistance and Bill of Rights Act.

S. 1419

At the request of Mr. DURENBERGER, the name of the Senator from California [Mr. CRANSTON] was added as a cosponsor of S. 1419, a bill to prevent ground water contamination by pesticides.

S. 1425

At the request of Mr. STAFFORD, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 1425, a bill to authorize construction of a public building for the Environmental Protection Agency.

S. 1440

At the request of Mr. EVANS, the name of the Senator from Missouri [Mr. BOND] was added as a cosponsor of S. 1440, a bill to provide consistency in the treatment of quality control review procedures and standards in the Aid to Families With Dependent Children, Medicaid, and Food Stamp Programs; to impose a temporary moratorium for the collection of penalties under such programs, and for other purposes.

S. 1441

At the request of Mr. KENNEDY, the names of the Senator from Maryland [Ms. MIKULSKI], and the Senator from Mississippi [Mr. COCHRAN], were added as cosponsors of S. 1441, a bill to reduce the incidence of infant mortality.

SENATE JOINT RESOLUTION 59

At the request of Mr. THURMOND, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of Senate Joint Resolution 59, a joint resolution to designate the month of May 1987 as "National Foster Care Month".

SENATE JOINT RESOLUTION 125

At the request of Mr. ROTH, the names of the Senator from Wyoming [Mr. SIMPSON], the Senator from Utah [Mr. HATCH], and the Senator from Alabama [Mr. HEFLIN] were added as cosponsors of Senate Joint Resolution 125, a joint resolution to designate the period commencing on May 9, 1988, and ending on May 15, 1988, as "National Stuttering Awareness Week."

SENATE CONCURRENT RESOLUTION 43

At the request of Mr. STEVENS, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of Senate Concurrent Resolution 43, a concurrent resolution to encourage State and local governments and local educational agencies to provide quality daily physical education programs for all children from kindergarten through grade 12.

SENATE CONCURRENT RESOLUTION 46

At the request of Mr. KENNEDY, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of Senate Concurrent Resolution 46, a concurrent resolution expressing the sense of the Congress concerning representative government, political parties, and freedom of expression on Taiwan.

SENATE RESOLUTION 218

At the request of Mr. QUAYLE, the names of the Senator from Nevada [Mr. HECHT], the Senator from Idaho [Mr. SYMMS], the Senator from North Carolina [Mr. HELMS], the Senator from Oklahoma [Mr. BOREN], the Senator from Wisconsin [Mr. KASTEN], the Senator from Texas [Mr. BENTSEN], the Senator from Illinois [Mr. DIXON], the Senator from Utah [Mr. HATCH], the Senator from New Hampshire [Mr. HUMPHREY], the Senator from Arkansas [Mr. PRYOR], the Senator from Iowa [Mr. GRASSLEY], the Senator from Indiana [Mr. LUGAR], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Mississippi [Mr. COCHRAN], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Kentucky [Mr. MCCONNELL], and the Senator from Virginia [Mr. WARNER] were added as cosponors of Senate Resolution 218, a resolution to express the sense of the Senate that each Senate committee that reports legislation that requires employers to provide new employee benefits secure an objective analysis of the impact of the legislation on employment and international competitiveness and include an analysis of the impact in the report of the committee on the legislation.

SENATE RESOLUTION 232

At the request of Mr. RIEGLE, the names of the Senator from Illinois [Mr. DIXON], the Senator from Minnesota [Mr. DURENBERGER], the Senator from North Dakota [Mr. BURDICK], the Senator from Arizona [Mr. DECONCINI], the Senator from Massachusetts [Mr. KERRY], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from New York [Mr. MOYNIHAN], and the Senator from Arkansas [Mr. PRYOR] were added as cosponsors of Senate Resolution 232, a resolution concerning the denial of freedom of religion and other human rights in Soviet-occupied Lithuania.

## AMENDMENTS SUBMITTED

### OMNIBUS TRADE ACT

#### BRADLEY (AND OTHERS) AMENDMENT NO. 364

Mr. BRADLEY (for himself, Mr. PACKWOOD, Mr. METZENBAUM, Mr. CHAFEE, Mr. LUGAR, Mr. D'AMATO, Mr. DURENBERGER, Mr. EVANS, Mr. LAUTENBERG, Ms. MIKULSKI, Mr. PELL, Mr. PROXMIRE, Mr. HEINZ, Mr. RUDMAN, Mr. DODD, Mr. KENNEDY, Mr. COHEN, Mr. SPECTER, Mr. MITCHELL, Mr. WEICKER, Mr. STAFFORD, Mr. QUAYLE, Mr. HUMPHREY, Mr. KERRY, Mr. ROTH, Mr. BOSCHWITZ, Mr. LEAHY, and Mr. KASTEN proposed an amendment to the bill (S. 1420) to authorize negotiations of reciprocal trade agreements, to strengthen U.S. trade laws, and for other purposes; as follows:

Strike out section 502 of the bill.

#### MOYNIHAN AMENDMENT NO. 365

Mr. MOYNIHAN proposed an amendment to the bill (S. 1420) supra; as follows:

On page 191 of the printed bill, line 3, strike out the end quotation marks and end period.

On page 191, between lines 3 and 4, insert the following:

"(4) LATER-DEVELOPED MERCHANDISE.—

"(A) IN GENERAL.—For purposes of determining whether merchandise developed after an investigation is initiated under this title or section 303 (hereafter in this paragraph referred to as the 'later-developed merchandise') is within the scope of an outstanding antidumping or countervailing duty order issued under this title or section 303 as a result of such investigation, the administering authority shall consider whether—

"(i) the later-developed merchandise has the same general physical characteristics as the merchandise with respect to which the order was originally issued (hereafter in this paragraph referred to as the 'earlier product'),

"(ii) the expectations of the ultimate purchasers of the later-developed merchandise are the same as for the earlier product,

"(iii) the ultimate use of the earlier product and the later-developed merchandise are the same,

"(iv) the later-developed merchandise is sold through the same channels of trade as the earlier product, and

"(v) the later-developed merchandise is advertised and displayed in a manner similar to the earlier product.

"(B) EXCLUSION FROM ORDERS.—The administering authority may not exclude a later-developed merchandise from a countervailing or antidumping duty order merely because the merchandise—

"(i) is classified under a tariff classification other than that identified in the petition or the administering authority's prior notices during the proceeding, or

"(ii) permits the purchaser to perform additional functions, unless such additional functions constitute the primary use of the merchandise and the cost of the additional functions constitute more than a significant proportion of the total cost of production of the merchandise.".

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## QUAYLE (AND OTHERS) AMENDMENT NO. 366

Mr. QUAYLE (for himself, Mr. MOYNIHAN, Mr. HEINZ, Mr. LUGAR, Mr. KASTEN, Mr. RIEGLE, and Mr. LEVIN) proposed an amendment to the bill (S. 1420) supra; as follows:

At an appropriate place in the bill, insert the following:

SECTION 1. SHORT TITLE.

This section may be referred to as the "Fair Trade in Auto Parts Act of 1987."

SECTION 2. DEFINITIONS.

(a) For purposes of this section, the term "Japanese Markets" shall refer to markets, including the United States and Japan, where automotive parts and accessories, both original equipment and aftermarket, are purchased for use in the manufacture or repair of Japanese-brand automobiles.

SECTION 3. ESTABLISHMENT OF INITIATIVE ON AUTO PARTS SALES TO JAPAN.

(a) IN GENERAL.—The Secretary of Commerce shall establish an initiative to increase the sale of United States-made autoparts and accessories to Japanese markets.

(b) FUNCTIONS.—In carrying out this section, the Secretary shall—

(1) foster increased access for United States-made auto parts and accessories to Japanese companies, including specific consultations on access to Japanese markets,

(2) facilitate the exchange of information between United States auto parts manufacturers and the Japanese automobile industry,

(3) collect data and market information on the Japanese automotive industry regarding needs, trends and procurement practices, including the types, volume and frequency of parts sales to Japanese-brand automobile manufacturers,

(4) establish contacts with Japanese automobile manufacturers in order to facilitate contact between United States auto parts manufacturers and Japanese automobile manufacturers,

(5) report on and attempt to resolve disputes, policies or practices, whether public or private, that result in barriers to increased commerce between United States auto parts manufacturers and Japanese automobile manufacturers,

(6) take actions to initiate periodic consultations with officials of the Government of Japan regarding sales of United States-made auto parts in Japanese markets;

(7) submit annual written reports or otherwise report annually to Congress on the sale of United States-made auto parts in Japanese markets, including the extent to which long-term, commercial relationships exist between United States auto parts manufacturers and Japanese-brand automobile manufacturers.

SEC. 4. ESTABLISHMENT OF SPECIAL ADVISORY COMMITTEE ON AUTO PARTS SALES IN JAPAN.

(a) IN GENERAL.—The Secretary of Commerce shall seek the advice of the United States automotive parts industry in carrying out the intent of this Act.

(b) STRUCTURE OF COMMITTEE.—The Secretary of Commerce shall select and establish a Special Advisory Committee for purposes of carrying out this Act.

(c) FUNCTIONS.—The Special Advisory Committee established in this Act shall—

(1) report to the Secretary of Commerce on barriers to sales of United States-made auto parts and accessories in Japanese markets,

(2) review and consider sales data collected,

(3) advise the Secretary of Commerce during consultation with the Government of Japan on issues concerning sales of United States-made auto parts in Japanese markets,

(4) assist in establishing priorities for the initiative, and otherwise provide assistance and direction to the Secretary of Commerce in carrying out the intent of section 3 above, and

(5) assist the Secretary in reporting, or otherwise report to Congress as requested, on the progress of sales of United States-made auto parts in Japanese markets.

(d) AUTHORITY.—The Secretary shall draw on existing budget authority in carrying out the Act.

SEC. 5. EXPIRATION DATE.

The Authority for this Act shall expire on December 31, 1993.

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## MOYNIHAN (AND OTHERS) AMENDMENT NO. 367

Mr. MOYNIHAN (for himself, Mr. BYRD, Mr. SASSER, Mr. NUNN, Mr. GLENN, Mr. INOUYE, Mr. EXON, Mr. BIDEN, Mr. LEVIN, Mr. KERRY, and Mr. KENNEDY) proposed an amendment to the bill (S. 1420) supra; as follows:

On Page 511, between lines 11 and 12, insert the following new section:

SEC. 2010. POLICY TOWARD PROTECTION OF REFLAGGED KUWAITI TANKERS IN THE PERSIAN GULF.

(a) FINDINGS.—The Congress finds that—

(1) The United States has a vital strategic interest in the export of oil from the Persian Gulf region.

(2) the United States has long-term important strategic and geopolitical interests in the Persian Gulf region, including the security and stability of the states in the region, the pursuit of which requires the freedom of navigation in the Persian Gulf and adjacent waters and the prevention of hegemony in the region by either Iran or Iraq;

(3) the continuation of the Iran-Iraq war constitutes a grave threat to these interests;

(4) the expansion of the Iran-Iraq war threatens the territorial-integrity and sovereignty of the Persian Gulf states, and, in particular, the pattern of intimidation practiced against noncombatant states, recently focused on Kuwait, has raised serious and legitimate concerns;

(5) the President has proposed the protection, through the use of convoy escorts by United States Navy ships, of Kuwaiti-owned tankers flying the United States flag;

(6) the Congress has examined the rationale for this proposal and the specific manner in which it would be implemented, including a careful review of the report entitled "Report on Security Arrangements In the Persian Gulf", which report was submitted by the Secretary of Defense to the Congress at its request; and

(7) the threat assessment, strategic justification, and security arrangements described in the Secretary of Defense's report to the Congress are inadequate to justify the reflagging or the convoying of merchant vessels in the Persian Gulf by United States naval forces, until, at a minimum, further assessments have been made regarding the threat of terrorist attacks, mine warfare detection and defense, and the need for any required facilities for land-based aircraft.

(b) POLICY.—It is the sense of the Congress that—

(1) the United States should seek a settlement of the Iran-Iraq war through all diplomatic means;

(2) the United States should pursue, through the United Nations Security Council and other international diplomatic channels, efforts—

(A) to effect mandatory sanctions, including an arms embargo, against any combatant state which fails to cooperate in the establishment of a negotiated cease-fire; and

(B) to promote a cessation by Iran and Iraq on attacks against shipping in the Persian Gulf;

(3) the United States should deploy such naval forces in, or proximate to, the Persian Gulf as may be necessary to protect the right of free transit through the Strait of Hormuz, and should work closely with the Persian Gulf states to reestablish stability, security, and peace in the region;

(4) in implementing the policy described in paragraphs (1) through (3), the President should take such steps as he deems necessary to achieve the cooperation of interested parties, particularly naval powers among the major importers of Persian Gulf oil and the nations of the Gulf Cooperation Council;

(5) the President should seek the convening of a conference of the exporters and importers of Persian Gulf oil to assess means for ensuring the free flow of oil, promoting

freedom of navigation, deescalating tensions and hostilities contributing to the search for a negotiated end to the Iran-Iraq war, and developing a long-term policy which advances the strategic interests of the West and of the states in the region;

(6) the proposed reflagging of Kuwaiti tankers should be placed in abeyance pending the outcome of the initiatives and other measures described in this section; and

(7) the United States should preserve its military flexibility in the Persian Gulf, and should not commit itself rigidly and exclusively to any narrow protection regime, such as convoying, for one country or one specific group of ships, and should explore further cooperative efforts, involving other naval powers and the regional states, to ensure the free transit of oil.

## BYRD AMENDMENT NO. 368

Mr. BYRD proposed an amendment to amendment No. 367 proposed by Mr. MOYNIHAN (and others) to the bill (S. 1420) supra; as follows:

On page 1, line 3 of the amendment, strike all after the word "SEC." and insert in lieu thereof:

2010. POLICY TOWARD PROTECTION OF REFLAGGED KUWAITI TANKERS IN THE PERSIAN GULF.

(a) FINDINGS.—The Congress finds that—

(1) the United States has a vital strategic interest in the export of oil from the Persian Gulf region;

(2) the United States has long-term important strategic and geopolitical interests in the Persian Gulf region, including the security and stability of the states in the region, the pursuit of which requires the freedom of navigation in the Persian Gulf and adjacent waters and the prevention of hegemony in the region by either Iran or Iraq;

(3) the continuation of the Iran-Iraq war constitutes a grave threat to these interests;

(4) the expansion of the Iran-Iraq war threatens the territorial integrity and sovereignty of the Persian Gulf states, and, in particular, the pattern of limitation practiced against noncombatant states, recently focused on Kuwait, has raised serious and legitimate concerns;

(5) the President has proposed the protection, through the use of convoy escorts by United States Navy ships, of Kuwaiti-owned tankers flying the United States flag;

(6) the Congress has examined the rationale for this proposal and the specific manner in which it would be implemented, including a careful review of the report entitled "Report On Security Arrangements In The Persian Gulf", which report was submitted by the Secretary of Defense to the Congress at its request; and

(7) the threat assessment, strategic justification, and security arrangements described in the Secretary of Defense's report to the Congress are inadequate to justify the reflagging or the convoying of merchant vessels in the Persian Gulf by United States naval forces, until, at a minimum, further assessments have been made regarding the threat of terrorist attacks, mine warfare detection and defense, and the need for any required facilities for land-based aircraft.

(b) POLICY.—It is the sense of the Congress that—

(1) the United States should seek a settlement of the Iran-Iraq through all diplomatic means;

(2) the United States should pursue, through the United Nations Security Council and other international diplomatic channels, efforts—

(A) to effect mandatory sanctions including an arms embargo, against any combatant state which fails to cooperate in the establishment of a negotiated cease-fire; and

(B) to promote cessation by Iran and Iraq on attacks against shipping in the Persian Gulf;

(3) the United States should deploy such naval forces in, or proximate to, the Persian Gulf as may be necessary to protect the right of free transit through the Strait of Hormuz, and should work closely with the Persian Gulf states to reestablish stability, security, and peace in the region;

(4) in implementing the policy described in paragraphs (1) through (3), the President should take such steps as he deems necessary to achieve the cooperation of interested parties, particularly naval powers among the major importers of Persian Gulf oil and the nations of the Gulf Cooperation Council;

(5) the President should seek the convening of a conference within the ninety days of the exporters and importers of Persian Gulf oil to assess means for ensuring the free flow of oil, promoting freedom of navigation, deescalating tensions and hostilities, contributing to the search for a negotiated end to the Iran-Iraq war, and developing a long-term policy which advances the strategic interests of the West and of the states in the region;

(6) the proposed reflagging of Kuwaiti tankers should be placed in abeyance pending the outcome of the initiatives and other measures described in this section; and

(7) the United States should preserve its military flexibility in the Persian Gulf, and should not commit itself rigidly and exclusively to any narrow protection regime, such as convoying, for one country or one specific group of ships, and should explore further cooperative efforts, involving other naval powers and the regional states, to ensure the free transit of oil.

## SUPPLEMENTAL APPROPRIATIONS, FISCAL YEAR 1987

## HOLLINGS AMENDMENT NO. 369

Mr. HOLLINGS proposed an amendment to the amendment of the House to the amendment of the Senate numbered 26 to the bill (H.R. 1827) making supplemental appropriations for the fiscal year ending September 30, 1987, and for other purposes; as follows:

In lieu of the matter proposed by said amendment, insert the following:

Notwithstanding any other provision of law, no funds appropriated to the Department of State in this or any other Act may be obligated for the new office building in Moscow, except as necessary to demolish the building: *Provided further,* That subsection (d) of section 154 of Public Law 99-93 is repealed and subsection (a) of such section is amended in the first sentence, to read as follows; "The Secretary of State shall not permit the Soviet Union to occupy the new chancery building at its new embassy complex in Washington, D.C., or any other new facility in the Washington, D.C. metropolitan area, until a few chancery building is ready for occupancy for the United States embassy in Moscow and until the Soviet Union provides prompt and full reimbursement to the United States for damages incurred as a result of the construction of the new United States embassy in Moscow.": *Provided further,* That the Secretary of State is directed to develop and submit to the Speaker of the House of Representatives and the Appropriations and Foreign Relations Committees of the Senate by August 30, 1987, a plan to establish essential parity in the numbers, types and quality of buildings held by the United States in Moscow and the Soviet Union in Washington, D.C.: *Provided further,* That it is the sense of Congress that no additional funds should be appropriated for new embassy construction, except for the completion of projects, other than Moscow, where construction is now underway until such time as the management of overseas embassy construction is organized under an Under Secretary who shall also have responsibility for the Office of Foreign Missions and the Bureau of Diplomatic Security: *Provided further,* That the Secretary of State and Director of Central Intelligence shall within thirty days after enactment of this Act convene a panel of outside experts to review and analyze the plans, contracts and protocols of any construction projects of the Office of Foreign Buildings.

## MELCHER AMENDMENT NO. 370

Mr. MELCHER proposed an amendment to the amendment of the House to the amendment of the Senate numbered 387 to the bill (H.R. 1827) supra; as follows:

At the end of the amendment contained in the motion add the following:

From amounts appropriated under the joint resolution entitled "A Joint Resolution making continuing appropriations for the fiscal year 1987, and for other purposes" approved October 30, 1986 (Public Law 99-500 and Public Law 99-591) and available to the Department of Labor, the Secretary of Labor shall develop data for, and publish, an index of consumer prices which accurately reflects the distribution of expenditures on goods and services, and the inflation rate within these goods and services, which are purchased by individuals who are 62 years of age or older and who have retired from the work force, and the Secretary shall furnish the Congress with the data and index within 180 days after the date of adoption of this Act.

## OMNIBUS TRADE BILL

## METZENBAUM AMENDMENT NO. 371

(Ordered to lie on the table.)

Mr. METZENBAUM submitted an amendment intended to be proposed by him to the bill (S. 1420) supra; as follows:

On page 609, beginning with line 8, strike out all through line 26 on page 617, and insert in lieu thereof the following:

"PART B—ADVANCE NOTIFICATION OF PLANT CLOSINGS AND MASS LAYOFFS

"DEFINITIONS

"SEC. 331. As used in this part—

"(1) the term 'employer' means any business enterprise that employs—

"(A) 100 or more full-time employees; or

"(B) 100 or more employees who in the aggregate work at least 4,000 hours per week (exclusive of hours of overtime);

"(2) the term 'plant closing' means the permanent or temporary shutdown of a place of employment, or facilities or operating units within a place of employment, if the shutdown results in an employment loss at the place of employment during any 30-day period for 50 or more employees excluding any part-time or seasonal employees;

"(3) the term 'mass layoff' means a reduction in force which—

"(A) is not the result of a plant closing;

"(B) results in an employment loss at the place of employment during any 30-day period for 33 percent of the employer's employees at the place of employment (excluding any part-time or seasonal employees); and

"(C) results in an employment loss of at least 50 employees (excluding any part-time or seasonal employees);

"(4) the term 'representative' means an exclusive representative of employees within the meaning of section 9(a) or 8(f) of the National Labor Relations Act (29 U.S.C. 159(a), 158(f)) or section 2 of the Railway Labor Act (45 U.S.C. 152);

"(5) the term 'affected employees' means employees who may reasonably be expected to experience an employment loss as a consequence of a proposed plant closing or mass layoff by their employer;

"(6) the term 'employment loss' means (A) an employment termination, other than a discharge for cause, voluntary departure, or retirement, (B) a layoff of indefinite duration, (C) a layoff of definite duration exceeding 6 months, or (D) a reduction in hours of work of more than 50 percent during any 6-month period;

"(7) the term 'unit of local government' means any general purpose political subdivision of a State which has the power to levy taxes and spend funds, as well as general corporate and police powers;

"(8) the term 'part-time employee' means an employee who is hired to work an average of less than 15 hours per week; and

"(9) the term 'seasonal employee' means an employee who is hired for a period not to exceed 3 months per year to do work that is seasonal in nature.

"NOTICE REQUIRED BEFORE PLANT CLOSINGS AND MASS LAYOFFS

"SEC. 332. (a) NOTICE TO EMPLOYEES, STATE DISLOCATED WORKER UNITS, AND LOCAL GOVERNMENTS.—An employer shall not order a plant closing or mass layoff until the end of a 90-day period after the employer serves written notice of a proposal to issue such an order—

"(1) to each representative of the affected employees as of the time of the notice or, if there is no such representative at that time, to each affected employee; and

"(2) to the State dislocated worker unit (established under part A) and the chief elected official of the unit of local government within which such closing or layoff is to occur.

"(b) REDUCTION OF NOTIFICATION PERIOD.—(1) An employer may order the shutdown of a place of employment before the conclusion of the 90-day period if as of the time that notice would have been required the employer was actively seeking capital or business which, if obtained, would have enabled the employer to avoid or postpone indefinitely the shutdown and the employer reasonably and in good faith believed that giving the notice required would have precluded the employer from obtaining the needed capital or business.

"(2) An employer may order a plant closing or mass layoff before the conclusion of the 90-day period if the closing or mass layoff is caused by business circumstances that were not reasonably foreseeable as of the time that notice would have been required.

"(3) An employer relying on this subsection shall give as much notice as is practicable and at that time shall give a brief statement of the basis for reducing the notification period.

"(c) EXTENSION OF LAYOFF PERIOD.—A layoff of definite duration of 6 months or less which extends beyond 6 months shall be treated as a layoff of indefinite duration unless—

"(1) the extension is caused by business circumstances (including unforeseeable changes in price or cost) not reasonably foreseeable at the time of the initial layoff; and

"(2) notice is given at the time it becomes reasonably foreseeable that the extension will be required.

"ADMINISTRATION AND ENFORCEMENT OF REQUIREMENTS

"SEC. 333. (a) CIVIL ACTIONS AGAINST EMPLOYERS.—(1) Any employer who orders a plant closing or mass layoff in violation of section 332 of this Act shall be liable to each aggrieved employee who suffers an employment loss as a result of such closing or layoff for—

"(A) back pay for each day of violation up to a maximum of one-half the number of days the employee was employed by the employer, at a rate of compensation not less than the higher of—

"(i) the average regular rate received by such employee during the last 3 years of the employee's employment, or

"(ii) the final regular rate received by such employee, and

"(B) the cost of related fringe benefits, including the cost of medical expenses incurred during the employment loss which would have been covered under medical benefits if the employment loss had not occurred,

less any earnings or related fringe benefits received by such employee from the violating employer for the period of the violation.

"(2) Any employer who violates the provisions of section 332 with respect to a unit of local government shall be subject to a civil penalty equal to $500 for each day of such violation.

"(3) The unit of local government which the employer must notify in accordance with section 332 is the unit of local government having jurisdiction over the area in which the employer is located and if there is more than one such unit, the unit of local government to which the employer pays the highest taxes for the year preceding the year for which the determination is made.

"(4) If an employer who has violated this part proves to the satisfaction of the court that the act or omission which violated this part was in good faith and that the employer had reasonable grounds for believing that the act or omission was not a violation of this part the court may, in its discretion, reduce the amount of the liability or penalty provided for in this section.

"(5) A person seeking to enforce such liability, including a representative of employees or a unit of local government aggrieved under paragraph (1) or (2) may sue either for such person or for other persons similarly situated, or both, in any district court of the United States for any district in which the violation is alleged to have occurred, or in which the employer transacts business.

"(6) In any such suit, the court may, in addition to any judgment awarded the plaintiff or plaintiffs, allow a reasonable attorneys' fee to be paid by the defendant, together with the costs of the action.

"(7) For purposes of this subsection, the term, 'aggrieved employee' means an employee who has worked for the employer ordering the plant closing or mass layoff and who did not receive timely notice either directly or through his representative as required by section 332.

"(b) EXCLUSIVITY OF REMEDIES.—The remedies provided for in this section shall be the exclusive remedies for any violation of this part.

"(c) DETERMINATIONS WITH RESPECT TO EMPLOYMENT LOSS.—For purposes of this section, in determining whether a plant closing or mass layoff has occurred or will occur, employment losses for 2 or more groups at a single site, each of which is less than 50 employees but which in the aggregate equal or exceed 50 employees, occurring within any 90-day period shall be considered to be a plant closing or mass layoff unless the employer demonstrates that the employment losses are the result of separate and distinct actions and causes and are not an attempt by the employer to evade the requirements of this Act.

"EXEMPTION

"SEC. 334. This part shall not apply to a plant closing or mass layoff if—

"(1) the closing or layoff is the result of the sale of part or all of an employer's business and the purchaser agrees in writing, as part of the purchase agreement, to hire substantially all of the affected employees with no more than a 6-month break in employment;

"(2) the closing or layoff is the result of the relocation of part or all of an employer's business within a reasonable commuting distance and the employer offers to transfer substantially all of the affected employees with no more than a 6-month break in employment;

"(3) the closing is of a temporary facility or the mass layoff is as the result of the completion of a particular project and the affected employees were hired with the understanding that their employment was limited to the duration of the facility or the project; or

"(4) the closing or layoff constitutes a lockout or a strike.

"PROCEDURES IN ADDITION TO OTHER RIGHTS OF EMPLOYEES

"SEC. 335. The rights and remedies provided to employees by this part are in addition to, and not in lieu of, any other contractual or Federal statutory rights and remedies of the employees, and are not intended to alter or affect such rights and remedies.

"PROCEDURES ENCOURAGED WHERE NOT REQUIRED

"SEC. 336. It is the sense of Congress that an employer who is not required to comply with the notice requirements of section 332 should, to the extent possible, provide notice to its employees about a proposal to close a plant or permanently reduce its workforce.

"EFFECTIVE DATE

"SEC. 337. This part shall take effect on the date which is 6 months after the date of enactment of this Act.

"EFFECT ON OTHER LAWS

"SEC. 338. The giving of notice pursuant to this part, if done in good faith compliance with this part, shall not constitute a violation of the National Labor Relations Act or the Railway Labor Act.

## DANFORTH AMENDMENT NOS. 372 THROUGH 374

(Ordered to lie on the table.)

Mr. DANFORTH submitted three amendments intended to be proposed by him to the bill (S. 1420) supra; as follows:

AMENDMENT No. 372

On page 228 of the printed bill, line 24, strike out "335, and 336" and insert in lieu thereof "and 335".

On page 229, after line 24, insert the following:

(g) FICTITIOUS MARKETS.—The amendment made by section 336 shall only apply with respect to—

(1) investigations initiated after the date of enactment of this Act,

(2) reviews initiated under section 736(c) or 751 of the Tariff Act of 1930 after the date of enactment of this Act, and

(3) reviews initiated under such sections—

(A) which are pending on the date of enactment of this Act, and

(B) in which a request for revocation is pending on the date of enactment of this Act.

AMENDMENT No. 373

On page 218 of the printed bill, line 9, insert "actual and potential negative effects on" after "(IV)".

On page 218, beginning on line 10, strike out "the technology necessary to" and insert in lieu thereof "and".

On page 219, line 5, insert "actual and potential negative effects on" after "(X)".

On page 219, beginning on line 6, strike out "the technology necessary to" and insert in lieu thereof "and".

AMENDMENT No. 374

Strike out section 903 of the bill and insert the following:

SEC. 903. TELECOMMUNICATIONS PRODUCT DEFINED.

For purposes of this subtitle, the term "telecommunications product" means—

(1) any power supplies provided for under item 682.60 of the Tariff Schedules of the United States,

(2) any paging devices provided for under item 685.70 of such Schedules,

(3) any microwave tubes provided for under item 687.66 of such Schedules, and

(4) any article classified under any of the following item numbers of such Schedules:

| | | | |
|---|---|---|---|
| 684.57 | 684.67 | 685.24 | 685.39 |
| 684.58 | 684.80 | 685.25 | 685.48 |
| 684.59 | 685.10 | 685.28 | 688.17 |
| 684.65 | 685.12 | 685.30 | 688.41 |
| 684.66 | 685.16 | 685.32 | 707.90 |

● Mr. DANFORTH. Mr. President, today I am introducing three technical amendments to S. 1420, the Omnibus Trade and Competitiveness Act of 1987.

The first amendment would clarify the effective date of section 336 of the bill, which deals with fictitious market prices. The second amendment would clarify the language of section 330, which addresses the threat of material injury in antidumping and countervailing duty cases. Finally, the third amendment clarifies section 903 of the act—concerning telecommunications trade—to ensure that certain telecommunications components inadvertently left out of the bill are indeed in the section relating to product coverage.

Mr. President, I believe these amendments are noncontroversial and would hope that they could be added to the omnibus trade bill.●

## OMNIBUS TRADE ACT

## HATCH AMENDMENT NOS. 375 THROUGH 421

(Ordered to lie on the table.)

Mr. HATCH submitted forty-seven amendments intended to be proposed by him to the bill (S. 1420) supra; as follows:

AMENDMENT No. 375

At the appropriate place, insert the following new title:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "High Risk Occupational Disease Notification and Prevention Act of 1987".

(b) TABLE OF CONTENTS.—



SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) during the past two decades, considerable scientific progress has been made in—

(A) the identification of hazardous substances, agents, and processes;

(B) the identification of medical problems associated with exposure to such substances, agents, and processes; and

(C) the diagnosis and treatment of diseases related to such exposure;

(2) progress also has been made in controlling the exposure of individuals to such substances, agents, and processes;

(3) despite the progress described in paragraphs (1) and (2), there are significant gaps in efforts to promote the health and safety of individuals exposed to such substances, agents, and processes;

(4) potentially harmful substances, physical agents, and processes are in wide industrial and commercial use in the United States;

(5) a significant number of workers suffer disability or death or both wholly or partially as a result of being exposed to occupational health hazards;

(6) diseases caused by exposure to occupational health hazards constitute a substantial burden on interstate commerce and have an adverse effect on the public welfare;

(7) workers have a basic and fundamental right to know that they have been exposed to an occupational health hazard and are at risk of contracting an occupational disease;

(8) there is a period of time between exposure and the onset of disease when it often is possible to intervene medically in the biological process of disease either to prevent or, by early detection, successfully treat many disease conditions;

(9) social and family services that reinforce health-promoting behavior can reduce the risk of contracting an occupational disease;

(10) by means of established epidemiological, clinical, and toxicological studies, it is possible to define and identify specific worker populations at risk of contacting occupational diseases;

(11) there is no established national program for identifying, notifying, counseling, and medically monitoring worker populations at risk of occupational diseases;

(12) there is a lack of adequately trained professionals, as well as appropriately staffed and equipped health facilities to recognize and diagnose occupational diseases;

(13) there is a need for increased research to identify and monitor worker populations at risk of occupational diseases; and

(14) through prevention and early detection of occupational disease the staggering costs of medical treatment and care in the United States can be substantially reduced.

(b) PURPOSE.—It is the purpose of this Act—

(1) to establish a Federal program to notify individual employees within populations at risk of occupationally induced disease that they are at risk because of exposure to an occupational health hazard, and to counsel them appropriately;

(2) to authorize and direct the certification of health facilities that have a primary purpose of educating, training, and advising physicians and other professionals in local communities throughout the United States to recognize, diagnose, and treat occupational disease;

(3) to expand Federal research and education efforts to improve means of identifying and monitoring worker populations at risk of occupational disease; and

(4) to establish a set of protections prohibiting discrimination against employees on the basis of identification and notification of occupational disease risk.

SEC. 3. DEFINITIONS.

For the purpose of this Act;

(1) BOARD.—The term "Board" means the Risk Assessment Board established under this Act.

(2) COMMERCE.—The term "commerce" means trade, traffic, commerce, transportation, or communication among the several States, or between a State and any place outside thereof, or within the District of Columbia, or a possession of the United States (other than the Trust Territory of the Pacific Islands), or between points in the same State but through a point outside thereof.

(3) EMPLOYEE.—The term "employee" means—

(A) an employee of an employer who is employed in a business of the employer that affects commerce; or

(B) a former employee who—

(i) was formerly employed by an employer in a business of the employer that at the time of employment affected commerce; and

(ii) as to whom any Federal agency maintains records pertaining to work history, or the employer maintains personnel records, medical records, or exposure records.

(4) EMPLOYER.—The term "employer" means a person engaged in a business affecting commerce who has employees, including the United States or any State or political subdivision of a State.

(5) HAZARD COMMUNICATION STANDARD.—The term "hazard communication standard" means the standard contained in section 1910.1200 of title 29 of the Code of Federal Regulations in effect on January 1, 1987.

(6) INSTITUTE.—The term "institute" means the National Institute for Occupational Safety and Health.

(7) MEDICAL MONITORING.—The term "medical monitoring" means periodic examinations or laboratory tests to diagnose or aid in the diagnosis of a disease that has been the subject of a notice.

(8) OCCUPATIONAL HEALTH HAZARD.—The term "occupational health hazard" means a chemical, a physical, or a biological agent, generated by or integral to the work process and found in the workplace, or an industrial or commercial process found in the workplace, for which there is statistically significant evidence (based on clinical or epidemiologic study conducted in accordance with established scientific principles) that chronic health effects have occurred in persons exposed to such agent or process. The term includes chemicals that are carcinogens, toxic or highly toxic agents, reproductive toxins, irritants, corrosives, sensitizers, hepatotoxins, nephrotoxins, neurotoxins, agents that act on the hematopoietic system, and agents that damage the lungs, skin, eyes, or mucous membranes.

(9) PERSON.—The term "person" means one or more individuals, partnerships, associations, corporations, business trusts, legal representatives, or any organized group of persons.

(10) POPULATION AT RISK OF DISEASE.—The term "population at risk of disease" means a class or category of employees—

(A) exposed to an occupational health hazard under working conditions (such as concentrations of exposure, or durations of exposure, or both) comparable to the clinical or epidemiologic data referred to in paragraph (8); and

(B) identified and designated as a population at risk of disease by the Board pursuant to section 4(c).

(11) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

SEC. 4. RISK ASSESSMENT BOARD.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is established within the Department of Health and Human Services, the Risk Assessment Board.

(2) MEMBERSHIP.—The Board shall consist of 7 members. Each member shall be appointed by the Secretary from a list of 3 nominees provided by the National Academy of Sciences. In making appointments under this paragraph, the Secretary may request additional lists. Four members of the Board shall be career or commissioned Public Health Service employees. Three members of the Board shall be appointed from among individuals who are not career or commissioned Public Health Service employees. The Board shall include two physicians specializing in occupational medicine, an epidemiologist, a toxicologist, an industrial hygienist, an occupational health nurse, and an occupational biostatistician.

(3) TERM OF OFFICE.—

(A) PUBLIC HEALTH SERVICE MEMBERS.—The terms of members appointed under the fourth sentence of paragraph (2) of this subsection shall be 5 years, except that of the members first appointed—

(i) 1 member shall be appointed for 2 years,

(ii) 1 member shall be appointed for 3 years,

(iii) 1 member shall be appointed for 4 years, and

(iv) 1 member shall be appointed for 5 years,

(B) OTHER MEMBERS.—The terms of members appointed under the fifth sentence of paragraph (2) of this subsection shall be 5 years, except that of the members first appointed—

(i) 1 member shall be appointed for 1 year,

(ii) 1 member shall be appointed for 3 years, and

(iii) 1 member shall be appointed for 5 years.

(4) CHAIRMAN.—The Secretary shall designate 1 member to serve as Chairman of the Board.

(5) VACANCIES.—Any member appointed to fill a vacancy in the Board that occurs prior to the expiration of a term shall be appointed to serve for the remainder of that term.

(6) REPORTING.—The Board shall report to the Secretary through the Director of the Institute.

(7) STAFF.—The Secretary shall provide full-time staff personnel necessary to carry out the functions of the Board.

(8) COMPENSATION.—Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"Members, Risk Assessment Board, Department of Health and Human Services (7).".

(b) INDEPENDENCE OF BOARD.—In the exercise of its functions, powers, and duties, the Board shall be independent of the Secretary and the other offices and officers of the Department unless otherwise specifically provided in this Act.

(c) FUNCTIONS OF BOARD.—

(1) IN GENERAL.—

(A) DUTIES.—The Board shall—

(i) review pertinent medical and other scientific studies and reports concerning the incidence of disease associated with exposure to occupational health hazards;

(ii) identify and designate from this review, and from field assessments where appropriate, those populations at risk of disease that should receive notification pursuant to this Act, including the size, nature, and composition of the populations to be notified;

(iii) develop an appropriate form and method of notification that will be used by the Secretary, or agents of the Secretary described under section 6, to notify the designated populations at risk of disease; and

(iv) determine the appropriate type (if any) of medical monitoring or beneficial health counseling, or both, for the disease associated with the risk, which shall be described in the notification under section 5(b)(4).

(B) PANEL OF EXPERTS.—The Board may appoint an expert or a panel of experts on the particular disease that is the subject of the notice and the report of such expert or panel on the Board's recommendation shall be included in the hearing record.

(C) INFORMATION REQUESTS.—The Board, consistent with section 552a of title 5, United States Code (relating to privacy), may request information from any Federal agency or other government or private organization for the purpose of obtaining studies and reports conducted or initiated with respect to actual or potential occupational health hazards. The information shall be furnished consistent with provisions for Federal access set forth under the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.) and the Federal Mine Safety and Health Act of 1977 (30 U.S.C. 801 et seq.), and regulations promulgated pursuant to such Acts.

(2) IDENTIFICATION OF POPULATIONS AT RISK OF DISEASE.—In identifying populations at risk of disease, the Board shall consider the following factors based on the best available scientific evidence—

(A) the extent of clinical and epidemiologic evidence that specific substances, agents, or processes may be a causal factor in the etiology of chronic illnesses or long-latency diseases among employees exposed to such substances, agents, or processes in specific working conditions (such as concentration of exposure, or durations of exposure, or both);

(B) the extent of supporting evidence from clinical, epidemiologic, or toxicologic studies that specific substances, agents, or processes may be a causal factor in the etiology of chronic illnesses or long-latency diseases among persons exposed to such substances, agents, or processes;

(C) the employees involved in particular industrial classifications and job categories who are or have been exposed to such substances, agents, or processes under working conditions (such as concentrations, or durations, or both) that may be a causal factor in the etiology of the illnesses or diseases;

(D) the extent of the increased risk of illness or disease created by occupational health hazards alone or in combination with such factors as smoking and diet; and

(E) other medical, health, and epidemiological factors, including consistency of association, specificity of association, strength of association, dose-response relationships, biological plausibility, temporal relationships, statistical significance, and the health consequences of notifying or failing to notify a population at risk.

(3) DESIGNATION OF IDENTIFIED POPULATIONS FOR NOTIFICATION.—

(A) DESIGNATION.—In designating populations at risk of disease for notification, the Board shall consider the extent to which particular populations may derive health benefits from receipt of notification. The Board shall undertake as its first priority to designate populations likely to benefit from medical monitoring or health counseling.

(B) FACTORS.—In making the designation required by this paragraph, the Board may consider—

(i) exposures for which there exists a permanent standard promulgated under section 6(b)(5) of the Occupational Safety and Health Act of 1970 (29 U.S.C. 655(b)(5));

(ii) the extent of medical monitoring already available to employee populations covered by the permanent standards; and

(iii) the need to notify former employees as well as current employees.

(C) NOTIFICATION.—The Board, in making determinations and the Institute in giving or coordinating notification, shall notify as many employees at risk of disease as the appropriations and the best available scientific evidence permit. The Secretary shall include a detailed explanation of the reasons for the notification determinations in the

report submitted pursuant to section 11(b) of this Act.

(4) DETERMINATION.—If the Board determines that a class or category of employees is a population at risk of disease to be notified pursuant to this Act, the Board shall—

(A) make such a determination pursuant to subsection (c); and

(B) within 10 days of making such a determination, transmit to the Secretary the classes or categories of employees to be notified under section 5.

(c) PROCEDURES.—

(1) NOTICE OF PROPOSED DETERMINATION.—For each population designated for notification, the Board shall issue a notice of proposed determination.

(2) CONTENTS OF NOTICE.—The notice required by paragraph (1) shall—

(A) be published in the Federal Register,

(B) set forth which classes or categories of employees are being considered for inclusion as an employee population to be notified, and a concise statement of the basis for their inclusion and the contents of the proposed notice as specified in section 5(b) (other than paragraphs (6)(C) and (F) of such subsection);

(C) provide for the public to submit written views on the proposed determination within 60 days of the notice; and

(D) provide for a hearing within 45 days of the notice at which the public may express views on the proposed determination of the Board.

(3) FINAL DETERMINATION.—The Board shall issue a final determination within 60 days after the hearing based on the record developed pursuant to paragraph (2). The final determination shall be deemed to be a final agency action.

(4) EXTENSION.—The Board may, in exceptional circumstances and for good cause shown, extend the time between the issuance of the notice described in paragraph (2), and the issuance of a final determination under paragraph (3), except that the extension may not exceed 150 days for the total period of time beginning with the issuance of the notice.

(5) ACTION.—Any aggrieved person may bring a civil action for mandamus in the appropriate United States district court if the final agency action is not completed within 105 days or 150 days, as the case may be.

(d) BOARD AGENDA.—Within 6 months after the Board is appointed and every 6 months thereafter, the Board shall publish in the Federal Register an agenda listing the chemical, physical, or biological agents and industrial or commercial processes which are under review by the Board or which the Board anticipates may, within the ensuing 6 months, be reviewed by the Board to decide whether to issue a notice of proposed determination. For each item on the agenda, the Board shall, if available, identify (A) the population to be evaluated with respect to the agent or process and (B) the name and telephone number of a knowledgeable agency official. The Board may at any time publish a supplement to an agenda adding agents or processes which the Board anticipates will be subject to review prior to the next regularly scheduled publication of an agenda.

SEC. 5. EMPLOYEE NOTIFICATION AND COUNSELING.

(a) NOTIFICATION OF POPULATION AT RISK.—On a determination by the Board that a given class or category of employee is a population at risk of disease to be notified pursuant to this Act, the Secretary shall make every reasonable effort to ensure that each individual within such population is notified of the risk. The Secretary, through the Institute, shall direct the notification required by this section.

(b) CONTENTS OF NOTIFICATION.—The notification shall include:

(1) HAZARD.—An identification of the occupational health hazard, including the name, composition, and properties of known chemical agents.

(2) DISEASES.—The disease or diseases associated with exposure to the occupational health hazard, and the fact that such association pertains to classes or categories of employees.

(3) EXTENT OF THE RISK.—The extent of the risk of such disease or diseases for the population at risk compared to the population at large.

(4) LATENCY PERIODS.—Any known latency periods from the time of exposure to time of the clinical manifestation of a disease.

(5) POSSIBLE CONTRIBUTING FACTORS.—Any known information concerning the extent of increased risk of illness or disease associated with exposure to the occupational health hazard in combination with exposure to non-occupational factors.

(6) COUNSELING.—Counseling information appropriate to the nature of the risk, including but not limited to—

(A) the advisability of initiating a personal medical monitoring program;

(B) the most appropriate type or types of medical monitoring or beneficial health counseling or both for the disease associated with the risk;

(C) the name and address of the nearest occupational and environmental health center certified under this Act;

(D) the protections for notified employees, as established under section 9;

(E) employer responsibilities with respect to medical monitoring for notified employees, as established under section 9; and

(F) the telephone number of the hot line established under subsection (c).

(c) TELEPHONE INFORMATION.—The Institute shall establish a toll-free long distance telephone "hot line" for employees notified under this section or their personal physicians, for the purpose of providing additional medical and scientific information concerning the nature of the risk and its associated disease.

(d) DISSEMINATION OF INFORMATION.—The Institute, after consultation with the Board, shall prepare and distribute other medical and health promotion material and information on any risk subject to notification under this section and its associated disease as the Institute and the Board consider appropriate.

(e) ACCESS TO INFORMATION.—In carrying out the notification responsibilities under this section, the Secretary, consistent with section 552a of title 5, United States Code, (relating to privacy) may request information from—

(1) any Federal agency, or State or political subdivision of a State, solely for the purpose of obtaining names, addresses and work histories of employees subject to notification under this section;

(2) any employer insofar as Federal access already is provided for under the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.) and the Federal Mine Safety and Health Act of 1977 (30 U.S.C. 801 et seq.), and regulations promulgated pursuant to such Acts; and

(3) any employer insofar as such information is maintained by such employer under a State or Federal law concerning occupational safety and health matters.

(f) LIABILITY.—The United States or any agency or employee thereof (including any employer or government acting pursuant to section 6) shall not be subjected to suit or judicial or nonjudicial proceedings of any kind that seek monetary damages with respect to or arising out of any act or omission performed pursuant to this Act, including the failure to perform any act or omission pursuant to this Act. This subsection shall not apply to—

(1) an employee of the United States for any act or omission that is a knowing and deliberate violation of a provision of the Act to the extent that Federal law otherwise authorizes suit against that individual for monetary damages; and

(2) an employer or government acting pursuant to section 6, for any act or omission that is a knowing or reckless violation of a provision of the Act.

(g) JUDICIAL REVIEW.—

(1) PETITION.—Any person adversely affected or aggrieved by a determination of the Board under this Act is entitled to judicial review of the determination in the United States Court of Appeals wherein such person resides or has his principal place of business or in the United States Court of Appeals for the District of Columbia circuit on a petition filed in such court. A person may be adversely affected or aggrieved by one or more of the following Board determinations:

(A) The determination that an agent or process is or is not an occupational health hazard.

(B) The determination of the class or category of employees that is a population at risk of disease.

(C) The determination as to what constitutes appropriate medical monitoring or beneficial counseling for the designated population at risk.

Any petition filed pursuant to this section shall be filed within 30 days after such determination by the Board. On the filing of a petition, the Secretary shall certify the hearing record.

(2) REVIEW.—The court shall review the determination of the Board based on the hearing record.

(3) JUDICIAL ACTION.—The court shall set aside the determination of the Board if the determination is found to be—

(A) arbitrary, capricious, or an abuse of discretion;

(B) contrary to constitutional right, power, privilege, or immunity;

(C) in excess of statutory jurisdiction, authority, or limitations;

(D) without observance of procedure required by law; or

(E) unsupported by substantial evidence on the record.

(4) STAY.—The commencement of proceedings under this subsection shall not operate as a stay of the requirement on the Secretary to notify employees unless the court specifically orders a stay based on a determination by the court that the complaining party is highly likely to succeed on the merits.

SEC. 6. MEANS OF EMPLOYEE NOTIFICATION.

(a) RESPONSIBILITY OF SECRETARY.—Except as otherwise provided in this section, the Secretary shall be responsible for notifying employees at risk of disease, as determined by the Board.

(b) COOPERATION WITH PRIVATE EMPLOYERS AND STATE AND LOCAL GOVERNMENTS.—

(1) IN GENERAL.—In carrying out notification responsibilities under subsection (a),

the Secretary is encouraged to cooperate to the extent practicable with private employers and State and local governments.

(2) CERTIFICATION OF PRIVATE EMPLOYERS OR STATE OR LOCAL GOVERNMENTS.—

(A) IN GENERAL.—Upon request, the Secretary may certify a private employer or a State or local government to conduct notification of its current or former employees, or both, who are members of populations determined to be at risk. Such certification shall require inclusion in the notification of the information described in section 5(b) and shall be in accordance with regulations issued by the Secretary.

(B) ADMINISTRATION.—No private employer or State or local government certified under this paragraph may receive payment for the cost of such notification from the United States, or have a right of access to Federal records for the purposes of carrying out the notification.

(C) FORM OF NOTIFICATION.—The form of notification adopted by a private employer or State or local government shall conform, to the maximum extent practicable, to a model notification form issued by the Board under section 4(c).

(c) EMPLOYEES NOT CURRENTLY EXPOSED.—

(1) IN GENERAL.—In the case of former employees and employees for whom no exposure to the occupational health hazard occurred in the course of employment with their current employer as of the time the notice was issued, the notification shall be transmitted to each employee in the designated population at risk of disease who was exposed to the occupational health hazard within 30 years prior to the date of notification.

(2) INDIVIDUAL NOTIFICATION.—Notification shall be on an individual basis, except that if individual notification is not reasonably possible, the notifying entity shall make use of public service announcements and other means of notification appropriate to reach the population at risk.

(d) EMPLOYEES CURRENTLY EXPOSED.—

(1) IN GENERAL.—In the case of employees for whom any exposure to the occupational health hazard occurred in the course of current employment, notification shall be transmitted to individual employees and posted prominently at the worksite in places easily accessible to and frequented by the employees in the population at risk.

(2) EMPLOYERS SUBJECT TO HAZARD COMMUNICATION STANDARD.—If the employer is subject to the hazard communication standard with respect to the occupational health hazard in question, notification shall include, in addition to the information described in section 5(b), a concise summary of the information contained in any material safety data sheet prepared on the occupational health hazard pursuant to the hazard communication standard. The concise summary shall be written in a manner calculated to be understood by the average employee.

SEC. 7. OCCUPATIONAL AND ENVIRONMENTAL HEALTH CENTERS.

(a) SELECTION FROM AMONG EXISTING FACILITIES.—

(1) ESTABLISHMENT AND CERTIFICATION.—Within 90 days after the effective date of this Act, the Secretary shall establish and certify 10 health centers. The Secretary shall select the 10 health centers from among the educational resource centers of the National Institute for Occupational Safety and Health and similar facilities of the National Institute for Environmental Health Sciences, the National Cancer Institute, and other private or governmental organizations designated by the Secretary. At a later date, the Secretary may establish and certify additional health centers from among the health care facilities described in this paragraph.

(2) BASIS FOR SELECTION.—In carrying out paragraph (1), the Secretary shall base selection on ability and experience in the recognition, diagnosis, and treatment of occupationally related diseases, capacity to offer training to physicians and other professionals, and geographical proximity for designated populations.

(b) FUNCTIONS OF CENTERS.—The centers shall—

(1) provide education, training, and technical assistance to personal physicians and other professionals who serve employees notified under section 5; and

(2) be capable, in the event that adequate facilities are not otherwise reasonably available, of providing diagnosis, treatment, medical monitoring, and family services for employees notified under section 5.

SEC. 8. RESEARCH, TRAINING, AND EDUCATION.

(a) IN GENERAL.—

(1) IMPROVED METHODS OF MONITORING AND IDENTIFICATION.—The Institute shall conduct or provide for research, training, and education aimed at improving the means of identifying employees exposed to occupational health hazards and improving medical assistance to such employees. The research, training, and education shall include but not be limited to—

(A) studying the etiology, and development of occupationally related diseases, and the development of disabilities resulting from such diseases;

(B) developing means of medical monitoring of employees exposed to occupational health hazards;

(C) examining the types of medical treatment of workers exposed to occupational health hazards, and means of medical intervention to prevent the deterioration of the health and functional capacity of employees disabled by occupational diseases;

(D) studying and developing medical treatment and allied health services to be made available to employees exposed to occupational health hazards; and

(E) sponsoring epidemiological, clinical, and laboratory research to identify and define additional employee populations at risk of disease.

(2) AUTHORITY TO EMPLOY EXPERTS AND CONSULTANTS.—In carrying out activities under this section, the Institute is authorized to engage the services of experts and consultants, as the Institute considers necessary.

(b) EDUCATION.—Part F of title VII of the Public Health Service Act is amended by inserting after section 788 the following new section:

"GRANTS AND CONTRACTS FOR TRAINING AND CURRICULUM DEVELOPMENT IN OCCUPATIONAL MEDICINE

"SEC. 788A. (a)(1) The Secretary may make grants to, and enter into contracts with schools of medicine and schools of nursing in which occupational medicine or occupational health programs exist on the date of enactment of this section to assist such programs in meeting the costs of providing projects to—

"(A) provide continuing education for faculty in departments of internal medicine and family medicine or in schools of nursing in order to enable such faculty to provide instruction in the diagnosis and treatment of occupational diseases;

"(B) develop, publish, and disseminate curricula and training materials concerning occupational medicine or health for use in undergraduate medical or nursing training; or

"(C) establish, for residents in graduate medical education programs in internal medicine, family medicine, and other specialties with a primary care focus, or in graduate nursing programs in schools of nursing, training programs in occupational medicine or health consisting of clinical training, for periods of between 1 and 4 months, in settings such as medical facilities, union offices, and industrial worksites.

"(2) In making grants and entering into contracts under this subsection, the Secretary shall give preference to applicants which demonstrate—

"(A) the ability to recruit a significant number of participants to participate in the project to be carried out under the grant or contract (in the case of a project described in subparagraph (A) or (C) of paragraph (1); and

"(B) expertise and experience in the provision of continuing education in occupational medicine or health (in the case of a project described in subparagraph (A) of such paragraph) or the provision of residency training in occupational medicine or health (in the case of a project described in subparagraph (C) of such paragraph).

"(b)(1) The Secretary may make grants to, and enter into contracts with, schools of medicine and schools of nursing in which, on the date of enactment of this section, there do not exist training programs in occupational medicine or health. The purpose of grants and contracts under this subsection is to provide support for projects to provide training in occupational medicine or health for faculty who are certified in internal medicine or family medicine by the appropriate national medical specialty board or faculty who have similar qualifications in professional nursing.

"(2) Each project for which a grant or contract is made under this subsection shall—

"(A) be based in a graduate medical education program in internal medicine or family medicine or in graduate programs in a school of nursing;

"(B) have an arrangement with an accredited training program in occupational medicine or health for the provision of training in occupational medicine or health to the faculty selected by the recipient of the grant or contract under this subsection; and

"(C) have a plan for the use of the faculty receiving training with a grant or contract under this section to provide education and training in occupational medicine or health to other individuals.

"(c) The Secretary shall, during the period October 1, 1987, through September 30, 1990, make grants and contracts to not less than 10 schools of medicine or schools of nursing under subsections (a) and (b).

"(d) Amounts described in section 14(b)(2) of the High Risk Occupational Disease Notification and Prevention Act of 1987 shall be available to carry out this section.

"(e) For the purpose of this section—

"(1) the term 'graduate medical education program' has the same meaning as in section 788(e)(4)(A); and

"(2) the term 'school of nursing' has the same meaning as in section 853(2).".

SEC. 9. EMPLOYEE MEDICAL MONITORING; DISCRIMINATION AGAINST EMPLOYEES; CONFIDENTIALITY.

(a) EMPLOYEE MEDICAL MONITORING.—For any employee who is a member of a population that is determined by the Board to be at risk of disease, the medical monitoring recommended by the Board as a result of exposure to the occupational health hazard shall be provided or made available by the current employer at no additional cost to the employee if any part of such exposure occurred in the course of the employee's employment by that employer. If the benefits are made available through an existing employer health plan, the employee may be required to meet deductibles or copayments generally required under the existing employer health plan. Any such current employer shall be required to provide monitoring only for employees who—

(1) are notified individually under section 5; or

(2) the employer knows or has reason to know are members of the population at risk as determined by the Board.

(b) DISCRIMINATION PROHIBITED.—No employer or other person shall discharge or in any manner discriminate against any employee, or applicant for employment, on the basis that the employee or applicant is or has been a member of a population that has been determined by the Board to be at risk of disease. The subsection shall not apply if the position which the applicant seeks requires exposure to the occupational health hazard which is the subject of the notice. If it is medically determined pursuant to subsection (c) that an employee should be removed to a less hazardous or nonexposed job, an employer may effect such a removal without violating this subsection so long as the employee maintains the earnings, seniority, and other employment rights and benefits, as though the employee had not been removed from the former job.

(c) BENEFIT REDUCTION PROHIBITED.—

(1) GENERAL.—If, based on a determination by the Board under this Act, the employee's physician medically determines that an employee should be removed to a less hazardous or nonexposed job, and if within 10 working days of the employer's receipt of this initial determination the employer's medical representative has not requested independent reconsideration thereof, the employee shall be removed to a less hazardous or nonexposed job and shall maintain earnings, seniority, and other employment rights and benefits as though the employee had not been removed from the former job. In providing such alternative job assignment, the employer shall not be required to violate the terms of any applicable collective bargaining agreement, and shall not be required to displace, layoff, or terminate any other employee.

(2) INDEPENDENT RECONSIDERATION.—If the employer's medical representative requests independent reconsideration of the initial determination under paragraph (1), the employee's physician and the employer's medical representative shall, within 14 working days of the initial determination, submit the matter to another mutually acceptable physician for a final medical determination, which shall be made within 21 working days of the initial determination unless otherwise agreed by the parties. If the two medical representatives have been unable to agree upon another physician within 14 working days, the Secretary or the Secretary's local designee for such purpose shall immediately, at the request of the employee or the employee's physician, appoint a qualified independent physician who shall make a final medical determination within the 21 working day period specified above unless otherwise agreed by the parties. The employer shall bear all costs related to the procedure set forth in this paragraph.

(3) LIMITATIONS.—An employer shall be required to provide medical removal protection only for employees who—

(1) are notified individually under section 5, or

(2) the employer knows or has reason to know are members of the population at risk as determined by the Board.

An employer shall be required to provide such protection only if any part of the employee's exposure to the occupational health hazard occurred in the course of the employee's employment by that employer. The medical removal protection described in this subsection shall be provided for as long as a less hazardous or nonexposed job is available. Where such job is not available, the medical removal protection shall be provided for a period not to exceed 12 months. The employer may condition the provision of medical removal protection upon the employee's participation in followup medical surveillance for the occupational health effects in question based on the procedure set forth in this subsection. The employer's obligation to provide medical removal protection shall be reduced to the extent that the employee receives compensation for earnings lost during the period of removal, or receives income from employment with another employer made possible by virtue of the employee's removal.

(d) CONFIDENTIALITY.—The records of the identity, diagnosis, prognosis, or treatment of any individual employee which are maintained in connection with the performance of any function authorized by this Act shall be confidential and may not be disclosed unless—

(1) authorized by another provision of this Act and necessary to carry out such provision; or

(2) upon the written consent of such employee or the representative of the employee.

SEC. 10. ENFORCEMENT AUTHORITY.

(a) RECORDKEEPING.—The Secretary shall require recordkeeping by the Institute or by employers acting pursuant to section 6 necessary to monitor the numbers, types and results of notification under this Act.

(b) ACTIONS BY THE SECRETARY.—

(1) INJUNCTIVE RELIEF.—Whenever the Secretary determines that an employer has engaged, is engaged, or is about to engage in an act or practice constituting a violation of this Act or any rule or regulation promulgated under this Act, other than a violation of section 9, the Secretary may bring an action in the appropriate United States district court to enjoin such acts or practices. On a proper showing, an injunction or permanent or temporary restraining order shall be granted without bond.

(2) CIVIL PENALTY.—The Secretary may bring an action in the appropriate United States District Court against an employer acting pursuant to section 6 for any act or omission that is a knowing or reckless violation of a provision of this Act or any rule or regulation promulgated under this Act. Any employer who violates this Act (or a rule or regulation promulgated under this Act) as set forth in the preceding sentence shall be assessed a civil penalty of not more than $10,000 for each violation.

(c) REVIEW OF EMPLOYEE COMPLAINTS.—

(1) IN GENERAL.—

(A) APPLICATION FOR REVIEW.—Any employee who is aggrieved by a violation of section 9 may, within 6 months after such violation occurs, apply to the Secretary of Labor for a review of such alleged violation.

(B) INVESTIGATION.—On receipt of such application, the Secretary of Labor shall cause such investigation to be made as the Secretary of Labor considers appropriate.

(C) ACTION.—If, after such investigation, the Secretary of Labor determines that a reasonable cause exists to believe that a violation has occurred, the Secretary of Labor shall bring an action in any appropriate United States district court. In any such action, the United States district courts shall have jurisdiction for cause shown to restrain violations of section 9, and to order all appropriate relief under subsection (d) or (e). In any action brought by the Secretary of Labor pursuant to this subsection, an employer shall be given a reasonable opportunity to prove by a preponderance of the evidence that an individual who received notification pursuant to section 5 is not a member of a population at risk, provided that determinations by the Board which have not been set aside under section 6(g) may not be challenged in any such action.

(D) DEFENSE.—It shall be a defense to any action brought to enforce rights under section 9(a) that—

(i) an employee who received individual notification failed to assert his rights under section 9(a) within 1 year after receiving such notification, except for good cause shown; or

(ii) an employee who did not receive individual notification but had reason to know that he was a member of a population at risk who is entitled to rights under section 9(a) neglected or omitted to assert these rights based on the lapse of at least 1 year, and circumstances are sufficient to cause prejudice to the adverse party.

(2) DETERMINATION BY SECRETARY.—Within 90 days of the receipt of the application filed under this subsection, the Secretary of Labor shall notify the complainant of the determination of the Secretary of Labor under paragraph (1). If the Secretary of Labor finds that there was not reasonable cause to believe that a violation occurred, the Secretary shall issue an order denying the application and informing the applicant of the rights of the applicant under paragraph (3).

(3) APPEAL.—

(A) DENIAL OF APPLICATION.—Any person adversely affected or aggrieved by a determination of the Secretary of Labor under paragraph (2) is entitled to judicial review of the determination in the appropriate United States District Court on a petition filed in such court within 30 days after such determination by the Secretary of Labor. The court may set aside the determination by the Secretary of Labor under paragraph (2) only if the determination is found to be—

(i) arbitrary, capricious, or an abuse of discretion;

(ii) contrary to constitutional right, power, privilege, or immunity;

(iii) in excess of statutory jurisdiction, authority, or limitations;

(iv) without observance of procedure required by law; or

(v) unsupported by substantial evidence on the record.

If the court sets aside the determination of the Secretary of Labor under paragraph (2),

the employee may bring an action of the type authorized by subsection (d)(1)(C).

(B) MEMBER OF THE POPULATION AT RISK RULE.—In any action brought by an aggrieved person under subparagraph (A), the aggrieved person shall be given a reasonable opportunity to prove, by a preponderance of the evidence, that an individual who did not receive notification is a member of a population at risk, except that determinations by the Board which have not been set aside under section 6(g) may not be challenged in any such action.

(C) FAILURE TO ACT WITHIN 90 DAYS.—If the Secretary of Labor has not acted within 90 days pursuant to paragraph (2), an applicant may bring a civil action for mandamus in the appropriate United States District Court.

(d) REINSTATEMENT AND OTHER RELIEF.—Any employee who is injured in violation of section 9 shall be restored to his or her employment and shall be compensated for—

(1) any lost wages (including fringe benefits and seniority);

(2) costs associated with medical monitoring that are incurred up to the time when the discrimination is fully remedied; and

(3) costs associated with bringing the allegation of violation.

(e) CIVIL PENALTIES.—Any person that violates section 9 shall be liable for a civil penalty of not more than $10,000 for each violation.

(f) EXCLUSIVITY OF REMEDY.—Except as otherwise expressly provided in this Act, remedies provided in this Act shall be exclusive remedies with respect to any acts or omissions taken pursuant to or alleged to be in violation of this Act.

(g) EFFECT ON OTHER LAWS.—

(1) GENERAL RULE; PROHIBITION ON THE USE OF BOARD DETERMINATIONS UNDER THIS ACT.—Whenever there is—

(A) a finding or determination by the Board that an employee or an employee population is or is not a member of or is or is not a population at risk of disease as determined under this Act;

(B) evidence that an employee or employee population is or is not to receive (or has or has not received) notification under this Act; or

(C) evidence that medical evaluation or monitoring is or is not to be initiated (or has or has not been initiated) under this Act,

the finding, determination, or evidence may not serve as a legal basis for or be introduced as evidence in connection with any claim for compensation, loss, or damage brought under State or Federal law, other than a claim brought pursuant to sections 5(f), 5(g), 10(b), or 10(c) of this Act.

"(2) CONSTRUCTION RULE.—Nothing in this Act shall preclude the admission into evidence of—

"(A) the results of any medical evaluation or monitoring;

"(B) any medical and other scientific studies and reports concerning the incidence of disease associated with exposure to occupational health hazards; or

"(C) any data related to exposure to occupational health hazards for individual employees,

in connection with any claim for compensation, loss or damage brought under State or Federal law. Notification pursuant to this Act shall not be relevant in determining whether such a claim is timely under any applicable statute of limitations.

SEC. 11. REPORTS TO CONGRESS.

(a) HAZARD COMMUNICATION STANDARD REPORT.—The Secretary of Labor shall report to Congress annually, not later than January 15 of each year, regarding implementation and enforcement of the hazard communication standard. The report shall include detailed information on—

(1) MONITORING AND ENFORCEMENT.—Monitoring and enforcement; significant areas of noncompliance; and penalties assessed and steps taken to correct the noncompliance.

(2) ENFORCEMENT.—Efforts to evaluate the hazard communication standard.

(3) EMPLOYER ASSISTANCE.—Efforts to assist employers to comply with the hazard communication standard.

(4) EMPLOYEE EDUCATION.—Efforts to educate employees to their rights under the hazard communication standard.

(5) FEDERAL COURT DECISIONS.—Efforts to comply with Federal court decisions requiring or encouraging an expanded scope for the hazard communication standard.

(b) OCCUPATIONAL DISEASE NOTIFICATION REPORT.—The Secretary shall report to Congress annually, not later than January 15 of each year, regarding implementation and enforcement of notification under this Act. The report shall include detailed information on—

(1) NOTIFICATIONS.—Numbers, types and results of notifications carried out pursuant to sections 5 and 6 of this Act.

(2) RESEARCH.—Research efforts carried out pursuant to section 8 of this Act.

(3) TRAINING AND EDUCATION.—Training and education efforts for employees, personal physicians, and other professionals carried out pursuant to sections 7 and 8 of this Act.

(4) ENFORCEMENT.—Enforcement efforts carried out pursuant to section 10 of this Act.

(5) ASSISTANCE.—Efforts to assist employers under this Act.

SEC. 12. SUBJECTS OF FEDERAL AGENCY STUDIES.

(a) NOTIFICATION REQUIRED.—Each Federal agency that conducts epidemiologic studies on occupational disease initiated after the effective date of this act shall establish procedures for notifying the subjects of such studies of the findings of such study. If the findings are that the subjects are at risk of disease, the notification shall include the information specified in section 5(b), except that required by subparagraphs (D), (E), and (F) of paragraph (6) of such subsection. No notice under this section shall impose any liabilities or create any rights under section 9.

(b) METHOD OF NOTICE.—All occupational epidemiologic studies conducted by a Federal agency initiated after the effective date of this Act shall include in the study design specific methods for notifying living subjects or their immediate family members that they are part of a population at risk of disease.

SEC. 13. REGULATIONS.

The Secretary shall prescribe such regulations as may be necessary to carry out this Act.

SEC. 14. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated $25,000,000 for each of the fiscal years 1988, 1989, and 1990 to carry out this Act and section 788A of the Public Health Service Act.

(b) SET-ASIDE.—(1) Of the total amount appropriated under subsection (a) for a fiscal year, at least $4,000,000 shall be available to carry out section 8 of this Act and section 788A of the Public Health Service Act.

(2) Of the total amount available under paragraph (1) for a fiscal year, at least $1,000,000 shall be available to carry out section 788A of the Public Health Service Act.

SEC. 15. EFFECTIVE DATE.

Except as may be otherwise provided in this Act, this Act shall become effective January 1, 1988, or 6 months after the date of enactment of this Act, whichever occurs first. The Board shall be appointed within 60 days after the effective date. The Secretary shall issue regulations necessary to administer the Act within 120 days after the effective date.

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AMENDMENT No. 376

At the end of the bill, insert the following new section:

SEC. . Section 8 of the National Labor Relations Act (29 U.S.C. § 158) is amended by adding the following new subsection:

"(h) Any person who shall cause, aid or abet a labor organization to commit any unfair labor practice under subsection (b) of this section through threats of force or violence shall be subject to a fine of not more than $10,000 (ten thousand dollars) and imprisonment for not more than 10 years, or both."

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AMENDMENT No. 377

At the appropriate place, insert the following new title

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Minimum Health Benefits for All Workers Act of 1987".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

(1) The term "child" means an individual who is—

(A) under 18 years of age, or

(B) under 23 years of age and a full-time student.

(2) The term "employee" means, with respect to an employer, an individual who performs 17½ hours of service per week for that employer.

(3) The term "employer" means, with respect to a calendar quarter—

(A) an employer which is required to pay those it employs the minimum wage prescribed by section 6 of the Fair Labor Standards Act of 1938 (or would be required to pay such wage but for section 13(a) of such Act); and

(B) any State or political subdivision thereof, or any agency or instrumentality thereof.

(4) The terms "family" and "family member" mean, with respect to an employee, the spouse and children of the employee.

(5) The term "health benefit plan" means a group health plan (as defined in section 607(1) of the Employee Retirement Income Security Act of 1974) which (except for purposes of sections 322(c)(3) and 401(b)) meets the requirements of section 311.

(6) The term "health insurance region" means such a region designated under section 321.

(7) The term "insurer" means an entity qualified under the law of a State to offer insurance or provide health benefits in that State.

(8) The term "nongovernmental employer" refers to an employer not described in paragraph (3)(B).

(9) The term "regional insurer" refers to an insurer certified as a regional insurer under section 322.

(10) The term "Secretary" means the Secretary of Health and Human Services.

(11) The term "State" includes the District of Columbia and, except for purposes of paragraph (7), also includes Puerto Rico, the Northern Mariana Islands, the Virgin Islands, Guam, and American Samoa.

**Part B—Requirements for Health Benefit Plans**

SEC. 311. GENERAL REQUIREMENTS; PERMITTING ACTUARIALLY EQUIVALENT PLANS.

(a) GENERAL REQUIREMENTS.—Subject to subsection (b), in order for a health benefit plan to meet the requirements of this part, the plan must—

(1) provide benefits for items and services in accordance with section 312;

(2) provide coverage of employees and family enrolled in the plan in accordance with section 313; and

(3) provide for premiums, deductibles, copayments, and coinsurance only in accordance with section 314.

(b) ACTUARIALLY EQUIVALENT PLANS PERMITTED.—

(1) IN GENERAL.—A health benefit plan also meets the requirements of this part notwithstanding that it—

(A) does not meet the requirement under section 312(a) that the plan provide benefits for the types of care described in paragraphs (1) through (3) of such section, or

(B) does not meet one or more requirements of section 314 (relating to premiums, deductibles, copayments, coinsurance, and limit on out-of-pocket expenses),

if the actuarial benefits under the plan (as defined in paragraph (2)) are not less than the actuarial benefits which would have applied if the plan met the requirements described in subsection (a). Nothing in this paragraph shall be construed as not requiring each plan to meet the requirements of sections 312(a)(4) and 313.

(2) ACTUARIAL BENEFITS.—For purposes of paragraph (1), a plan's "actuarial benefits" are the amount by which the total of the amounts payable as benefits under the plan exceed the amount of the premiums, deductibles, copayments, and coinsurance payable by the employee under the plan, as determined on an actuarial basis per enrollee for a plan year.

SEC. 312. REQUIREMENTS RELATING TO COVERED ITEMS AND SERVICES.

(a) IN GENERAL.—Except as provided in subsection (b), a health benefit plan must include payment for—

(1) inpatient and outpatient hospital care (other than inpatient or outpatient mental health care);

(2) inpatient and outpatient physician services (other than mental health services);

(3) diagnostic and screening tests; and

(4) prenatal care and well-baby care.

(b) EXCEPTION.—Subsection (a) shall not be construed as requiring a plan to include payment for—

(1) items and services which are not medically necessary;

(2) routine physical examinations or preventive care; or

(3) experimental services and procedures.

(c) SPECIFICATION OF PRENATAL CARE AND WELL-BABY CARE.—The Secretary shall by regulation prescribe, and annually revise, a schedule specifying the amount, duration, and scope of prenatal care and well-baby care required under subsection (a)(4). Subsection (b) shall not apply to such care provided in accordance with such schedule.

SEC. 313. REQUIREMENTS RELATING TO TIMING OF COVERAGE AND PROHIBITION OF PREEXISTING CONDITION LIMITATIONS.

(a) DATE OF INITIAL COVERAGE.—In the case of an employee (and family members) enrolled under a health benefit plan provided by an employer, the coverage under the plan must begin not later than the latest of the following:

(1) 30 days after the day on which the employee first performs an hour of service as an employee of that employer.

(2) The first day on which the employer is required to meet the requirements of this title.

(3) In the case of a health benefit plan which—

(A) has been provided by the employer since May 19, 1985, and

(B) is provided by an employer which provides interim coverage under subsection (b),

the earlier of (i) 6 months after the day on which the employee first performs an hour of service as an employee of that employer, or (ii) the date for initiation of coverage under the plan (as in effect on May 19, 1987).

(b) INTERIM COVERAGE REQUIREMENT.—Subsection (a)(3) shall only apply to an employer if the employer enrolls each employee, during the period the employee would otherwise be covered under a health benefit plan but for subsection (a)(3), in an interim plan that would meet the requirements of section 311 except that—

(1) the interim plan requires a premium that on a monthly basis exceeds the premium otherwise permitted under section 314(b), so long as the premium on a monthly basis does not exceed the monthly actuarial rate defined in section 314(b)(1)(B); or

(2) the interim plan requires deductibles and coinsurance that exceed the amounts otherwise permitted under section 314(b) and subparagraphs (A) and (B) of section 314(c)(1), so long as the interim plan meets the requirement of section 314(c)(1)(C) (relating to limitation on out-of-pocket expenses).

(c) PROHIBITION OF PRE-EXISTING CONDITION PROVISIONS.—A health benefit plan may not exclude or otherwise limit any individual from coverage under the plan on the basis that the individual has (or at any time has had) any disease, disorder, or condition.

SEC. 314. REQUIREMENTS RELATING TO PREMIUMS, DEDUCTIBLES, COPAYMENTS, COINSURANCE, AND LIMIT ON OUT-OF-POCKET EXPENSES.

(a) ENROLLEE COST-SHARING PERMITTED.—A health benefit plan may require an enrollee to pay for premiums, deductibles, and coinsurance amounts for coverage under the plan, but only if the premiums, deductibles, copayments, and coinsurance do not exceed the limitations imposed under this section.

(b) LIMITATION ON PREMIUMS.—

(1) MONTHLY PREMIUM LIMITED TO 20 PERCENT OF ACTUARIAL RATE.—

(A) IN GENERAL.—A health benefit plan may not require an employee to pay a premium—

(i) for coverage for a period of longer than one month, or

(ii) the amount of which on a monthly basis exceeds 20 percent of the monthly actuarial rate defined under subparagraph (B).

(B) MONTHLY ACTUARIAL RATE DEFINED.—For purposes of this title, the term "monthly actuarial rate" means, with respect to a health benefit plan in a plan year, the average monthly per enrollee amount which the employer providing the plan estimates, for enrollees under the plan during the year, would be necessary to pay for the total benefits required under the plan (including administrative costs for the provision of such benefits and an appropriate amount for a contingency margin) during the year.

(C) APPLICATION ON BASIS OF FAMILY STATUS.—For purposes of this paragraph, a health benefits plan may provide for the premium to be applied, and the monthly actuarial rate—

(i) to be computed separately for employees without a family and for employees with a family, and

(ii) with respect to employees with a family, to be computed separately (I) for employees who have a spouse and any children, (II) for employees who have a spouse but no children, and (III) for employees who do not have a spouse but have children.

(2) NO PREMIUM FOR LOW INCOME EMPLOYEES.—

(A) IN GENERAL.—A health benefit plan may not require a premium for an employee whose hourly wage rate is less than the hourly wage rate specified in subparagraph (B).

(B) HOURLY RATE.—The hourly wage rate specified in this subparagraph for premiums paid in a plan year beginning in—

(i) 1988, is $4.19, or

(ii) a subsequent year, is the hourly wage rate specified in this subparagraph for the previous calendar year increased by the percentage increase in the consumer price index for all urban consumers (U.S. city average, as published by the Bureau of Labor Statistics) for the 12-month period ending on September 30 of the preceding calendar year.

If the rate computed under clause (ii) is not a multiple of 1 cent it shall be rounded to the next highest multiple of 1 cent.

(3) PAYMENT OF PREMIUMS.—An employee enrolled under a health benefit plan is liable for payment of premiums required under that plan in accordance with this subsection.

(c) LIMITATION ON DEDUCTIBLES.—

(1) IN GENERAL.—Except as permitted under paragraph (2), a health benefit plan may not provide, for benefits provided in any plan year, for a deductible amount—

(A) which exceeds—

(i) $250, with respect to benefits payable for items and services furnished to any employee with no family member enrolled under the plan, or

(ii) $500, with respect to benefits payable for items and services furnished to any employee with a family member enrolled under the plan and to the employee's family; or

(B) for prenatal care or well-baby care described in section 312(a)(4).

(2) WAGE-RELATED DEDUCTIBLE.—A health benefit plan may provide for any other deductible amount instead of the limitations under—

(A) clause (i) of paragraph (1)(A), so long as the amount does not exceed (on an annualized basis) 1 percent of the total wages paid to the employee in the plan year, or

(B) clause (ii) of paragraph (1)(A), so long as the amount does not exceed (on an annualized basis) 2 percent of the total wages paid to the employee in the plan year.

(d) LIMITATION ON COPAYMENTS AND COINSURANCE.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3), a health benefit plan may not—

(A) require payment of any copayment or coinsurance for an item or service in an amount that exceeds 20 percent of the cost of the item or service;

(B) require payment of any copayment or coinsurance for prenatal care or well-baby care described in section 312(a)(4); or

(C) require payment of any copayment or coinsurance for items and services required under section 312 furnished in a plan year for an employee after the employee has incurred out-of-pocket expenses under the plan that are equal to the out-of-pocket limit (as defined in paragraph (4)(B)).

(2) EXCEPTION FOR PREFERRED PROVIDERS.—If a health benefit plan establishes reasonable classifications of participating and nonparticipating providers of items and services, the plan may require payments in excess of the amount permitted under paragraph (1) in the case of items and services furnished by nonparticipating providers.

(3) EXCEPTION FOR IMPROPER UTILIZATION.—A health benefit plan may provide for copayment or coinsurance in excess of the amount permitted under paragraph (1) for any item or service which an individual obtains without complying with any reasonable procedures established by the plan to ensure the efficient and appropriate utilization of covered services.

(4) LIMIT ON OUT-OF-POCKET EXPENSES.—

(A) OUT-OF-POCKET EXPENSES DEFINED.—In this section, the term "out-of-pocket expenses" means, with respect to an employee in a plan year, amounts payable under the plan as deductibles and coinsurance with respect to items and services provided under the plan and furnished in the plan year on behalf of the employee and family covered under the plan.

(B) OUT-OF-POCKET LIMIT DEFINED.—In this section, except as provided in subparagraph (C), the term "out-of-pocket limit" means for a plan year beginning in—

(i) the first calendar year that begins more than 1 year after the date of the enactment of this Act, $3,000, or

(ii) for a subsequent calendar year, the out-of-pocket limit specified in this subparagraph for the previous calendar year increased by the percentage increase in the consumer price index for all urban consumers (U.S. city average, as published by the Bureau of Labor Statistics) for the 12-month period ending on September 30 of the preceding calendar year.

If the out-of-pocket limit computed under clause (ii) is not a multiple of $10, it should be rounded to the next highest multiple of $10.

(C) ALTERNATIVE OUT-OF-POCKET LIMIT.—A health benefit plan may provide for an out-of-pocket limit other than that defined in subparagraph (B) if, for a plan year with respect to an employee and the employee's family, the limit does not exceed (on an annualized basis) 10 percent of the total wages paid to the employee in the plan year.

### Part C—Certification of Regional Insurers

SEC. 321. DESIGNATION OF HEALTH INSURANCE REGIONS.

The Secretary shall designate by regulation 6, 7, or 8 health insurance regions for purposes of this part.

SEC. 322. PERIODIC CERTIFICATION OF REGIONAL INSURERS.

(a) COMPETITIVE PROCEDURES.—The Secretary shall establish competitive procedures for the periodic certification of 2, 3, 4, or 5 regional insurers for each health insurance region for a defined period.

(b) APPLICATIONS.—No insurer may be certified as a regional insurer unless it submits to the Secretary an application for such certification in such form and at such time as the Secretary prescribes. Each such application shall include—

(1) specific descriptions of each of the health benefit plans the insurer proposes to offer under section 323(a) as a regional insurer; and

(2) such information needed for the Secretary to consider the items described in subsection (c).

(c) CONSIDERATIONS.—In reviewing applications for certification as regional insurers, the Secretary shall consider, with respect to each applicant—

(1) the price of health benefit plans proposed to be offered by the applicant,

(2) the quality and types of services to be provided under the plans,

(3) the experience of the applicant in providing and managing health benefit plans, and

(4) the financial stability of the applicant.

(d) CERTIFICATION.—Not later than one year after the date of the enactment of this Act, the Secretary shall first certify regional insurers for each health insurance region. The Secretary shall publish in the Federal Register a list of the regional insurers certified under this section. To the extent possible, the Secretary shall certify 5 regional insurers for each region.

(e) EVALUATION AND DECERTIFICATION.—The Secretary shall periodically evaluate the performance of regional insurers under this part. Where the Secretary finds that a regional insurer is not substantially meeting the requirements of this part, the Secretary, after notice and opportunity for a hearing, may terminate the certification of the insurer. In such a case, the Secretary may provide for certification of another regional insurer for the health insurance region affected.

SEC. 323. REQUIREMENTS OF REGIONAL INSURERS.

(a) PLANS MUST OFFER.—Each regional insurer shall offer, to employers located in its health insurance region—

(1) 2 indemnity plans described in subsection (b)(1)—

(A) one of which provides only the minimum benefits required of a health benefit plan, and

(B) the other which provides benefits typical of the benefits offered under comprehensive health benefit plans offered in the region; and

(2) 2 managed-care plans described in subsection (b)(2)—

(A) one of which provides only the minimum benefits required of a health benefit plan, and

(B) the other which provides benefits typical of the benefits offered under comprehensive health benefit plans offered in the region.

In the case of plans described in paragraph (1)(A) or (2)(A), a regional insurer may provide optional, additional benefits for an additional premium.

(b) PLANS DESCRIBED.—

(1) INDEMNITY PLAN.—An indemnity plan described in this subparagraph is a health benefit plan—

(A) which makes payment with respect to items and services furnished by any provider licensed in the State to provide the items and services if—

(i) the provider is a type of provider covered under the plan;

(ii) the provider is not excluded from receiving payment under the plan on the basis of fraud, abuse, or incompetence (as determined under the rules and procedures of the plan); and

(iii) the plan does not differentiate in payment to providers under the plan based on a contractual arrangement (or lack thereof) between the plan and the provider; and

(B) under which an individual incurs an obligation or makes payment for covered item or service and the plan reimburses the individual or the provider of such services for the amounts payable for such item or service under the plan.

(2) MANAGED-CARE PLAN.—A managed-care plan described in this subparagraph is a health benefit plan under which items or services must generally be furnished either—

(A) by providers having a contractual relationship with the plan, or

(B) providers included on a list specified by the plan which consists of a group of providers in a State which is more restricted than all licensed providers in the State.

(c) COMMUNITY-RATED PREMIUMS.—Subject to section 324(b)(2), each regional insurer shall fix premiums for the plans required under subsection (a) under a community rating system for all employers. An insurer may not set or adjust such premiums based on the age or gender of employees (or their families) or on other factors relating to the projected or actual use of health services under the plan.

SEC. 324. MISCELLANEOUS PROVISIONS.

(a) SUBCONTRACTS.—Each regional insurer may enter into subcontracts with other entities in carrying out this part.

(b) ARRANGEMENTS WITH SMALL BUSINESSES.—

(1) IN GENERAL.—The Secretary shall encourage regional insurers to enter into appropriate arrangements with entities representing groups of small businesses (such as small business service bureaus and cham-

bers of commerce) for the provision of adminstrative services with respect to small businesses enrolled in plans offered by the insurers.

(2) PREMIUM REDUCTION.—Each such insurer shall reduce the premiums otherwise charged for such plans to such small businesses by an amount which reflects the value of such administrative services.

(c) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance and enrollment forms to employers required under section 301(b)(2) to provide health benefit plans of regional insurers. In carrying out this subsection, the Secretary shall, to the maximum extent feasible, enter into contracts (to the extent and in such amounts as may be provided in advance in appropriation Acts) with small business service bureaus, chambers of commerce, and other entities with experience in providing health insurance services to small businesses.

**Part D—Regulations and Enforcement**

SEC. 331. REGULATIONS.

Within 6 months after the date of the enactment of this Act, the Secretary shall publish a notice of proposed rule making to carry out this title. Within one year after such date, the Secretary shall promulgate final rules to carry out this title. Such notice and final rules shall be made in accordance with section 553 of title 5, United States Code.

SEC. 332. ENFORCEMENT.

(a) CIVIL MONEY PENALTY AGAINST PRIVATE EMPLOYERS.—

(1) 10 PERCENT OF TOTAL WAGES.—Any nongovernmental employer which does not comply with section 302(c) or the requirements of section 2301(a) of the Public Health Service Act or section 201(a) of the Fair Labor Standards Act of 1938 in any calendar year is subject to a civil penalty of not more than 10 percent of the total amount of the employer's expenditures for wages for employees in that year.

(2) ASSESSMENT PROCEDURE.—A civil money penalty under this subsection shall be assessed by the Secretary and collected in a civil action brought by the United States in a United States district court. The Secretary shall not assess such a penalty on an employer until the employer has been given notice and an opportunity to present its views on such charge.

(3) AMOUNT OF PENALTY.—In determining the amount of the penalty, or the amount agreed upon in compromise, the Secretary shall consider the gravity of the noncompliance and the demonstrated good faith of the employer charged in attempting to achieve rapid compliance after notification of noncompliance by the Secretary.

(4) JUDICIAL REVIEW.—In any civil action brought to review the assessment of such a penalty or to collect such a penalty, the court shall, at the request of any party to such action, hold a trial de novo on the assessment of the penalty, unless in a prior action such a trial de novo was held on the assessment.

(b) LIABILITY TO INDIVIDUALS FOR DAMAGES.—Any nongovernmental employer that knowingly does not comply with section 302(c) or the requirements of section 2301(a) of the Public Health Service Act or section 201(a) of the Fair Labor Standards Act of 1938 shall be liable for damages (including health care costs incurred) to the employee or the employee's family resulting from such failure to comply.

(c) STATE INELIGIBILITY FOR PUBLIC HEALTH SERVICE ACT FUNDS.—For a provision making States and political subdivisions thereof ineligible for funds under the Public Health Service Act if they fail to enroll employees under health benefit plans, see section 2301(b)(1) of such Act.

(d) INJUNCTIVE RELIEF.—

(1) IN GENERAL.—Subject to paragraph (3), any individual injured or adversely affected or aggrieved by a violation of the requirements of section 302(c), section 2301(a) of the Public Health Service Act, or section 201(a) of the Fair Labor Standards Act of 1938 may bring an action in an appropriate district court of the United States to enjoin such a violation or to compel compliance with such requirement.

(2) COSTS AND FEES.—In any judicial proceeding under this subsection, the court, in its discretion, may allow the party bringing the action a reasonable attorney's fee as part of costs if the party substantially prevails.

(3) NOTICE.—At least 15 days before the date a party brings an action under this subsection, the party shall give notice by registered mail to the Secretary and the Attorney General. Such notice shall state the nature of the alleged violation and the court in which the action will be brought.

**TITLE IV—EFFECTIVE DATE**

SEC. 401. EFFECTIVE DATE.

(a) GENERAL RULE.—This Act, and the amendments made by this Act, shall take effect on January 1 of the second year that begins after the date of the enactment of this Act.

(b) SPECIAL TRANSITION.—In the case of an employer which, on the date of the enactment of this Act, has in effect a health benefit plan, this Act, and the amendments made by this Act, shall not apply until the first day of the second plan year that begins after the date of the enactment of this Act.

SEC. 402. POLICY RESPECTING ADDITIONAL BENEFITS.

(a) IN GENERAL.—After the date of the enactment of this Act, no employer will be required under title III to provide any health benefit in addition to the benefits required to be provided under section 312(a) (as in effect on the date of the enactment of this Act) unless—

(1) such additional health benefit is for a service which State medicaid plans (under title XIX of the Social Security Act) are required to cover for individuals receiving cash assistance under part A of title IV of such Act; and

(2) before the enactment of such requirement, the benefits and costs of requiring the provision of such additional health benefit have been analyzed and considered by the Congress.

(b) CONSIDERATIONS.—(1) In carrying out subsection (a)(2) with respect to the consideration of a proposed additional health benefit, the Congress shall request a report from the Office of Technology Assessment, the Institute of Medicine of the National Academy of Sciences, or a public or nonprofit entity with expertise relating to health benefits. Any such report shall—

(A) analyze and summarize such proposed additional health benefit; and

(B) contain an estimate of the economic and health impacts of such proposed additional health benefit.

(2) Any such report shall be prepared in consultation with interested members of the public and with individuals and entities having expertise with respect to such proposed additional health benefit.

AMENDMENT NO. 378

At the appropriate place insert the following new title:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Minimum Wage Restoration Act of 1987".

SEC. 2. RESTORATION OF MINIMUM WAGE.

(a) INCREASE.—Subsection (a)(1) of section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) is amended to read as follows:

"(1) except as otherwise provided in this section, not less than $3.35 an hour during the period ending December 31, 1987, not less than $3.85 an hour during the year beginning January 1, 1988, not less than $4.25 an hour during the year beginning January 1, 1989, not less than $4.65 an hour during the year beginning January 1, 1990, and after December 31, 1990, not less than the minimum wage rate determined in accordance with section (b);".

(b) INDEX.—Subsection (b) of such section is amended to read as follows:

"(b) Effective January 1, 1991, and January 1 of each succeeding year, the minimum wage rate in effect under subsection (a)(1) shall be revised so that the rate is equal to 50 percent of the average private, nonsupervisory, nonagricultural hourly wage as determined by the Bureau of Labor Statistics of the Department of Labor for the previous November, rounded to the nearest multiple of 5 cents.".

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AMENDMENT NO. 379

At the appropriate place, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Parental and Medical Leave Act of 1987".

(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 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 alleged 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 1987.".

(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.

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AMENDMENT No. 380

At the appropriate place insert the following new title:

At the end of the pending business add the following new section:

SEC. . Paragraph (2) of subsection (b) of section 1951 of title 18, United States Code, is amended to read as follows:

"2(a) the term extortion means the obtaining of property of another:

"(1) by threatening or placing another person in fear that any person will be subjected to bodily injury or kidnaping or that any property will be damaged; or

"(2) under color of official right.

"(b) PROOF.—In a prosecution under subsection (a)(1) in which the threat or fear is based upon conduct by an agent or member of a labor organization consisting of an act of bodily injury to a person or damage to property, the pendency, at the time of such conduct, of a labor dispute, as defined in 29 U.S.C. 152(9), the outcome of which could result in the obtaining of employment benefits by the actor, does not constitute prima facie evidence that property was obtained 'by' such conduct."

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AMENDMENT No. 381

At the appropriate space, insert the following new title:

Since, in times of budgetary stringency, it is difficult to enact legislation providing new employee benefits at an additional cost to the taxpayer;

Since there is an attractive theory that employee benefits can be provided at no cost to the taxpayer by requiring that the benefits be provided by employers; and

Since requiring employers to provide new employee benefits imposes substantial costs on employers (especially small businesses), the economy (in terms of international competitiveness), and employees (in terms of lost jobs); Now, therefore, be it

It is the sense of the Senate that each Senate committee that reports legislation requiring employers to provide new employee benefits—

(1) secure an objective analysis of the impact of the legislation on employers (especially small businesses), the economy (in terms of international competitiveness), and employees (in terms of lost jobs), before the committee reports the legislation; and

(2) include an analysis of the impact in the report of the committee on the legislation.

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AMENDMENT No. 382

At the appropriate place insert the following new title:

Section 2(5) of the National Labor Relations Act (29 U.S.C. Section 152(5)) is amended by adding the following new sentence to the end thereof: "For the purposes of this Act the term "labor organization" shall include all affiliates of a labor organizations and the actions of any such affiliate shall be deemed binding on any parent or other affiliates."

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AMENDMENT No. 383

At the end of the bill, insert the following new section:

SEC. . Section 10(c) of the National Labor Relations Act (29 U.S.C. § 160(c)) is amended by inserting after the first proviso the following new proviso: "*Provided further,* That no order of the Board shall issue requiring any employer to bargain with any labor organization unless such labor organization has been certified as the exclusive representative of his employees following a secret ballot election conducted pursuant to Section 9 of this Act (29 U.S.C. § 159)."

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AMENDMENT No. 384

At the end of the bill, insert the following new section:

SEC. . Section 10(c) of the National Labor Relations Act (29 U.S.C. § 160(c)) is amended—

(1) by inserting after the colon following the phrase "as will effectuate the policies of this subchapter" the following new proviso: "*Provided,* That the Board shall not find that an employer has committed an unfair labor practice by discharging or otherwise disciplining an employee, or by granting or

denying a benefit to an employee unless it affirmatively appears from the record as a whole that such discharge or other discipline would not have occurred, or such benefit would not have been denied or granted but for that employee's activity protected by Section 157 or Section 158 of this title:"; and

(2) by inserting the word "further" after the word *"Provided,"*.

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AMENDMENT No. 385

At the end of the bill, insert the following new section:

SEC. . Section 10(c) of the National Labor Relations Act (29 U.S.C. § 160(c)) is amended by inserting after the phrase, "responsible for the discrimination suffered by him:" the following new proviso:

*"Provided further,* That the Board may order the restitution of money damages arising out of and caused by a strike or other means of coercion or force which the Board shall determine to be an unfair labor practice under Section 8(b) of this Act (29 U.S.C. § 158(b)), but nothing in this proviso shall be interpreted to preclude an injured party from pursuing any other remedy available by law, in equity, or otherwise."

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AMENDMENT No. 386

At the end of the bill, insert the following new section:

SEC. . Section 9(c)(1) of the National Labor Relations Act (29 U.S.C. 159(c)(1)) is amended by adding at the end thereof the following new sentence: "Under no circumstances shall the Board find that a question of representation does not exist or fail conduct or delay an election by secret ballot due to the filing of a charge or the issuance of a complaint pursuant to Section 10 of this Act (29 U.S.C. 160b)."

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AMENDMENT No. 387

At the end of the bill, insert the following new section:

SEC. . Section 10(c)(1) of the National labor Relations Act (29 U.S.C. 159(c)(1)) is amended by inserting after the phrase, "responsible for the discrimination suffered by him:", the following new proviso:

*"Provided further,* That the Board may order the restitution of money damages to individuals or entities which the Board shall determine were the victims of violent acts during an otherwise lawful strike, but nothing in this proviso shall be interpreted to preclude an injured party from pursuing any other remedy available at law, in equity, or otherwise,"

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AMENDMENT No. 388

At the end of the bill, insert the following new section:

"SEC. . Section 9(b) of the National Labor Relations Act (29 U.S.C. 164(b)) is amended by adding at the end thereof the following new sentence: 'Any such prohibitions by any state or territory shall apply to any property of the United States located within such state or territory.' "

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AMENDMENT No. 389

At the appropriate place, add the following:

Section 101(a) of the Labor-Management Reporting and Disclosure Act of 1959 (29 U.S.C. 411(a)) is amended by adding at the end thereof the following new paragraphs:

"(6) UNION SECURITY.—A labor organization that represents an employee who is subject to a provision in a collective bargaining agreement that would requires membership in the labor organization as a condition of the continued employment of the employee, shall, at least once during the term of the collective bargaining agreement, notify in writing the employee that—

"(A) the provision exists;

"(B) the employee may satisfy the requirement by paying to the labor organization the employee's pro rata share of the expenditure on items that are directly related to the negotiation of wages, hours, and working conditions pertaining to the collective bargaining agreement to which the employee is subject; and

"(C) formal membership in the labor organization is not required.

"(7) RESIGNATION RIGHTS.—At least once during the term of a collective bargaining agreement, a labor organization shall notify in writing each of its members that—

"(A) a member may resign membership in the labor organization at any time, including during a strike or other work stoppage; and

"(B) no disciplinary action shall be taken against the individual.

"(8) NOTICES.—Any provision of a collective bargaining agreement that requires membership in a labor organization as a condition of employment shall contain in the notices required by paragraphs (6) and (7). The notices shall be at least as conspicuous as the provision that requires membership in the labor organization.

"(9) USE OF UNION DUES.—A labor organization shall on an annual basis notify in writing each of its members (and other employees subject to a collective bargaining agreement requiring membership as described in paragraph (6)) the dollar amounts of expenditures of items that are directly related to the negotiation of wages, hours, and working conditions of the collective bargaining agreements to which the members (and employees) are subject, as well as the dollar amount of such expenditures on such items that are not directly related to the foregoing. The accounting shall fairly and clearly set forth the expenditures, and shall be in sufficient detail that members of the labor organization are able to determine the nature of expenditures. The Secretary of Labor shall issue appropriate regulations to insure that employees are fully and adequately informed of expenditures in accordance with this paragraph.

"(10) AMOUNT OF UNION DUES.—

"(A) IN GENERAL.—If requested in writing by a member (or other employee subject to a collective bargaining agreement requiring membership as described in paragraph (6)), a labor organization shall thereafter charge the person no more than an amount that equals the pro rata share of the member of funds that are expended on items directly related to the negotiation of wages, hours, and working conditions of the collective bargaining agreement to which the person is subject.

"(B) APPEALS.—

"(i) IN GENERAL.—If the person disputes the dollar amount determined by the labor organization under subparagraph (A), the person shall have the right to appeal the determination, consistent with procedures set forth in bylaws of the labor organization that are fair, prompt, equitable and nonpartisan.

"(ii) INFORMATION.—The person shall have the right to obtain all information that pertains to the determination of the labor organization of its non-collective bargaining expenditures, including ledgers, written material, invoices, bills of sale, receipts, accounts, records of disbursements, contracts, leases, and all other forms of financial data.

"(iii) ARBITRATION.—If the parties cannot resolve a dispute within 90 days after an appeal filed under clause (i), the matter shall be submitted to binding arbitration with the costs of the arbitration to be borne by the labor organization. The decision of the arbitrator shall determine the amount of the obligation of the employee.

"(C) BURDEN OF PROOF.—In any proceeding conducted under this paragraph, the labor organization shall bear the burden of proof of establishing the pro rata share of a member of those funds that are spent on items directly related to the negotiation of wages, hours, and working conditions of the collective bargaining agreements pertaining to its members.

"(D) COSTS AND ATTORNEY'S FEES.—If it is determined that the amount of the pro rata share of the employee of expenditures is less than the amount claimed by the labor union, the employee shall also recover the costs of the employee and a reasonable attorney's fee.

"(E) ENFORCEMENT.—A district court of the United States shall have jurisdiction to review the decision of an arbitrator made under this paragraph. The court shall enforce the decision if the decision is supported by substantial evidence on the whole record. An action to enforce the decision must be instituted not later than 180 days after the decision is rendered. If a decision is made against a labor organization, the employee shall be awarded the costs of the action, together with a reasonable attorney's fee.

"(11) MISCONDUCT OF EMPLOYEES.—A labor organization shall have the right to discipline, fine, suspend, assess, and expel a member of the organization in accordance with this paragraph for misconduct. To exercise the right provided under this paragraph, a labor organization must have previously provided to its members on an annual basis a list of the types of conduct that may lead to the discipline, fine, suspension, assessment, or expulsion.".

"(b) COLLECTIVE BARGAINING AGREEMENTS.—Section 8(a)(3) of the National Labor Relations Act (29 U.S.C. 158(a)(3)) is amended by inserting before the semicolon at the end thereof the following: ": *Provided further,* That any agreement described in the first proviso shall be null and void if a labor organization signatory to the agreement violates any of paragraphs (6) through (11) of section 101(a)".

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AMENDMENT No. 390

At the appropriate place insert the following new title:

SEC. . Section 201(b) of the Labor-Management Reporting and Disclosure Act of 1959 (29 U.S.C. 431(b)) is amended—

(1) by striking out "and" and the end of clause (5);

(2) by redesignating clause (6) as clause (7); and

(3) by inserting after clause (5) the following new clause:

"(6) the portion of expenditures necessarily or reasonably incurred for the purpose of performing the duties of an exclusive representative of employees in dealing with an employer on labor-management issues, and the portion of expenditures not so incurred; and".

AMENDMENT No. 391

SEC. . TRUSTEESHIPS.

Section 302 of the Labor-Management Reporting and Disclosure Act of 1959 (29 U.S.C. 462) is amended—

(1) by striking out "Trusteeships" and inserting in lieu thereof "(a) Except as provided in subsection (b), trusteeships"; and

(2) by adding at the end thereof the following new subsection:

"(b)(1) Except as provided in paragraph (2), a trusteeship may not be established by a labor organization over a subordinate body if the effect of the trusteeship would be to interfere with the negotiation of a collective bargaining agreement or to negate a provision of a collective bargaining agreement concluded between an employer and the subordinate body.

"(2) Paragraph (1) shall not apply if a subordinate body is engaged in activity which a court of law has determined to be in violation of Federal or State law or if the negotiation of such collective bargaining agreement or any provision therein would be in violation of Federal or State law.".

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AMENDMENT No. 392

At the appropriate place insert the following:

SEC. . ELECTION OF OFFICERS OF NATIONAL AND INTERNATIONAL LABOR ORGANIZATIONS.

Section 401(a) of the Labor-Management Reporting and Disclosure Act of 1959 (29 U.S.C. 481(a)) is amended by inserting before the period at the end thereof the following: "conducted during the 2-year period preceding the election among the members in good standing".

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AMENDMENT No. 393

At the appropriate place insert the following new title:

Title III of the Labor-Management Relations Act, 1947 (29 U.S.C. 185 et seq.) is amended by adding at the end thereof the following new section:

SECRET BALLOT ELECTIONS FOR STRIKES

"SEC. 305. (a) It shall be unlawful for a labor organization or its agents to engage in a strike that has not been ratified or approved in a secret ballot election by a majority of employees in the appropriate unit who voted in such election.

"(b) Any employee injured as the result of a violation of subsection (a) may petition a district court of the United States having jurisdiction of the parties to enjoin the violation. If the court determines that there had been violation of subsection 9(a), it shall award monetary damages and other appropriate relief to the employees affected by such action including reasonable attorney's fees and costs to the party bringing such action.

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AMENDMENT No. 394

At the appropriate place insert the following new title:

That this Act may be cited as the "Youth Employment Opportunity Wage Act of 1985".

STATEMENT OF FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that—

(1) one of the Nation's most serious and longstanding problems is providing adequate employment opportunities for our young people;

(2) many youth are unemployed because they lack the job skills to earn the minimum wage which has the effect of pricing unskilled youth out of the job market;

(3) a youth employment opportunity wage could make it possible for employers to expand job opportunities for young people during a period of special need—when young people are looking for summer jobs; and

(4) such a program has never been adequately tested and that there should be a demonstration period for a youth employment opportunity wage in order to allay any doubts as to the ameliorative impact of the youth wage.

(b) It is therefore the purpose of this Act to provide a period during which a youth employment opportunity wage can be paid by employers, and evaluated for its effectiveness in creating employment opportunities and helping young people develop job skills.

AMENDMENT TO THE FAIR LABOR STANDARDS ACT OF 1938

SEC. 3. Section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) is amended by adding at the end thereof the following new subsection:

"(g)(1) Notwithstanding any provision of this Act (except for the first sentence of section 18(a)), during the period from May 1 through September 30 of each year, an employer may employ any person who is under 20 years of age at a wage not less than $2.50 per hour or 75 per centum of the otherwise applicable wage rates established pursuant to this section, section 8 or subsection (e) of section 5, whichever is less. No special certificate shall be required under section 14 for an employee who is employed in accordance with this subsection. All references in any other law to the Federal minimum wage under section 6(a)(1) of this Act shall be interpreted as referring to the wage established by this subsection with respect to the employment covered by this subsection.

"(2) This subsection shall not affect requirements for compliance with applicable child labor laws or recordkeeping requirements. This subsection shall only be applicable to hours worked by eligible employees in compliance with applicable child labor laws.

"(3) This subsection shall not, with respect to any year, be applicable to any youth who has been employed by the employer at any time during the 90-day period prior to May 1 of such year.

"(4) No employer shall discharge, transfer or demote any employee of such employer who is ineligible for the wage established by this subsection, on account of such ineligibility, for the purpose of employing a person eligible for such wage, and any such discharge, transfer or demotion shall be deemed a violation of section 15(a)(3).".

AMENDMENT TO THE JOB TRAINING PARTNERSHIP ACT

SEC. 4. Section 142(a) of the Job Training Partnership Act (29 U.S.C. 1552) is amended by adding after paragraph (3) of the following new paragraph:

"(4) Notwithstanding paragraphs (2) and (3) of this subsection, individuals who would be paid wages during the period from May 1 through September 30 of any calendar year who have not attained 20 years of age before May 1 of the year shall be paid at not less than the higher of (A) the minimum wage provided under section 6(g) of the Fair Labor Standards Act of 1938, or (B) the minimum wage under the applicable State or local minimum wage law.".

MONITORING PROVISION

SEC. 5. The Secretary of Labor shall monitor the implementation of this Act and shall prepare and submit to the Congress a report concerning the employment effects of the youth employment opportunity wage, and such other information and recommendations as the Secretary of Labor determines to be appropriate.

TERMINATION

SEC. 6. The amendments made by this Act shall not apply with respect to hours worked after September 30, 1987.

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AMENDMENT No. 395

At the appropriate place insert the following new title:

That section 11(d) of the Fair Labor Standards Act of 1938 is amended—

(1) by striking out the word "The" and inserting in lieu thereof "(1) Subject to the provisions of paragraph (2), the"; and

(2) by adding at the end of thereof the following new paragraph:

"(2) Nothing in paragraph (1) of this subsection shall be construed to prohibit an individual from engaging in industrial homework (including sewing, knitting, jewelry or craftmaking) or performing any service in or about the individual's place of residence as an employee of any employer covered by the provisions of this Act if the employer pays the minimum wage rate prescribed by this Act and complies with the maximum hours provision of this Act.".

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AMENDMENT No. 396

At the appropriate place, insert the following:

SEC. . Section 301(a) of the Labor Management Relations Act (29 U.S.C. section 185(a)) is amended—

"(1) by striking out the period at the end thereof and inserting in lieu thereof a colon; and

"(2) by adding the following new proviso:

*"Provided,* That no collective bargaining contract shall be enforceable against any employer or labor organization that has not expressly agreed to be bound thereby."

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AMENDMENT No. 397

At the appropriate place insert the following new title:

At the end of the bill, insert the following new section:

SEC. . Section 14 of the National Labor Relations Act (29 U.S.C. § 164 is amended by adding the following new subsection (d):

"(d) Picketing on private property

Nothing herein shall be construed as authorizing picketing whether or not for a lawful purpose upon the property of another person without that person's consent." "

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AMENDMENT No. 398

At the end of the bill, insert the following new section:

SEC. . Section 10(c) of the National Labor Relations Act (29 U.S.C. § 160(c)) is amended—

(1) by inserting after the phrase "as will effectuate the policies of this subchapter." the following new proviso:

*"Provided,* That no finding of an unfair labor practice shall be made unless it is determined that an employer's act was intended to interfere with, restrain or coerce employees in the exercise of rights guaranteed under Section 7 of this Act, and that such, in fact, was reasonably calculated to achieve such result, and did, in fact, interfere with, restrain or coerce identified employees in the exercise of such rights.

(2) by striking the comma after the word *"Provided"* and inserting in lieu therefore the word "further".

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AMENDMENT No. 399

At the end of the bill, insert the following new section:

SEC. . Section 301(b) (29 U.S.C. § 185(b)) of the Labor Management Relations Act is amended by adding the following new sentence at the end thereof:

"Any member of a labor organization shall be deemed to be an agent of said labor organizations, and such member's actions shall be binding on said labor organization without regard to whether said action was authorized or subsequently ratified.".

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AMENDMENT No. 400

At the end of the bill, insert the following new section:

"SEC. . Section 302(c) of the Labor Management Relations Act (29 U.S.C. 186(c)) is amended—

(a) by striking out the semicolon in clause (4) and inserting in lieu thereof a colon; and by inserting the following new proviso at the end thereof:

*"Provided, however,* That nothing contained herein shall be construed as permitting such deductions in any state or territory in which such deductions are prohibited by State or Territorial law.".".

AMENDMENT No. 401

At the end of the bill, insert the following new section:

SEC. . Section 8(a)(5) of the National Labor Relations Act (29 U.S.C. § 158(a)(5)) is amended—

(1) by striking out the period at the end thereof and inserting in lieu thereof a colon; and

(2) by adding the following new proviso to the end thereof:

*"Provided,* That after a strike in which substantial numbers of permanent replacement employees have been hired, it shall not be presumed by the Board that said replacement employees support the incumbent labor organization in the same proportion as did the employees in the bargaining unit as a whole on the day immediately preceding the commencement of the strike.".".

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AMENDMENT No. 402

At the end of the bill add the following new section:

"SEC. . Any person who is employed in the Office of Organized Crime and Racketeering (or its successor), Office of the Inspector General, Department of Labor, who conducts investigations of alleged or suspected felony criminal violations of statutes including but not limited to the Labor-Management Reporting and Disclosure Act of 1959, and the Employee Retirement Income Security Act of 1947, as administered by the Secretary of Labor or any agency of the Department of Labor and who is designated by the Inspector General of the Department of Labor may—

"(1) make an arrest without a warrant for any such felony criminal violation if such violation is committed in his presence or if such employee has probable cause to believe such violation is being or has been committed by the person to be arrested, in the presence of such employee;

"(2) execute a warrant for an arrest, for the search of premises, or the seizure of evidence if such warrant is issued under authority of the United States upon probable cause to believe that such violation has been committed; and

"(3) carry a firearm;

in accordance with rules issued by the Secretary of Labor, which such employee is engaged in the performance of official duties under the authority provided in section 6 or described in section 9, of the Inspector General Act of 1978."

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AMENDMENT No. 403

At the end of the bill, insert the following new section:

SEC. . Section 8(a)(5) of the National Labor Relations Act (29 U.S.C. § 158(a)(5)) is amended—

(1) by striking out the period at the end thereof and inserting in lieu thereof a colon; and

(2) by adding the following new proviso at the end thereof:

*"Provided,* That any obligation arising under this subsection to furnish information shall not apply to information related directly or indirectly to an employer's production, trade secrets or other information of a confidential or sensitive nature."

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AMENDMENT No. 404

At the end of the bill, insert the following new section;

SEC. . Section 303(b) of the National Labor Relations Act (29 U.S.C. § 187(b)) is amended—

(1) by striking out the period at the end thereof and by inserting in lieu thereof a comma; and

(2) by adding the following new clause: "including any attorneys' fees incurred during any underlying National Labor Relations Board proceedings and an action under this section."

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AMENDMENT No. 405

At the end of the bill, insert the following new section;

SEC. . Section 501 of the Labor-Management Reporting and Disclosure Act (29 U.S.C. § 501) is amended—

(1) by redesignating subsection (c) as subsection (d); and by adding the following new subsection (c):

"(c) CIVIL ACTIONS BY THE U.S. DEPARTMENT OF LABOR.—When any officer, agent, shop steward or representative of any labor organization is alleged to have violated the duties declared in subsection (a) of this section, or where the Secretary of Labor is of the belief that such duties have been violated, the Secretary of Labor shall investigate the alleged violations and, where appropriate, institute a civil action in any district court of the United States to enforce the duties and requirements of subsection (a): *Provided,* That this subsection shall not act as a limitation on the rights of any member of a labor organization provided under subsection (b)."

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AMENDMENT No. 406

At the end of the bill, insert the following new section:

SEC. . Section 2(2) of the National Labor Relations Act (29 U.S.C. § 152.(2)) is amended—

(1) by striking out the period at the end thereof and inserting in lieu thereof a comma; and

(2) by adding the following clause at the end thereof: "or any eleemosynary institution whose purpose is primarily noncommercial."

AMENDMENT No. 407

At the end of the bill, insert the following new section:

SEC. . Section 530 of the Labor-Management Reporting and Disclosure Act (29 U.S.C. § 530) is amended—

(1) by striking out "for the purpose of interferring with or preventing the exercise of" in the first sentence of the section;

(2) by striking out "$1000" and "one year" in the second sentence of the section;

(3) by adding after the words "shall be fined not more than" in the second sentence the following: "$10,000"; and

(4) by adding after the words "or imprisoned for not more than" in the second sentence the following "five years."

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AMENDMENT No. 408

At the end of the bill, insert the following new section:

"Section 8(d) of the National Labor Relations Act (29 U.S.C. § 158(d)) is amended—

(1) by inserting after the colon following the first occurrence of the word "concession" the following new proviso: *"Provided,* That it shall be an unfair labor practice for a labor organization or any of its members to engage in any activity not specifically protected by this title in support of a collective bargaining demand;" and

(2) by striking out the word *"Provided"* and inserting in lieu thereof *"Provided further".*"

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AMENDMENT No. 409

At the end of the bill, insert the following new section:

SEC. . Section 439 of the Labor-Management Reporting and Disclosure Act (29 U.S.C. § 439) is amended—

(1) by striking out "one year" in subsection (1), and by adding in lieu thereof "five years";

(2) by striking out "one year" in subsection (b), and by adding in lieu thereof "five years";

(3) by striking out "one year" in subsection (c), and by adding in lieu thereof "five years."

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AMENDMENT No. 410

At the end of the bill, insert the following new section:

"SEC. . Section 302(c) of the Labor Management Relations Act (29 U.S.C. § 186(c)) is amended by striking out the words "a period of more than one year, or beyond the termination date of the applicable collective agreement, whichever occurs sooner;" in clause (4) and inserting in lieu thereof the following: "any period;"."

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AMENDMENT No. 411

At the end of the bill, insert the following new section:

"SEC. . Section 8(g) of the National Labor Relations Act (29 U.S.C. § 158(g)) is amended—

(1) by striking out "at any health care institution" from the title of said subsection;

(2) by striking out "at any health care institution" from said subsection;

(3) by striking out the word "institution" where it appears before the phrase "in writing" and inserting in lieu thereof "employer"; and

(4) inserting after the phrase "initial agreement" the following: "with a health care institution"."

AMENDMENT NO. 412

At the appropriate place insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Employee Polygraph Protection Act".

SEC. 2. PROHIBITIONS ON LIE DETECTOR USE.

It shall be unlawful for any employer engaged in commerce or in the production of goods for commerce—

(1) directly or indirectly, to require, request, suggest, or cause any employee or prospective employee to take or submit to any lie detector test;

(2) to use, accept, refer to, or inquire concerning the results of any lie detector test of any employee or prospective employee;

(3) to discharge, dismiss, discipline in any manner, or deny employment or promotion to, or threaten to take any such action against—

(A) any employee or prospective employee who refuses, declines, or fails to take or submit to any lie detector test; or

(B) any employee or prospective employee on the basis of the results of any lie detector test; or

(4) to discharge or in any manner discriminate against an employee or prospective employee because—

(A) such employee or prospective employee has filed any complaint or instituted or caused to be instituted any proceeding under or related to this Act;

(B) such employee or prospective employee has testified or is about to testify in any such proceeding; or

(C) of the exercise by such employee, on behalf of himself or others, of any right afforded by this Act.

SEC. 3. NOTICE OF PROTECTION.

The Secretary of Labor shall prepare, have printed, and distribute a notice that employers are prohibited by this Act from using a lie detector test on any employee or prospective employee. Upon receipt by the employer, such notice shall be posted at all times in conspicuous places upon the premises of every employer engaged in commerce or in the production of goods for commerce.

SEC. 4. AUTHORITY OF THE SECRETARY OF LABOR.

(a) IN GENERAL.—The Secretary of Labor shall—

(1) issue such rules and regulations as may be necessary or appropriate for carrying out this Act;

(2) cooperate with regional State, local, and other agencies, and cooperate with and furnish technical assistance to employers, labor organizations, and employment agencies to aid in effectuating the purposes of this Act; and

(3) make investigations and inspections and require the keeping of records necessary or appropriate for the administration of this Act.

(b) SUBPENA AUTHORITY.—For the purpose of any hearing or investigation under this Act, the Secretary shall have the authority contained in sections 9 and 10 of the Federal Trade Commission Act (15 U.S.C. 49, 50).

SEC. 5. ENFORCEMENT PROVISIONS.

(a) CIVIL PENALTIES.—(1) Subject to paragraph (2), whoever violates this Act may be assessed a civil penalty of not more than $10,000.

(2) In determining the amount of any penalty under paragraph (1), the Secretary shall take into account the previous record of the person in terms of compliance with this Act and the gravity of the violation.

(3) Any civil penalty assessed under this subsection shall be collected in the same manner as is required by subsection (b) through (e) of section 503 of the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. 1853) with respecat to civil penalties assessed under subsection (a) of such section.

(b) INJUNCTION ACTIONS BY THE SECRETARY.—The Secretary may bring an action to restrain violations of this Act. The district courts of the United States shall have jurisdiction, for cause shown, to issue temporary or permanent restraining orders and injunctions to require compliance with this Act.

(c) PRIVATE CIVIL ACTIONS.—(1) An employer who violates the provisions of this Act shall be liable to the employee or prospective employee affected by such violation. An employer who violate the provisions of this Act shall be liable for such legal or equitable refief as may be appropriate, including (without limitation) employment, reinstatement, promotion, the payment of wages lost, and an additional amount as consequential damages.

(2) An action to recover the liability prescribed in paragraph (1) may be maintained against the employer in any Federal or State court of competent jurisdiction by any one or more employees for or in behalf of himself or themselves and other employees similarly situated.

(3) The court shall award to a prevailing plaintiff in any action under this subsection the reasonable costs of such action, including attorneys' fees.

SEC. 6 NO APPLICATION TO GOVERNMENTAL EMPLOYERS.

The provisions of this Act shall not apply with respect to the United States Government, a State or local government, or any political subdivision of a State or local government.

SEC. 7. DEFINITIONS.

As used in this Act—

(1) the term "lie detector test" includes any examination involving the use of any polygraph, deceptograph, voice stress analyzer, psychological stress evaluator, or any other similar device (whether mechanical, electrical, or chemical) which is used, or the results of which are used, for the purpose of detecting deception or verifying the truth of statements;

(2) the term "employer" includes any person acting directly or indirectly in the interest of an employer in relation to an employee or prospective employee; and

(3) the term "commerce" has the meaning provided by section 3(b) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(b)).

SEC 8. EFFECTIVE DATE.

This act shall take effect 6 months after the date of its enactment.

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AMENDMENT NO. 413

At the end of the bill, insert the following new section:

"SEC. . Section 9(a) of the National Labor Relations Act (29 U.S.C. 159(a)) is amended—

(1) by adding a "(1)" at the beginning of the paragraph; and

(2) adding the following new section to Section 9:

"(2) It shall be the duty of such exclusive representative to represent fairly all persons for which it serves as the exclusive representative bargaining agreement: Provided, thaty in making determinations regarding whether the exclusive representative has fulfilled its duty of fair representation, the Board shall consider all relevant circumstances, including:

(A) whether all covered employees had a voice in selecting the exclusive collective bargaining representative;

(B) whether all covered employees had a voice in negotiating the collective bargaining agreement;

(C) whether and to what extent, any group of employees that were not included within the bargaining unit when the collective bargaining unit was negotiated has interests with respect to job assignments, job referrals, handling of grievances, or any other terms of conditions of employment; and,

(D) whether any employees who were not represented by the exclusive collective bargaining representative during the negotiation of the collective bargaining agreement have been given less favorable treatment by such representative with respect to job assignments, job referrals, handling of grievances, or any other terms or conditions of employment.

An Office of Fair Representation shall be established within the Office of General Counsel whose purpose shall be to assist the General Counsel in the investigation of charges made by employees alleging violations of the duty of fair representation under this subsection.

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AMENDMENT NO. 414

At the end of the bill, insert the following new section:

SEC. . Section 2(11) of the National Labor Relations Act (29 U.S.C. § 152(11) is amended—

(1) by deleting the comma following the phrase "or effectively to recommend such action" and inserting in lieu thereof a period; and

(2) by deleting the phrase "if in connection with the foregoing the exercise of such authority is not a merely routine or clerical nature, but requires the use of independent judgment."

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AMENDMENT NO. 415

At the end of the bill, insert the following new section:

SEC. . Section 10(c) of the National Labor Relations Act (29 U.S.C. § 160(c)) is amended by inserting after the sixth sentence the following new sentence:

"No order of the Board shall issue if the party alleged to have committed an unfair labor practice has ceased engaging in the alleged conduct and has remedied the impact of said conduct as to any affected employees."

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AMENDMENT NO. 416

At the end of the bill, insert the following new section:

SEC. . Section 501(b) of the Labor Management Reporting and Disclosure Act (29 U.S.C. § 501(b)) is amended by striking out the phrase "The trial judge may allot a reasonable part of the recovery in any action under this subsection to pay the" and inserting in lieu thereof the following new clause: "In addition to the recovery in any action under this subsection, if any, the trial judge shall award as damages from the labor organization any".

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AMENDMENT NO. 417

At the end of the bill, insert the following new section:

SEC. . Section 101(a) of the Labor-Management Reporting and Disclosure Act of 1959 (29 U.S.C. 411(a) is amended by adding

at the end thereof the following new paragraph:

"(6) EMPLOYMENT REFERRAL.—In the case of a labor organization that refers applicants to an employer for employment with such employer, such organization may not make such referrals in a manner that is inconsistent with the constitution and bylaws of such organization.".

AMENDMENT No. 418

At the end of the bill, add the following new section:

"SEC. . Section 8(d) of the National Labor Relations Act (29 U.S.C. section 158(D)) is amended—

(1) by inserting after the phrase "but such obligation does not compel either party to agree to a proposal or require the making of a concession:" the following new proviso:

*"Provided,* That nothing in this subsection shall require an employer to negotiate with a representative of a labor organization who has been convicted of violating the criminal laws of the United States, or any state, district or territory, or who has committed an act of violence against the employers, against any of its employees or agents, or against its property:"

(2) by inserting *"further"* after *"Provided"* preceding the phrase "That where there is in effect a collective-bargaining contract . . .".".

AMENDMENT No. 419

At the end of the bill, add the following new section:

"SEC. . Section 14 of the National Labor Relations Act (29 U.S.C. section 164) is amended by adding at the end thereof the following new subsection:

"(d) Nothing herein shall be construed to permit the Board to conclude that an employee, while in possession of a firearm or other deadly weapon, is engaged in activity protected under this Act, unless such person is a guard under section 9(b)(3) of the Act."

AMENDMENT No. 420

At the end of the bill, insert the following new section:

"SEC. . Section 8(a)(1) of the National Labor Relations Act (29 U.S.C. section 158(a)(1)) is amended—

"(1) by striking out the semicolon at the end thereof and inserting in lieu thereof a colon; and

"(2) by inserting the following new proviso at the end thereof:

*"Provided, however,* That an employer who disciplines any employee in a good faith belief that said employee has engaged in activity not protected by Section 7 of this Act (29 U.S.C section 157) shall not be deemed to have committed an unfair labor practice."

AMENDMENT No. 421

At the end of the bill, add the following:

(a) Section 8(a)(3) of the National Labor Relations Act (29 U.S.C. section 158(a)(3)) is amended—

"(1) by striking out the semicolon at the end therof and inserting in lieu thereof a colon: and

"(2) by adding the following new proviso at the end thereof:

*"Provided further,* That nothing in this subsection shall permit any employer who has contracts with an agency of the United States of America for the furnishing of supplies or services, or for the use of real or personal property, including lease arrangements, to require membership in or financial support to any labor organization as a condition of employment."

"(b) Section 8(f) of the National Labor Relations Act (29 U.S.C. section 158(f)) is amended—

"(1) by striking out the period at the end thereof and inserting in lieu thereof a colon; and

"(2) by adding the following new proviso at the end thereof;

*"Provided further,* That nothing in this subsection shall permit any employer engaged in the construction industry who has contracts with an agency of the United States of America to require membership in or financial support to any labor organization as a condition of employment."

## IMPLEMENTATION OF RECOMMENDATIONS OF TASK FORCE ON ECONOMIC ADJUSTMENT AND WORKER DISLOCATION

### HATCH AMENDMENT NOS. 422 THROUGH 424

(Ordered to lie on the table.)

Mr. HATCH submitted three amendments intended to be proposed by him to the bill (S. 538) to implement the recommendations of the Secretary of Labor's Task Force on Economic Adjustment and Worker Dislocation, and for other purposes; as follows:

AMENDMENT No. 422

On page 98, between lines 7 and 8, insert the following:

"(b) SPECIAL RULE.—(1) The notice requirement imposed by section 332 shall not apply to any employer who, during the year prior to the date on which notice would otherwise be required under this section, has notified the employees of the employer, in writing, as described in paragraph (2).

"(2) The notification described in paragraph (1) shall state—

"(A) the specific economic relief proposed by the employer that is required in order to avoid a closing or layoff;

"(B) no proposal for affording the employer the economic relief described in subparagraph (A) has been proposed by the employees of the employer or the representative of the employees; and

"(C) the requested economic relief has not been implemented.".

AMENDMENT No. 423

On page 92, between lines 23 and 24, insert the following new subsection:

"(d) STRIKES PROHIBITED.—A representative or representatives (if any) of the affected employees may not engage in a strike (as defined in section 501(2) of the Labor Mangegement Relations Act, 1947 (29 U.S.C. 142(2))) against the employer during the period beginning on the date of service of a notice under subsection (a) and ending on the expiration of the period specified in subsection (b).

AMENDMENT No. 424

On page 94, between lines 2 and 3, insert the following new subsection:

"(c) NO DUTY TO BARGAIN OVER DECISIONS TO CLOSE PLANTS OR BUSINESSES.—Notwithstanding any other provision of law, no employer shall be required to bargain with an employee representative with respect to a decision to close all or part of a plant or business, even though the employer may be obligated to bargain with the representative with respect to the effect of the closing on employees.

On page 94, line 7, insert ", and each employee representative who violates section 202(d)," before "shall".

## OMNIBUS TRADE ACT

### MATSUNAGA AMENDMENT NO. 425

(Ordered to lie on the table.)

Mr. MATSUNAGA submitted an amendment intended to be proposed by him to the bill (S. 1420) supra; as follows:

AMENDMENT No. 425

At the end of title I of the bill, add the following:

SEC. . NEGOTIATIONS ON SUBSIDIES.

(a) IN GENERAL.—Whenever, under the authority granted by this title, the President determines that subsidy practices or policies of a foreign country have, or are likely to have, a significant adverse impact on United States industries, but such practice or policies are not actionable under chapter I of title III of the Trade Act of 1974, the President shall take action to initiate bilateral negotiations with such foreign country on an expedited basis to achieve the elimination of such practices or policies.

(b) REPORT.—By no later than January 3, 1991, the President shall submit to Congress a report on actions taken in bilateral negotiations conducted under this section.

(c) RELATION TO GATT.—The negotiations described in subsection (a) are intended to supplement negotiations conducted under the General Agreement on Tariffs and Trade that are aimed at achieving multilateral agreement on subsidies.

### NICKLES (AND OTHERS) AMENDMENT NO. 426

Mr. NICKLES (for himself, Mr. SYMMS, Mr. GRASSLEY, Mr. KARNES, Mr. MCCLURE, Mr. HATCH, and Mr. HELMS) proposed an amendment to the bill (S. 1420) supra; as follows:

AMENDMENT No. 426

At the appropriate place, insert the following new sections:

SECTION . SHORT TITLE.

This Act may be cited as the "Foreign Agricultural Investment Reform (FAIR) Act".

SEC. . LIMITATIONS ON INTERNATIONAL FINANCIAL ASSISTANCE.

(a) The Secretary of the Treasury (hereafter in this Act referred to as the "Secretary") shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank and the Fund for Special Operations, the International Monetary Fund, the Asian Development Bank, the Asian Development Funds, the Inter-American Investment Corporation, the African Development Bank, and the African Development Fund to use the voice and vote of the United States to oppose any assistance by these institutions, using funds appropriated or otherwise made

available pursuant to any provision of law, for the production or extraction of any commodity or mineral, unless the Secretary—

(1) determines, in consultation with the Secretaries of Agriculture, Energy and Interior as appropriate, that such commodity or mineral, as the case may be, is not in surplus on world markets;

(2) certifies that assistance from sources other than those institutions listed in this section accompanies the proposed assistance by such institutions, and is provided in an amount sufficient to demonstrate the economic viability of such production or extraction of the commodity or mineral:

(3) determines, in consultation with the Secretaries of Agriculture, Energy and Interior as appropriate, that the production, marketing, or export of commodities or minerals due in part or in whole to such assistance is not subsidized as described within the Agreement on Interpretation and Application of Articles V, XVI, and XXIII of the General Agreement on Tariffs and Trade and the annex relating thereto, done at Geneva on April 12, 1979; and

(4) submits to the Congress a report detailing the justification for his determinations.

(b) If any international financial institution described in this section approves financial assistance for the production or extraction of any commodity or mineral which would require the opposition of the United States Executive Director to that institution pursuant to this Act, the Secretary or his designees acting as the governor to that institution shall not agree to—

(1) any increase in the capital share of that institution;

(2) any replenishment of funding for that institution; or

(3) the letting of any instrument or note of credit by that institution either in the United States or denominated in the currency of the United States.

until he obtains a written commitment from the management of the institution that no future assistance will be proposed which would require the opposition of the United States Executive Director to that institution pursuant to this Act.

SEC. . REDUCTION OF UNITED STATES CONTRIBUTIONS.

(a) The amount of payments which the United States may make to the paid-in capital of an international financial institution described in section 2 during any capital expansion or replenishment of such institution may not exceed the amount of funds which the United States agreed to pay for paid-in capital under such expansion or replenishment minus an amount which bears the same proportion to the aggregate amount of assistance described in subsection (b) furnished by such institution as the United States share of the expansion or replenishment bears to the total amount of the expansion or replenishment.

(b)(1) The aggregate amount of assistance referred to in subsection (a) is the amount of assistance furnished by an international financial institution which, pursuant to this Act, would have been opposed by the United States Executive Director to that institution during the period described in paragraph (2).

(2) The period referred to in paragraph (1) is the same number of years as the capital expansion or replenishment period, which immediately preceded the first year of the expansion or replenishment period.

(c) Any funds withheld from payment to an international financial institution pursuant to this section shall be used to reduce the public debt in the manner specified in section 3113 of title 31, United States Code.

SEC. . NOTIFICATION.

The Secretary shall notify the institutions described in section 2 of the provisions of this Act upon its date of enactment.

SEC. . USE OF COMMODITIES IN LIEU OF CASH.

(a) Chapter 4 of the part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 535. SUPPORT FOR COMMODITY IMPORT PROGRAMS.—(a) The President shall provide assistance under this chapter to a country for commodity import programs whenever he determines that the needs of such country and of the United States would be better met through such programs rather than through cash transfers. The President shall evaluate each country proposed to receive assistance under this chapter with respect to the needs described in the preceding sentence.

"(b)(2) Wherever practicable, each country receiving a cash transfer under this chapter shall use such transfer to pay for goods produced or grown in the United States, including agricultural commodities, and for services performed by a national of the United States.

"(c) The Comptroller General of the United States shall monitor and audit, to the extent practicable, the expenditures of cash transferred under this chapter in each country receiving such cash.

"(d) For purposes of this section, the term 'national of the United States' means (1) a natural person who is a citizen of the United States or who owes permanent allegiance to the United States, and (2) a corporation or other legal entity which is organized under the laws of the United States, any State or territory thereof, or the District of Columbia, if natural persons who are nationals of the United States own: directly or indirectly, more than 50 percent of the outstanding capital stock or other beneficial interest in such legal entity. Such term does not include aliens.".

(b) The amendment made by subsection (a) shall take effect on October 2, 1987.

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## SYMMS (AND OTHERS) AMENDMENT NO. 427

Mr. SYMMS (for himself, Mr. NICKLES, Mr. GRASSLEY, Mr. KARNES, Mr. MCCLURE, Mr. HATCH, and Mr. HELMS) proposed an amendment to amendment No. 426 proposed by Mr. NICKLES (and others) to the bill (S. 1420) supra; as follows:

AMENDMENT NO. 427

Strike all after the word "section."

At the appropriate place, insert the following:

SHORT TITLE

This Act may be cited as the "Foreign Agricultural Investment Reform (FAIR) Act".

SEC. . LIMITATIONS OF INTERNATIONAL FINANCIAL ASSISTANCE.

(a) The Secretary of the Treasury (hereafter in this Act referred to as the "Secretary") shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank and the Fund for Special Operations, the International Monetary Fund, the Asian Development Bank, the Asian Development Fund, the Inter-American Investment Corporation, the African Development Fund to use the voice and vote of the United States to oppose any assistance by these institutions, using funds appropriated or otherwise made available pursuant to any provision of law, for the production or extraction of any commodity or mineral, unless the Secretary—

(1) determines, in consultation with the Secretaries of Agriculture, Energy and Interior as appropriate, that such commodity or mineralk, as the case may be, is not in surplus on world markets;

(2) certifies that assistance from sources other than those institutions listed in this section accompanies the proposed assistance by such institutions, and is provided in an amount sufficient to demonstrate the economic viability of such production or extraction of the commodity or mineral:

(3) determines, in consultation with the Secretaries of Agriculture, Energy and Interior as appropriate, that the production, marketing, or export of commodities or minerals due in part or in whole to such assistance is not subsidized as described within the Agreement on Interpretation and Application of Articles V, XVI, and XXIII of the General Agreement on Tariffs and Trade and the annex relating thereto, done at Geneva on April 12, 1979; and

(4) submits to the Congress a report detailing the justification for his determinations.

(b) If any international financial institution described in this section approves financial assistance for the production or extraction of any commodity or mineral which would require the opposition of the United States Executive Director to that institution pursuant to this Act, the Secretary or his designees acting as the governor to that institution shall not agree to—

(1) any increase in the capital share of that institution:

(2) any replenishment of funding for that institution; or

(3) the letting of any instrument or note of credit by that institution either in the United States or denominated in the currency of the United States.

until he obtains a written commitment from the management of the institution that no future assistance will be proposed which would require the opposition of the United States Executive Director to that institution pursuant to this Act.

SEC. . REDUCTION OF UNITED STATES CONTRIBUTIONS.

(a) The amount of payments which the United States may make to the paid-in capital of an international financial institution described in section 2 during any capital expansion or replenishment of such institution may not exceed the amount of funds which the United States agreed to pay for paid-in capital under such expansion or replenishment minus an amount which bears the same proportion to the aggregate amount of assistance described in subsection (b) furnished by such institution as the United States share of the expansion or replenishment bears to the total amount of the expansion or replenishment.

(b)(1) The aggregate amount of assistance referred to in subsection (a) is the amount of assistance furnished by an international financial institution which, pursuant to this Act, would have been imposed by the United States Executive Director to that institution during the period described in paragraph (2).

(2) The period referred to in paragraph (1) is the same number of years as the capital expansion or replenishment period, which immediately preceded the first year of the expansion or replenishment period.

(c) Any funds withheld from payment to an international financial institution pursuant to this section shall be used to reduce the public debt in the manner specified in section 3113 of title 31, United States Code.

SEC. . NOTIFICATION.

The secretary shall notify the institutions described in section 2 of the provisions of this Act upon its date of enactment.

SEC. . USE OF COMMODITIES IN LIEU OF CASH.

(a) Chapter 4 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 535. SUPPORT FOR COMMODITY IMPORT PROGRAMS.—(a) The President shall provide assistance under this chapter to a country for commodity import programs whenever he determines that the needs of such country and of the United States would be better met through such programs rather than through cash transfers. The President shall evaluate each country proposed to receive assistance under this chapter with respect to the needs described in the preceding sentence.

"(b)(2) Wherever practicable, each country receiving a cash transfer under this chapter shall use such transfer to pay for goods produced or grown in the United States, including agricultural commodities, and for services performed by a national of the United States.

"(c) The Comptroller General of the United States shall monitor and audit, to the extent practicable, the expenditures of cash transferred under this chapter in each country receiving such cash.

"(d) For purposes of this section, the term 'national of the United States' means (1) a natural person who is a citizen of the United States or who owed permanent allegiance to the United States, and (2) a corporation or other legal entity which is organized under the laws of the United States, any State or territory thereof, or the District of Columbia, if natural persons who are nationals of the United States own; directly or indirectly, more than 50 percent of the outstanding capital stock or other beneficial interest in such legal entity. Such term does not include aliens.".

(b) The amendment made by subsection (a) shall take effect on October 1, 1987.

## PRICE-ANDERSON ACT AMENDMENTS

## SASSER (AND OTHERS) AMENDMENT NO. 428

(Ordered to lie on the table.)

Mr. SASSER (for himself, Mr. ADAMS, Mr. MITCHELL, Mr. COHEN, Mr. GORE, Mr. REID, Mr. SANFORD, Mr. BENTSEN, Mr. ROCKEFELLER, Mr. BIDEN, Mr. PROXMIRE, Mr. HATFIELD, Mr. KASTEN, and Mr. PACKWOOD) submitted an amendment intended to be proposed by them to the bill (S. 748) to amend the Atomic Energy Act of 1954, as amended, to establish a comprehensive, equitable, reliable, and efficient mechanism for full compensation of the public in the event of an accident resulting from activities undertaken under contract with the Department of Energy; as follows:

AMENDMENT No. 428

At the end of the bill, add the following:

TITLE —NUCLEAR WASTE POLICY REVIEW

Subtitle A, Nuclear Waste Review Commission

SEC. 01. SUSPENSION OF CERTAIN DEPARTMENT OF ENERGY HIGH LEVEL NUCLEAR WASTE ACTIVITIES.

(a) Notwithstanding any other provision of law, no funds authorized by this Act, the Nuclear Waste Policy Act, or any other Act, may be used to continue or complete any site-specific activities of the Department of Energy (hereafter referred to as the "Department"), in the United States or Canada, directly or indirectly related to the siting, development, regulation, or environmental review of any Federal spent fuel or high-level nuclear waste disposal, interim spent fuel storage, or management facility until the Commission created pursuant to section 02 of this subtitle has issued its final report and Congress has authorized resumption of such activities.

(b) For the purposes of this title, site-specific activities include, but are not limited to: land acquisition; land withdrawal; site characterization; area recommendation or characterization; selection or investigation of sites for a repository or monitored retrievable storage facility (hereafter in this title referred to known as "MRS"); preparation of documents required to comply with the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101 et seq.) or the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.); or research activities of the Department, in the United States or Canada, related to specific disposal or management sites including, but not limited to, underground research facilities.

(c)(1) Nothing in this section shall result in the curtailment or restriction of any funding or obligation by the Department to provide funding or technical assistance to States or Indian Tribes preliminarily or formally identified by the Department as a potential site for a first or second repository or MRS, transportation corridor or any affected State or Indian Tribe. The Department shall provide financial and technical assistance to all such States and Indian Tribes in reasonable conformance with their requests for such assistance for all aspects of the Department's high-level waste program as if such suspension were not in effect.

(2) For the purposes of this section, the term "affected State or Indian Tribe" means States or Indian Tribes that are potentially affected as defined in the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101 et. seq), or possess treaty rights to sites or areas which have proposed for waste facilities, or are contiguous to any major river, waterway or underground aquifer that is within or adjacent to any proposed repository or MRS site, or are contiguous to proposed transportation corridors.

SEC. 02. NUCLEAR WASTE REVIEW COMMISSION.

(a) There shall be established a Commission to be known as the Nuclear Waste Review Commission (hereafter referred to as the "Commission"). The existence of the Commission shall expire four months after it completes and transmits to the Congress the final report required pursuant to this section.

(b)(1) The Commission shall be composed of thirteen members appointed in the following manner:

(A) four members shall be appointed by the Majority Leader of the Senate and shall include:

(i) one individual recommended by the governors of the states being considered by the Department for the first repository,

(ii) one individual, recommended by state agencies with authority to regulate electric utility rates,

(B) four members shall be appointed by the Speaker of the House of Representatives and shall include:

(i) one individual recommended by the governors of the states being considered by the Department for the second repository,

(ii) one individual recommended by nationally recognized environmental public interest organizations with expertise in radioactive waste,

(C) five members shall be appointed by the President of the United States and shall include:

(i) one individual recommended by the state under consideration by the Department to host a MRS facility,

(ii) one individual recommended by potentially affected Indian Tribes,

(iii) one individual recommended by electric utilities which hold licenses issued under section 103 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2133),

(2) Of the appointment of members not otherwise specified by this section, the Majority Leader of the Senate, the Speaker of the House of Representatives, and the President shall each appoint one individual knowledgeable in geology, hydrogeology, or related earth science and one individual knowledgeable in public health, radiation health physics or related life science respectively.

(3) All appointments shall be made within forty-five days after the date of enactment of this section, any vacancy on the Commission shall be filled in the same manner in which the original appointment was made, and no more than seven members of the Commission shall be of the same political party.

(4) No individual may serve as a member of the Commission who is, or has been within the last five years, employed either directly or indirectly as a contractor or consultant to the Department, nor shall any member have any significant financial interest or relationship in any firm, company, corporation or other business entity engaged in activities regulated by the Nuclear Regulatory Commission or a contractor to the Department within the two years preceding such member's appointment. For the purposes of this section, individuals employed directly by, or as contractors to, State or Indian Tribes pursuant to technical or financial assistance grants from the Department shall not be deemed to be contractors of the Department.

(5) Members of the Commission shall receive a per diem compensation for each day on official business of the Commission and shall be compensated for their necessary travel and expenses while so engaged. Members shall also be paid at the rate of level IV of the Executive Schedule under section 5315 of Title 5 of the United States Code.

(6) The Chairman and Vice Chairman of the Commission shall be elected by a simple majority vote of the members of the Commission. The Chairman shall be the chief executive officer of the Commission and shall, subject to such policies and procedures as the Commission may establish, exercise the functions of the Commission with respect to:

(A) appointment and supervision of personnel employed by the Commission, provided that each member may appoint and supervise one administrative and one technical assistant and that such assistant shall be deemed employees of the Commission for all other purposes,

(B) organization of any administrative units established by the Commission; and,

(C) use and expenditure of funds.

(7) The Chairman may delegate any of the functions under this paragraph to any other member or to any appropriate employee or officer of the Commission, provided that the Vice Chairman shall act as Chairman in the event of the absence or incapacity of the Chairman or in the case of a vacancy in the office of the Chairman.

(8) Any member of the Commission may be removed by the President solely for neglect of duty or malfeasance in office.

(9) The Commission shall hire such staff and make such expenditures for consultants and services as are necessary.

(c) The functions of the Commission shall be to review and to make recommendations to the Congress concerning the implementation of the Federal Government's nuclear waste disposal program, and applicable statutes, regulations, and procedures, including, but not limited to, the following:

(1) to investigate cooperation and conflicts between the Federal Government and the governments of the respective States and Indian Tribes involved in the Nation's nuclear waste disposal and management program and make recommendations for resolving such disputes, including, but not limited to, the review of existing Federal guidelines for consultation and cooperation between Federal agencies and the respective States and Indian Tribes, mitigation of program impacts and assistance grants to, and definitions of, affected States, Indian Tribes, and units of affected local government.

(2) to review and recommend changes to the national site selection program for disposal, management, and storage sites and the current status of available scientific and technical information available concerning disposal, storage and management technologies and individual sites relevant to the selection of such sites.

(3) to review and recommend changes to the stautory deadlines and the decisionmaking processes and methodologies used by the Department with regard to the selection of candidate sites for the first and second repository programs and MRS, and the decisions themselves, including the siting guidelines, ranking methods and preparation of environmental assessments to determine conformance with statutory intent, regulation requirements, scientific and technical protocols and practices;

(4) to review the timing of promulgation and adequacy of Federal regulations pertaining to the siting, environmental, public health and safety, and socioeconomic impacts of spent fuel and high-level and transuranic waste storage, transportation, and disposal, as promulgated by the Department, the Nuclear Regulatory Commission, the Environmental Protection Agency, and the Department of Transportation;

(5) to review the national program for spent fuel and high-level waste management, storage, transportation and disposal, and make recommendations on the need for, cost effectiveness of, and timing of storage, management and disposal facilities, choice of technology for such facilities and alternative approaches and schedules for deployment of such facilities, including, but not limited to;

(A) pre-emplacement management and treatment technologies and technologies to minimize the volume of spent fuel and high-level waste generated, including, but not limited to extended burn-up of nuclear fuel,

(B) alternative spent fuel storage technologies, such as on-site rod consolidation, on-site storage, and multi-purpose storage and transportation casks, and

(C) alternative disposal technologies such as subseabed disposal.

(6) to recommend to the Congress weighted numerical criteria for use in the selection of sites for geologic disposal and monitored retrievable storage, respectively. Such criteria shall take into account the factors identified in Sec. 112(a) of the Nuclear Waste Policy and such other consideration as the Commission deems appropriate.

(7) to recommend alternative means for managing, and assuring independent technical review, of the Federal Government's program for siting and development of spent fuel and high-level waste management, storage and disposal facilities.

(8) to review the adequacy and management of funds collected, or required to be collected, for the Nuclear Waste Fund created pursuant to the Nuclear Waste Policy Act of 1982 for both commercial and defense spent fuel and high-level waste.

(d)(1) Any Federal agency currently or previously concerned with the disposal, storage, management, or regulation of spent nuclear fuel or high-level waste shall cooperate fully with any investigation of the Commission including the production of any information related to its decision-making process.

(2) The Commission shall have access to, and may systematically analyze, information from the Department of Energy, Nuclear Regulatory Commission, or Environmental Protection Agency or predecessor agency to determine whether there exists any historical pattern of bias in favor or certain sites, geologic media, or policies or noncompliance with applicable statutes.

(3) Notwithstanding any provision of law, all contractors employed by the Department shall cooperate fully with the Commission in any such investigations and provide ready access to all information necessary to complete the duties of the Commission pursuant to this Title.

(4)(A) The Commission may, for the purpose of carrying out the provisions of this Title, hold such hearings and sit and act at such times and places, and require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such evidence as the Commission may deem necessary, provided, however, that the Commission shall hold public hearings in each State directly affected by the Federal nuclear waste program to obtain the views of citizens and their public officials on the conduct of such program.

(B) Subpoenas may be issued by the Commission under the signature of the Chairman or any other member of the Commission designated by him and shall be served by any person designated by the Chairman or his designee. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission if so designated by the Chairman.

(C) Any person who willfully neglects or refuses to qualify as a witness, or to testify, or to produce any evidence in obedience to any subpoena duly issued under the authority of this section shall be fined not more than $2000, or imprisoned for not more than six months, or both. Upon certification by the Chairman of the Commission of the facts concerning any willful disobedience by any person to the United States Attorney of any judicial district in which the person resides or is found, the United States Attorney may proceed by information for the prosecution of the person for the offense.

(e) The Commission shall issue a final report to the Congress within 18 months of the date of the enactment of this Act, after opportunity for comment by Federal, State, Tribal and local government agencies and the public. Such report shall describe the Commission's activity, shall address comments received by the Commission and shall contain the recommendations of specific measures to enhance and improve the Nation's program for management and disposal of spent nuclear fuel and high-level waste.

(f) Information received by the Commission may be made available to the public upon identifiable request at reasonable cost. Nothing in this section shall be deemed to require the release of any information described by subsection (b) of section 552 of Title 5 of the United States Code, or which is otherwise protected by law from disclosure to the public.

SEC. 03. RIGHT TO JUDICIAL REVIEW.

Nothing in this title alters affects the right of judicial review or prejudices any such review ongoing at the time of enactment of this title of any actions by any Federal agency made prior to the effective date of this title.

SEC. 04. AUTHORIZATION OF FUNDS.

There is hereby authorized to be appropriated for each of the fiscal years 1988, 1989, and 1990, the sum of $10,000,000 for the expenses of the Commission from the Nuclear Waste Fund established pursuant to Sec. 302 of the Nuclear Waste Policy Act of 1982.

Subtitle B—Interim Storage Plans and Financing

SEC. 11. INTERIM STORAGE PLANS.

(a) Not later than 180 days after the enactment of this Act, the Nuclear Regulatory Commission shall promulgate regulations requiring that each licensee that generates or stores spent nuclear fuel develop and implement a contingency storage plan to provide for the safe storage of spent nuclear fuel in the event that disposal of such fuel is not available in 1998 as provided in the Nuclear Waste Policy Act of 1982.

(b) Such storage plan regulations shall require that each such licensee provide, as appropriate, for the receipt, storage, licensing, control, and monitoring of spent fuel generated or stored by the licensee for a period consistent with the findings made by the Nuclear Regulatory Commission in the "Waste Confidence Proceeding" as approved by the Commission on August 22, 1984 (49 Fed. Reg. 34658).

(c) The Nuclear Regulatory Commission shall determine the necessity and adequacy of each plan to protect the public health and safety and the environment and to adequately provide safe storage after January 1998, provided, however, that nothing in this section shall be construed to affect requirements of the Nuclear Regulatory Commission concerning the granting, suspension, revocation, or amendment of any license or construction permit issued pursuant to the Atomic Energy Act of 1954, as amended.

SEC. 12. FINANCIAL ASSISTANCE FOR SPENT FUEL STORAGE.

(a) Upon a finding by the Nuclear Regulatory Commission that a plan submitted by a licensee is necessary and adequate to provide safe storage as provided in section 11 of this subtitle, such licensee is eligible to receive a credit against contributions already made or required to be made to the Nuclear Waste Fund established pursuant to section 302 of the Nuclear Waste Policy Act of 1982 for reimbursement of the cost of development and implementation of such plan. After confirmation by the Secretary of Energy of the findings of the Nuclear Regulatory Commission required pursuant to this subtitle, the Secretary shall issue credits to the licensee in an amount equal to the cost of developing and implementing such plan. Such credits shall be distributed on an annual basis for amounts equal to the costs incurred in that or previous years.

(b) Not later than 180 days after enactment, the Secretary in consultation with the Nuclear Regulatory Commission, shall promulgate regulations for processing applications for spent fuel storage credits pursuant to this section and shall establish procedures to verify the applicants compliance with plans and appropriateness of costs incurred by the applicants.

(a) There shall be established a Commission to be known as the Nuclear Waste Review Commission (hereafter referred to as the "Commission"). The existence of the Commission shall expire four months after it completes and transmits to the Congress the final report required pursuant to this section.

(b)(1) The Commission shall be composed of thirteen members appointed in the following manner:

(A) four members shall be appointed by the Majority Leader of the Senate and shall include:

(i) one individual recommended by the governors of the states being considered by the Department for the first repository,

(ii) one individual, recommended by state agencies with authority to regulate electric utility rates,

(B) four members shall be appointed by the Speaker of the House of Representatives and shall include:

(i) one individual recommended by the governors of the states being considered by the Department for the second repository,

* * *.

● Mr. SASSER. Mr. President, today I rise along with several of my colleagues to present an amendment to S. 748, the Department of Energy Contractor Price-Anderson Reauthorization.

This amendment is designed to stop the Department of Energy from implementing its own very selective interpretation of the Nuclear Waste Policy Act.

This amendment is cosponsored by Senators representing every region of the country, united by a common belief that the Department of Energy has persistently violated both the letter and spirit of the Nuclear Waste Policy Act in its clumsy attempts at implementation.

The 1982 act was a very carefully calibrated piece of legislation. It attempted to hold the concerns of various regions and various interests in a finely tuned balance. Five years later that finely balanced instrument is in ruins.

Many of us suspect that the Department of Energy has politicized this legislation, and has thereby destroyed its credibility.

Whether it's politics or simple incompetence, the fact remains that the Department of Energy should not be allowed to move ahead with policy initiatives that are in direct conflict with the 1982 act.

I believe that it is essential that we pause and examine the failed disposal program and try to get the process back on track. To this end, the amendment we are introducing today establishes an independent review commission that will have 18 months within which to study the failed process and make recommendations on how to correct it.

The amendment suspends funding for the program until the review commission issues its findings.

Research into storage alternatives and waste minimization is encouraged and credits are provided to reimburse utilities for onsite storage costs.

There is no need to rush blindly along this path that the Department of Energy has misguidedly set us on. We simply cannot afford to have less than a reasoned, well-balanced Nation nuclear waste disposal policy.

We believe that this amendment is the best way to achieve such a policy.●

● Mr. ADAMS. Mr. President, I am pleased to cosponsor legislation being introduced today to provide for a review of the U.S. Department of Energy's high-level nuclear waste program. This legislation is in the form of an amendment to S. 748, a bill renewing the application of the Price-Anderson nuclear accident liability law for the Department's nuclear weapons and nuclear waste contractors.

The purpose of this amendment is very simple. The Department's high-level nuclear waste program has gone from bad to worse in the 4½ years since the Congress enacted the Nuclear Waste Policy Act of 1982. This landmark legislation was intended to provide a blueprint for developing a permanent solution to the problem of disposing of millions of gallons of high-level wastes generated from the Federal Government's nuclear weapons production complex and tens of thousands of tons of spent nuclear fuel from the Nation's commercial nuclear reactors.

Mr. President, the Department simply hasn't been following that blueprint. Instead, the high-level waste program has become even more politicized, even more litigious with some 30 lawsuits having been filed, and even less credible than the program which predated the act.

Our amendment would suspend the Department's site-specific efforts to locate sites for both first and second repositories and for a monitored retrievable storage facility. It would require an 18-month study by an independent review commission made up of representatives from affected States and Indian tribes, the utility industry, State utility regulatory commissions, environmental organizations, and no less than six scientists. The review commission would report back to the Congress on its findings and recommendations and the Congress would then decide what changes should be made in the program and the Nuclear Waste Policy Act.

The amendment would also recognize that under anyone's scenario there will not be a repository available in 1998 as originally proposed in the Nuclear Waste Policy Act. Consequently, we require utilities with nuclear powerplants to prepare spent fuel management plans to store that spent fuel beyond 1998. Since utilities and their ratepayers are paying for a program they are not getting, that is, a repository in 1998, funding to pay for the storage utilities need to provide is authorized to come from the Nuclear Waste Fund.

This assignment of responsibility for spent fuel storage until a permanent disposal capability exists is a continuation of the existing policy established in the 1982 act and is consistent with the findings of the Nuclear Regulatory Commission in the waste confidence proceeding that spent fuel can be stored safely at nuclear powerplant sites. Nothing in our amendment would alter the safety or licensing requirements that a utility would have to meet in providing for spent fuel storage and the spent fuel management plan which the amendment requires would itself have to be approved by the Nuclear Regulatory Commission.

Mr. President, there will be some who argue that this proposal to temporarily halt the site selection aspects of the Federal high-level waste program will kill the program and at best interject unnecessary delays. I want to assure my colleagues that this amendment is not intended to kill the high-level waste program, but to resuscitate it. Right now, the Department of Energy is engaging in a high-stakes political and technological gamble that the sites it has chosen are good enough to get over the political, regulatory, and judicial hurdles.

Those of us who represent States which are under consideration by the Department and have seen the lack of quality and depth of its analysis and site selection process firsthand believe that there is no basis for confidence. The Department, for example, issued stop-work orders to its technical contractors at both the Nevada and Hanford, WA sites just weeks prior to its

final selection of those sites because of quality assurance problems with the way key site selection data was being gathered and analyzed.

It is instructive that the Department's primary defense of going ahead with characterization of repository sites is the only way to address the enormous gaps in information needed to determine if these sites are suitable. Here again, the Department has been misleading the Congress and the public. Washington State and Nevada have both been arguing with the Department for years that we need to collect more data about the sites. Finally, this spring, the Department has conceded that it is essential that more hydrologic tests be conducted from surface wells before a large diameter characterization shaft is drilled; a position taken by both the State and the Nuclear Regulatory Commission staff more than 3 years ago. The State of Nevada has had to go to court to get technical assistance funds to conduct independent geologic survey work on the site in its borders.

Mr. President, the hiatus we are proposing will not stop the program. We are not changing existing law. Generic scientific work on geologic disposal will continue. Technical work on storage casks and technologies will continue. Transportation planning and technology development will continue.

What will not continue is the Department of Energy's myopic, confrontational approach to siting complex, first-of-a-kind high-level waste facilities in States where the Department of Energy's credibility has long since vanished and where serious technical objections have been dismissed by the Department as simply efforts to keep the repository out of our backyards.

Mr. President, we have 63 million gallons of high-level waste in Washington State. We already have the waste in our backyard. We want results. We want a credible, scientific program that will result in sound, permanent solution. This amendment is the first step toward getting our Nation back on the road toward that solution.●

● Mr. HATFIELD. Mr. President, There is little doubt that our country's nuclear waste program is is in a state of chaos. Under the direction of the Department of Energy [DOE], our search for a suitable repository for our spent high-level nuclear full has been politicized and manipulated to such an extent that it lacks any degree of integrity or public confidence. Although I have been reluctant to endorse any measure which would stop the site selection process completely, I finally have reached the conclusion that legislative action is our only remaining alternative to remedy this sorry situation.

The amendment we are introducing today, the Nuclear Waste Policy Review, would impose an 18-month moratorium on all site-specific activities by DOE at the three proposed first round repository sites and the monitored retrievable storage site. During that period, a 13-member independent review commission would be established and would evaluate DOE's handling of the nuclear waste program and make recommendations to Congress based on its findings. The amendment also provides a mechanism whereby the electric utilities would be required to develop contingency plans for the storage of spent nuclear fuel as an alternative to not having access to a permanent repository by 1998, as originally envisioned in the Nuclear Waste Policy Act of 1982.

During the past year, we have seen a developing consensus among Members of Congress that DOE should not be allowed to conduct "business as usual" in its efforts to select the first commercial nuclear waste site. Time and again, the site selection process has been called into question. By providing for an alternate plan for interim storage of the waste, and temporarily halting the process, we are betting that cooler heads will prevail on this issue, and that the program can regain the initial support it once enjoyed.

I still have every confidence that the legislation we crafted 5 years ago, the Nuclear Waste Policy Act of 1982, provides an adequate mechanism for carrying out our nuclear waste program. However, the events over the last 13 months leads me to believe that we need to stop and examine the actions which have been executed by DOE, the organization to which we entrusted the implementation of the act. It is my hope that the legislation we are introducing today will provide solutions to the problems that have developed, and will succeed in putting this program back on track.●

## SENATORIAL ELECTION CAMPAIGN ACT

### BOREN (AND OTHERS) AMENDMENT NO. 429

(Ordered to lie on the table and be printed.)

Mr. BYRD, for Mr. BOREN (for himself, Mr. EXON, and Mr. KERRY) submitted an amendment intended to be proposed by them to the bill (S. 2) to amend the Federal Election Campaign Act of 1971 to provide for a voluntary system of spending limits and partial public financing of Senate general elections, to limit contributions by multicandidate political committees, and for other purposes; as follows:

Beginning with line 5 on page 32, strike out all through line 10 on page 88, and insert in lieu thereof the following:

That this Act may be cited as the "Senatorial Election Campaign Act of 1987".

SEC. 2. The Federal Election Campaign Act of 1971 is amended by adding at the end the following new title:

"TITLE V—SPENDING LIMITS AND BENEFITS FOR SENATE ELECTION CAMPAIGNS

"DEFINITIONS

"SEC. 501. For purposes of this title—

"(1) unless otherwise provided in this title the definitions set forth in section 301 of this Act, except the provisions of section 301(9)(B)(vi), apply to this title;

"(2) the term 'authorized committee' means, with respect to any candidate for election to the office of United States Senator, any political committee which is authorized in writing by such candidate to accept contributions or make expenditures on behalf of such candidate to further the election of such candidate;

"(3) the term 'candidate' means an individual who is seeking nomination for election, or election to the office of United States Senator and such individual shall be deemed to seek nomination for election, or election, if such individual meets the requirements of subparagraph (A) or (B) of section 301(2);

"(4) the term 'election cycle' means—

"(A) in the case of a candidate or the authorized committee of a candidate, the term beginning on the day after the date of the last previous general election for such office or seat which such candidate seeks and ending on the date of the next election; or

"(B) for all other persons, the term beginning on the first day following the date of the last general election and ending on the date of the next election;

"(5) the term 'eligible candidate' means a candidate who is eligible under section 502 to receive benefits under this title;

"(6) the term 'general election' means any election which will directly result in the election of a person to the office of United States Senator, but does not include an open primary election;

"(7) the term 'general election period' means the period beginning on the day after the date of the primary or runoff election, whichever is later, and ending on the date of such general election or the date on which the candidate withdraws from the campaign or otherwise ceases actively to seek election, whichever occurs first;

"(8) the term 'immediate family' means a candidate's spouse, and any child, stepchild, parent, grandparent, brother, half-brother, sister or half-sister of the candidate, and the spouse of any such person, and any child, stepchild, parent, grandparent, brother, half-brother, sister or half-sister of the candidate's spouse and the spouse of any such person.

"(9) the term 'major party' has the meaning given such term in section 9002(6) of the Internal Revenue Code of 1986, the Presidential Election Campaign Fund Act, provided that a candidate in a general election held by a State to elect a Senator subsequent to an open primary in which all the candidates for the office participated and which resulted in the candidate and at least one other candidate qualifying for the ballot in the general election, shall be treated as a candidate of a major party for purposes of this title;

"(10) the term 'primary election' means any election which may result in the selection of a candidate for the ballot of the general election;

"(11) the term 'primary election period' means the period beginning on the day fol-

lowing the date of the last Senate election for the same Senate office and ending on the date of the first primary election for such office following such last Senate election for such office, or the date on which the candidate withdraws from the election or otherwise ceases actively to seek election, whichever occurs first;

"(12) the term 'runoff election' means the election held after a primary election, and prescribed by applicable State law as the means for deciding which candidate(s) should be certified as nominee(s) for the Federal office sought;

"(13) the term 'runoff election period' means the period beginning on the day following the date of the last primary election for such office and ending on the date of the runoff election for such office;

"(14) the term 'Senate Fund' means the Senate Election Campaign Fund maintained pursuant to section 506 by the Secretary of the Treasury in the Presidential Campaign Fund established by section 9006(a) of the Internal Revenue Code of 1986; and

"(15) the term 'voting age population' means the resident population, 18 years of age or older, as certified pursuant to section 315(e).

"ELIGIBILITY TO RECEIVE BENEFITS

"SEC. 502. (a) To be eligible to receive benefits under this title, in addition to the requirements of subsection (d), a candidate shall, within 7 days after qualifying for the general election ballot under the law of the State involved or, if such candidate is a candidate in a State which has a primary election to qualify for such ballot after September 1, within 7 days after the date such candidate wins in such primary, whichever occurs first—

"(1) certify to the Commission under penalty of perjury that during the period beginning on January 1 of the calendar year preceding the year of the general election involved, or in the case of a special election for the office of United States Senator, during the period beginning on the day on which the vacancy occurs in that office, and ending on the day of such certification, such candidate and the authorized committees of such candidate have received contributions in an amount at least equal to 10 cents multiplied by the voting age population of such State or $150,000, whichever is greater, up to an amount that does not exceed $650,000;

"(2) certify to the Commission under penalty of perjury that all contributions received for purposes of paragraph (1) have come from individuals and that no contribution from such individual, when added to all contributions to or for the benefit of such candidate from such individual, was taken into account to the extent such amount exceeds $250;

"(3) certify to the Commission under penalty of perjury that such candidate and the authorized committees of such candidate have not expended for the primary election, more than the amount equal to 67 percent of the general election spending limit applicable to such candidate pursuant to section 503(b), or more than $2,750,000, whichever amount is less;

"(4) certify to the Commission under penalty of perjury that such candidate and the authorized committees of such candidate have not expended for any runoff election, more than an amount equal to 20 percent of the general election spending limit applicable to such candidate pursuant to section 503(b);

"(5) certify to the Commission under penalty of perjury that 75 per centum of the aggregate amount of contributions received for purposes of paragraph (1) have come from individuals residing in such candidate's State;

"(6) certify to the Commission under penalty of perjury that at least one other candidate has qualified for the same general election ballot under the law of the State involved;

"(7) agree in writing that such candidate and the authorized committees of such candidate—

"(A) have not made and will not make expenditures which exceed the limitations established in section 503, except as otherwise provided in this title;

"(B) will not accept any contributions in violation of section 315;

"(C) will not accept any contribution for the general election involved except to the extent that such contribution is necessary to defray expenditures for such election that in the aggregate do not exceed the amount of the limitation on expenditures established in section 503(b), unless otherwise provided in this Act;

"(D) will deposit all payments received under this section in an account insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation from which funds may be withdrawn by check or similar means of payment to third parties;

"(E) will furnish campaign records, evidence of contributions and other appropriate information to the Commission; and

"(F) will cooperate in the case of any audit and examination by the Commission under section 507; and

"(8) notify the Commission of their intention to make use of the benefits provided for in section 504.

"(b) For the purposes of subsection (a)(1) and paragraph (2)(B) of section 504(a), in determining the amount of contributions received by a candidate and the candidate's authorized committees—

"(1) no contribution other than a gift of money made by a written instrument which identifies the person making the contribution shall be taken into account;

"(2) no contribution made through an intermediary or conduit referred to in section 315(a)(8) shall be taken into account;

"(3) no contribution received from any person other than an individual shall be taken into account, and no contribution received from an individual shall be taken into account to the extent such contribution exceeds $250 when added to the total amount of all other contributions made by such individual to or for the benefit of such candidate beginning on the applicable date specified in paragraph (4) of this subsection; and

"(4) no contribution received prior to January 1 of the calendar year preceding the year in which the general election involved or received after the date on which the general election involved is held shall be taken into account, and in the case of a special election, no contribution received prior to the date on which the vacancy occurs in that office or received after the date on which the general election involved is held shall be taken into account.

"(c) The threshold amounts in subsection (a)(1) shall be increased at the beginning of each calendar year based on the increase in the price index as determined under section 315(c), except that for purposes of determining such increase, the term 'base period', as used in such section shall mean the calendar year of the first election after the date of enactment of the Senatorial Election Campaign Act of 1987.

"(d) In addition to the requirements of subsection (a), to be eligible to receive benefits under this title a candidate shall, on the day such candidate files as a candidate for the primary election, file with the Commission a declaration whether or not—

"(1) such candidate and the authorized committees of such candidate intend to make expenditures, for the primary election, more than an amount equal to 67 percent of the general election spending limit applicable to such candidate pursuant to section 503(b), or more than $2,750,000, whichever amount is less;

"(2) such candidate and the authorized committees of such candidate intend to make expenditures, for any runoff election, more than an amount equal to 20 percent of the general election spending limit applicable to such candidate pursuant to section 503(b); and

"(3) such candidate and the authorized committees of such candidate intend to make expenditures, for the general election, more than an amount equal to the general election spending limit applicable to such candidate pursuant to section 503(b).

"LIMITATIONS ON EXPENDITURES

"SEC. 503. (a) No candidate who is entitled to a benefit in a general election under this title shall make expenditures from the personal funds of such candidate, or the funds of any member of the immediate family of such candidate, or incur personal loans in connection with such candidate's campaign for the Senate, aggregating in excess of $20,000, during the election cycle.

"(b)(1) Except as otherwise provided in this Act, no candidate who is entitled to a benefit for use in a general election under this title shall make expenditures for such general election which in the aggregate exceed $400,000, plus—

"(A) in States having a voting age population of 4 million or less, 30 cents multiplied by the voting age population; or

"(B) in States having a voting age population over 4 million, 30 cents multiplied by 4 million, plus 25 cents multiplied by the voting age population over 4 million;

except that the amount of the limitation under this subsection, in the case of any candidate, shall not be less than $950,000, nor more than $5,500,000.

"(2) Notwithstanding the provisions of paragraph (1), in any State with no more than one transmitter for a commercial Very High Frequency (VHF) television station licensed to operate in that State, no candidate in such State who receives a benefit for use in a general election under this title shall make expenditures for such general election which in the aggregate exceed the higher of—

"(A) $950,000; or

"(B) $400,000 plus 45 cents multiplied by the voting age population of 4 million or less, plus 40 cents multiplied by the voting age population over 4 million, up to an amount not exceeding $5,500,000.

"(c) The limitations on expenditures in subsections (b), (d), and (e) shall be subject to the provisions of subsections (b) and (c) of section 504.

"(d) No candidate who is otherwise eligible to receive benefits for a general election under this title may receive any such benefits if such candidate spends for the primary election, more than the amount equal to 67 percent of the limitation on expenditures for the general election as determined under subsection (b), or more than $2,750,000, whichever amount is less.

"(e) No candidate who is otherwise eligible to receive benefits for a general election under this title may receive any such benefits if such candidate spends for a runoff election, if any, more than an amount which in the aggregate exceeds 20 percent of the maximum amount of the limitation applicable to such candidate as determined under subsection (b).

"(f)(1) For purposes of this section, the amounts set forth in subsections (b), (d), and (e) of this section shall be increased at the beginning of each calendar year based on the increase in the price index as determined under section 315(c), except that for purposes of determining such increase, the term 'base period', as used in section 315(c), means the calendar year of the first election after the date of enactment of the Senatorial Election Campaign Act of 1987.

"(2) The limitation set forth in subsection (b) shall not apply to expenditures by a candidate or a candidate's authorized committees from a compliance fund established to defray the costs of legal and accounting services provided solely to insure compliance with this Act; provided however that—

"(A) such fund contains only contributions (including contributions received in excess of any amount necessary to defray qualified campaign expenditures pursuant to section 313) received in accordance with the limitations, prohibitions, and reporting requirements of this Act;

"(B) the aggregate total amount of contributions to, and expenditures from, such fund do not exceed 10 percent of the limitation on expenditures for the general election as determined under subsection (b); and

"(C) no transfers may be made from such fund to any other accounts of the candidate's authorized committees, except that the fund may receive transfers from such other accounts at any time.

In the event that, subsequent to any general election, a candidate determines that the costs of necessary and continuing legal and accounting services require contributions to and expenditures from the fund in excess of the limitations of this paragraph, the candidate may petition the Commission for a waiver of such limitations up to any additional amounts as the Commission may authorize in connection with such waiver. Any waiver, or denial of a waiver, by the Commission under this paragraph shall be subject to judicial review under section 508. Any money remaining in such fund when the candidate decides to terminate or dissolve such fund, shall be—

"(i) contributed to the United States Treasury to reduce the budget deficit, or

"(ii) transferred to a fund of a subsequent campaign of that candidate.

"(g) If, during the primary and runoff period portion of the two-year election cycle preceding the candidate's general election, independent expenditures by any person or persons aggregating an amount in excess of $10,000 are made, or are obligated to be made, in opposition to a candidate or for the opponent of such candidate, the limitations provided in subsections (d) and (e), as they apply to such candidate, shall be increased for that primary or runoff election in an amount equal to the amount of such expenditures made during the period covered by such election.

"ENTITLEMENT OF ELIGIBLE CANDIDATES TO BENEFITS

"SEC. 504. (a) Except as otherwise provided in section 506(c)—

"(1) all eligible candidates shall be entitled to—

"(A) the broadcast media rates provided under section 315(b)(3) of the Communications Act of 1934;

"(B) mailing rates provided in section 3629 of title 39 of the United States Code; and

"(C) payments under section 506 equal to the aggregate total amount of independent expenditures made or obligated to be made, in the general election involved, by any person in opposition to, or on behalf of an opponent of such eligible candidate, as such expenditures are reported by such person or determined by the Commission under subsection (f) of section 304;

"(2) if any candidate in the same general election not eligible to receive funds under this title either raises aggregate contributions or makes or obligates to make aggregate expenditures for such election which exceed the amount of the limitation determined under section 503(b) for such election—

"(A) an eligible candidate who is a major party candidate shall be entitled to receive a payment under section 506 in an amount equal to—

"(i) two-thirds of the amount of the limitation determined under section 503(b) with regard to such candidate when a candidate in the same election not eligible to receive funds under this title either raises aggregate contributions or makes or obligates to make aggregate expenditures for such election which exceed 100 percent of such limitation determined under section 503(b); and

"(ii) one-third of the amount of the limitation determined under section 503(b) with regard to such candidate when a candidate in the same election not eligible to receive funds under this title either raises aggregate contributions or makes or obligates to make aggregate expenditures for such election which exceed 133⅓ percent of such limitation determined under section 503(b); or

"(B) an eligible candidate who is not a major party candidate shall be entitled to matching payments under section 506, equal to the amount of each contribution received by such eligible candidate and the candidate's authorized committees, provided that in determining the amount of each such contribution—

"(i) the provisions of section 502(b) shall apply; and

"(ii) contributions required to be raised under section 502(a)(1) shall not be eligible to be matched; and

the total amount of payments to which a candidate is entitled under this subparagraph shall not exceed 50 percent of the amount of the limitation determined under section 503(b) applicable to such candidate.

"(b) A candidate who receives payments under paragraph (1)(C) or (2) of subsection (a) may spend such funds to defray expenditures in the general election without regard to the provisions of section 503(b).

"(c)(1) A candidate who receives benefits under this section may make expenditures for the general election without regard to the provisions of subparagraph (A) of section 502(a)(7) or subsection (a) or (b) of section 503 if and when any candidate in the same general election not eligible to receive payments under this section either raises aggregate contributions or makes or obligates to make aggregate expenditures for such election which exceed the amount of 133⅓ percent of the expenditure limit applicable to such candidate under section 503(b) for such election.

"(2) A candidate who receives benefits under this section may receive contributions for the general election without regard to the provisions of subparagraph (C) of section 502(a)(7) if any major party candidate in the same general election is not eligible to receive benefits under this section, or if and when any other candidate in the same general election who is not eligible to receive benefits under this section raises aggregate contributions or makes or obligates to make aggregate expenditures for such election which exceed 75 percent of the amount of the expenditure limit applicable to such candidate under section 503(b) for such election.

"(d) Benefits received by a candidate under this section shall be used to defray expenditures incurred with respect to the general election period for such candidate. Such benefits shall not be used (1) to make any payments, directly or indirectly, to such candidate or to any member of the immediate family of such candidate, (2) to make any expenditure other than expenditures to further the general election of such candidate, (3) to make any expenditures which constitute a violation of any law of the United States or of the State in which the expenditure is made, or (4) to repay any loan to any person except to the extent the proceeds of such loan were used to further the general election of such candidate.

"CERTIFICATION BY COMMISSION

"SEC. 505. (a) No later than 48 hours after an eligible candidate files a request with the Commission to receive benefits under section 506 the Commission shall certify such eligibility to the Secretary of the Treasury for payment in full of the amount to which such candidate is entitled, unless the provisions of section 506(c) apply. The request referred to in the preceding sentence shall contain—

"(1) such information and be made in accordance with such procedures, as the Commission may provide by regulation; and

"(2) a verification signed by the candidate and the treasurer of the principal campaign committee of such candidate stating that the information furnished in support of the request, to the best of their knowledge, is correct and fully satisfies the requirements of this title.

"(b) Certifications by the Commission under subsection (a) and all determinations made by the Commission under this title, shall be final and conclusive, except to the extent that they are subject to examination and audit by the Commission under section 507 and judicial review under section 508.

"ESTABLISHMENT OF FUND; PAYMENTS TO ELIGIBLE CANDIDATES

"SEC. 506. (a)(1) The Secretary shall maintain in the Presidential Election Campaign Fund (hereafter referred to as the 'Fund') established by section 9006(a) of the Internal Revenue Code of 1986, in addition to any other accounts maintained under such section, a separate account to be known as the 'Senate Fund'. The Secretary shall deposit into the Senate Fund, for use by candidates eligible to receive payments under this title, the amounts available after the Secretary determines that the amounts in the Fund, plus the amounts of revenue the Secretary projects will accrue to the Fund during the remainder of the period ending on December 31 of the year of the next Presidential election, equal 110 percent of the amount the Secretary projects will be necessary for payments under subtitle H of the Internal Revenue Code of 1986 during such remainder of such period. The monies designated for the Senate Fund shall

remain available without fiscal year limitation.

"(2) On May 15 of each year following the year during which a regularly scheduled biennial Senate election has occurred, the Secretary shall determine the total amount in the Senate Fund, and evaluate if such amount, plus the amount of revenue it projects will accrue to the Senate Fund (based on the computation made by the Secretary with respect to the Fund, as provided in paragraph (1)) during the period beginning on such date and ending on December 31 of the year of the next regularly scheduled biennial election, exceeds 110 percent of the total estimated expenditures of the Senate Fund during such period. If the Secretary determines that an excess amount exists, the Secretary shall transfer such excess to the general fund of the Treasury of the United States.

"(b) Upon receipt of a certification from the Commission under section 505, the Secretary shall promptly pay to the candidate involved in the certification, out of the Senate Fund, the amount certified by the Commission.

"(c)(1) If at the time of a certification by the Commission under section 505 for payment to an eligible candidate, the Secretary determines that the monies in the Senate Fund are not, or may not be, sufficient to satisfy the full entitlement of all such eligible candidates, the Secretary shall withhold from such payment such amount as he determines to be necessary to assure that an eligible candidate will receive a pro rata share of such candidate's full entitlement. Amounts so withheld shall be paid when the Secretary determines that there are sufficient monies in the Senate Fund to pay such amounts, or portions thereof, to all eligible candidates from whom amounts have been withheld, but, if there are not sufficient monies in the Senate Fund to satisfy the full entitlement of an eligible candidate, the amounts so withheld shall be paid in such manner that each eligible candidate receives his or her pro rata share of his or her full entitlement. The Secretary shall notify the Commission and each eligible candidate by registered mail of the reduction in the amount to which that candidate is entitled under section 505.

"(2) If the provisions of this subsection result in a reduction in the amount to which an eligible candidate is entitled under section 505 and payments have been made under this section in excess of the amount to which such candidate is entitled, such candidate is liable for repayment to the Fund of the excess under procedures the Commission shall prescribe by regulation.

"EXAMINATION AND AUDITS; REPAYMENTS

"SEC. 507. (a)(1) After each general election, the Commission shall conduct an examination and audit of the campaign accounts of 10 per centum of the eligible candidates of each major party and 10 per centum of all other eligible candidates, as designated by the Commission through the use of an appropriate statistical method of random selection to determine, among other things, whether such candidates have complied with the expenditure limits and other conditions of eligibility and requirements of this title.

"(2) After each special election, the Commission shall conduct an examination and audit of the campaign accounts of each eligible candidate in such election to determine whether such candidates have complied with the expenditure limits and other conditions of eligibility and requirements under this title.

"(3) The Commission may conduct an examination and audit of the campaign accounts of any eligible candidate in a general election if the Commission, by an affirmative vote of four members, determines that there exists reason to believe that such candidate has violated any provision of this title.

"(b) If the Commission determines that any portion of the payments made to a candidate under this title was in excess of the aggregate payments to which such candidate was entitled, the Commission shall so notify such candidate, and such candidate shall pay to the Secretary an amount equal to the excess.

"(c) If the Commission determines that any amount of any benefit made to a candidate under this title was not used as provided for in this title, the Commission shall so notify such candidate and such candidate shall pay to the Secretary an amount equal to 200 per centum of the amount of such benefit.

"(d) If the Commission determines that any candidate who has received benefits under this title has made expenditures which in the aggregate exceed by 5 per centum or less the limitation set forth in section 503(b), the Commission shall so notify such candidate and such candidate shall pay to the Secretary an amount equal to the amount of the excess expenditure.

"(e) If the Commission determines that any candidate who has received benefits under this title has made expenditures which in the aggregate exceed by more than 5 per centum the limitation set forth in section 503(b), the Commission shall so notify such candidate and such candidate shall pay the Secretary an amount equal to three times the amount of the excess expenditure.

"(f) Any amount received by an eligible candidate under this title may be retained for a period not exceeding sixty days after the date of the general election for the liquidation of all obligations to pay general election campaign expenses incurred during this general election period. At the end of such sixty-day period any unexpended funds received under this title shall be promptly repaid to the Secretary.

"(g) No notification shall be made by the Commission under this section with respect to an election more than three years after the date of such election.

"(h) All payments received under this section shall be deposited in the Senate Fund.

"CRIMINAL PENALTIES

"SEC. 507A. (a) No candidate shall knowingly or willfully accept benefits under this title in excess of the aggregate benefits to which such candidate is entitled or knowingly or willfully use such benefits for any purpose not provided for in this title or knowingly or willfully make expenditures from his personal funds, or the personal funds of his immediate family, in excess of the limitation provided in this title.

"(b) Any person who violates the provisions of subsection (a) shall be fined not more than $25,000, or imprisoned not more than 5 years, or both. Any officer or member of any political committee who knowingly consents to any expenditure in violation of the provisions of subsection (a) shall be fined not more than $25,000, or imprisoned not more than 5 years, or both.

"(c)(1) It is unlawful for any person who receives any benefit under this title, or to whom any portion of any such benefit is transferred, knowingly and willfully to use, or authorize the use of, such benefit or such portion except as provided in section 504(d).

"(2) Any person who violates the provisions of paragraph (1) shall be fined not more than $10,000, or imprisoned not more than 5 years, or both.

"(d)(1) It is unlawful for any person knowingly and willfully—

"(A) to furnish any false, fictitious, or fraudulent evidence, books, or information (including any certification, verification, notice, or report), to the Commission under this title, or to include in any evidence, books, or information so furnished any misrepresentation of a material fact, or to falsify or conceal any evidence, books, or information relevant to a certification by the Commission or an examination and audit by the Commission under this title, or

"(B) to fail to furnish to the Commission any records, books, or information requested by it for purposes of this title.

"(2) Any person who violates the provisions of paragraph (1) shall be fined not more than $10,000, or imprisoned not more than 5 years, or both.

"(e)(1) It is unlawful for any person knowingly and willfully to give or accept any kickback or any illegal payment in connection with any benefits received by any candidate, or the authorized committees of such candidate, who receives benefits under this title.

"(2) Any person who violates the provisions of paragraph (1) shall be fined not more than $10,000, or imprisoned not more than 5 years, or both.

"(3) In addition to the penalty provided by paragraph (2), any person who accepts any kickback or illegal benefit in connection with any benefits received by any candidate pursuant to the provisions of this title, or received by the authorized committees of such candidate, shall pay to the Secretary for deposit in the Fund, an amount equal to 125 percent of the kickback or benefit received.

"JUDICIAL REVIEW

"SEC. 508. (a) Any agency action by the Commission made under the provisions of this title shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit upon petition filed in such court within thirty days after the agency action by the Commission for which review is sought. It shall be the duty of the Court of Appeals, ahead of all matters not filed under this title, to advance on the docket and expeditiously take action on all petitions filed pursuant to this title.

"(b) The provisions of chapter 7 of title 5, United States Code, apply to judicial review of any agency action, as defined in section 551(13) of title 5, United States Code, by the Commission.

"PARTICIPATION BY COMMISSION IN JUDICIAL PROCEEDINGS

"SEC. 509. (a) The Commission is authorized to appear in and defend against any action instituted under this section and under section 508 either by attorneys employed in its office or by counsel whom it may appoint without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and whose compensation it may fix without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title.

"(b) The Commission is authorized through attorneys and counsel described in subsection (a), to institute actions in the district courts of the United States to seek re-

covery of any amounts determined under section 507 to be payable to the Secretary.

"(c) The Commission is authorized, through attorneys and counsel described in subsection (a), to petition the courts of the United States for such injunctive relief as is appropriate in order to implement any provision of this title.

"(d) The Commission is authorized on behalf of the United States to appeal from, and to petition the Supreme Court for certiorari to review, judgments or decrees entered with respect to actions in which it appears, pursuant to the authority provided in this section.

"REPORTS TO CONGRESS; REGULATIONS

"SEC. 510. (a) The Commission shall, as soon as practicable after each election, submit a full report to the Senate setting forth—

"(1) the expenditures (shown in such detail as the Commission determines appropriate) made by each eligible candidate and the authorized committees of such candidate;

"(2) the amounts certified by the Commission under section 505 for payment to each eligible candidate;

"(3) the amount of repayments, if any, required under section 507, and the reasons for each payment required; and

"(4) the balance in the Presidential Election Campaign Fund, and the balance in the Senate Fund and any other account maintained in the Fund.

Each report submitted pursuant to this section shall be printed as a Senate document.

"(b) The Commission is authorized to prescribe such rules and regulations in accordance with the provisions of subsection (c), to conduct such examinations and investigations, and to require the keeping and submission of such books, records, and information, as it deems necessary to carry out the functions and duties imposed on it by this title.

"(c) Thirty days before prescribing any rules or regulation under subsection (b), the Commission shall transmit to the Senate a statement setting forth the proposed rule or regulation and containing a detailed explanation and justification of such rule or regulation.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 511. There are authorized to be appropriated to the Commission for the purpose of carrying out functions under this title, such sums as may be necessary.".

SENATE FUND

SEC. 3. Section 6096(a) of the Internal Revenue Code of 1986 is amended—

(1) by striking out "$1" each place it appears in that subsection and inserting in lieu thereof "$2"; and

(2) by striking out "$2" each place it appears in that subsection and inserting in lieu thereof "$4".

BROADCAST RATES

SEC. 4. Section 315(b)(1) of the Communications Act of 1934 (47 U.S.C. 315(b)(1)) is amended by striking the semicolon and inserting in lieu thereof the following: ": *Provided*, That in the case of candidates for United States Senator in a general election, as such term is defined in section 501(6) of the Federal Election Campaign Act of 1971, this provision shall apply only if such candidate has been certified by the Federal Election Commission as eligible to receive benefits under title V of such Act and such candidate is identified or identifiable during 50 percent of the time of any broadcast of a political announcement or advertisement by such candidate;".

REPORTING REQUIREMENTS

SEC. 5. (a) Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) is amended by adding at the end thereof the following new subsections:

"(d)(1) Not later than the day after the date on which a candidate for the United States Senate qualifies for the ballot for a general election, as such term is defined in section 501(6), or, if such candidate is a candidate in a State which has a primary election to qualify for such ballot after September 1, within 7 days after the date such candidate wins in such primary, whichever occurs first, each such candidate in such election shall file with the Commission a declaration of whether or not such candidate intends to make expenditures in excess of the amount of the limitation on expenditures for such election, as determined under section 503(b).

"(2) Any declaration filed pursuant to paragraph (1) may be amended or changed at any time within 7 days after the filing of such declaration. Such amended declaration may not be amended or changed further.

"(e)(1) Any candidate for the United States Senate who qualifies for the ballot for a general election, as such term is defined in section 501(6)—

"(A) who is not eligible to receive benefits under section 502, and

"(B) who either raises aggregate contributions or makes or obligates to make aggregate expenditures for such election which exceed 75 percent of the amount of the limitation determined under section 503(b) for such Senate election,

shall file a report with the Commission within 24 hours after such contributions have been raised or such expenditures have been made or obligated to be made, or within 24 hours after the date of qualification for the general election ballot, whichever is later, setting forth the candidate's total contributions and total expenditures for such election, and thereafter shall file additional reports with the Commission within 24 hours after each time additional contributions are raised or expenditures are made, or are obligated to be made which aggregate an additional 5 percent of such limit. Such reports shall continue to be filed pursuant to the provisions of this section until such candidate has raised aggregate contributions or made or has obligated to make aggregate expenditures equal to 133⅓ percent of the limit provided for such State pursuant to section 503(b).

"(2) The Commission, within 24 hours after each such report has been filed, shall notify each candidate in the election involved who is eligible to receive benefits pursuant to the provisions of this title under section 504, about such report, and after an opposing candidate has raised aggregate contributions or made or has obligated to make aggregate expenditures in excess of the limit provided for such State pursuant to section 503(b), the Commission shall certify, pursuant to the provisions of subsection (i), such eligibility to the Secretary of the Treasury for payment of any amount to which such eligible candidate is entitled.

"(3) Notwithstanding the reporting requirement established in this subsection, the Commission may make its own determination that a candidate in a general election, as such term is defined in section 501(6), who is not eligible to receive benefits under section 504, has raised aggregate contributions or made or has obligated to make aggregate expenditures for such election which exceed the amount of the limitation determined under section 503(b) for such election. The Commission, within 24 hours after making such determination, shall notify each candidate in the general election involved who is eligible to receive benefits under section 504 about such determination, and shall certify, pursuant to the provisions of subsection (i), such eligibility to the Secretary of the Treasury for payment of any amount to which such candidate is entitled.

"(f)(1) All independent expenditures, if any, (including those described in subsection (b)(6)(B)(iii)) made by any person after the date of the last Federal election with regard to a general election, as such term is defined in section 501(6), and all obligations to make such expenditures incurred by any person during such period, if any, shall be reported by such person to the Commission as provided in paragraph (2), if such expenditure or obligation is described in such paragraph.

"(2) Independent expenditures by any person as referred to in paragraph (1) shall be reported within 24 hours after the aggregate amount of such expenditures incurred or obligated first exceeds $10,000. Thereafter, independent expenditures referred to in such paragraph, made by the same person in the same election, shall be reported within 24 hours after each time the aggregate amount of such expenditures incurred or obligated, not yet reported under this subparagraph, exceeds $5,000.

"(3) Each report under this subsection shall be filed with the Commission and the Secretary of State for the State of the election involved and shall contain (A) the information required by subsection (b)(6)(B)(iii) of this section, and (B) a statement filed under penalty of perjury by the person making the independent expenditures, or by the person incurring the obligation to make such expenditures, as the case may be, that identifies the candidate whom the independent expenditures are actually intended to help elect or defeat. The Commission shall, within 24 hours after such report is made, notify each candidate in the election involved who is eligible to receive benefits pursuant to section 504(a)(1)(C) of this Act, about each such report, and shall certify such eligibility to the Secretary of the Treasury for payment in full of any amount to which such candidate is entitled.

"(4)(A) Notwithstanding the reporting requirements established in this subsection, the Commission may make its own determination that a person has made independent expenditures, or has incurred an obligation to make such expenditures, as the case may be, with regard to a general election, as defined in section 501(6), that in the aggregate total more than the applicable amount specified in paragraph (2).

"(B) The Commission shall, within 24 hours after such determination is made, notify each candidate in the election involved who is eligible to receive benefits under section 504(a)(1)(C) about each determination under subparagraph (A), and shall certify, pursuant to the provisions of subsection (i), such eligibility to the Secretary of the Treasury for payment in full of any amount to which such candidate is entitled.

"(g)(1) When two or more persons make an expenditure or expenditures in coordination, consultation, or concert (as described in paragraph (2) or otherwise) for the purpose of promoting the election or defeat of

a clearly identified candidate, each such person shall report to the Commission, under subsection (f), the amount of such expenditure or expenditures made by such person in coordination, consultation, or concert with such other person or persons when the total amount of all expenditures made by such persons in coordination, consultation, or concert with each other exceeds the applicable amount provided in such subsection.

"(2) An expenditure by one person shall constitute an expenditure in coordination, consultation, or concert with another person where—

"(A) there is any arrangement, coordination, or direction with respect to the expenditure between such persons making the expenditures, including any officer, director, employee or agent of such person;

"(B) in the same two-year election cycle, one of the persons making the expenditures (including any officer, director, employee or agent of such person) is or has been, with respect to such expenditures—

"(i) authorized by such other person to raise or expend funds on behalf of such other person; or

"(ii) receiving any form of compensation or reimbursement from such other person or an agent of such other person;

"(C) one of the persons making expenditures (including any officer, director, employee or agent of such person) has communicated with, advised, or counseled such other person in connection with such expenditure; or

"(D) one of the persons making expenditures and such other person making expenditures each retain the professional services of the same individual or person in connection with such expenditures.

"(h)(1) Every political committee, as defined in section 301(4), active in non-Federal elections and maintaining separate accounts for this purpose shall file with the Commission reports of funds received into and disbursements made from such accounts for activities which may influence an election to any Federal office. For purposes of this section, activities which may influence an election to any Federal office include, but are not limited to—

"(A) voter registration and get-out-the-vote drives directed to the general public in connection with any election in which Federal candidates appear on the ballot;

"(B) general public political advertising which includes references, however incidental, to clearly identified Federal as well as non-Federal candidates for public office; or which does not clearly identify Federal candidates but urges support for or opposition to all the candidates of a political party or other candidates in a classification or context which includes Federal candidates; and

"(C) any other activities which require an allocation of costs between a political committee's Federal and non-Federal accounts reflecting the impact on Federal elections in accordance with regulations prescribed or Advisory Opinions rendered by the Commission.

"(2) Reports required to be filed by this subsection shall be filed for the same time-periods required for political committees under section 304(a), and shall include:

"(A) a separate statement, for each of the activities in connection with which a report is required under paragraph (1), of the aggregate total of disbursements from the non-Federal accounts; and

"(B) supporting schedules, providing an identification of each donor together with the amount and date of each donation with regard to those receipts of the non-Federal account which comprise disbursements reported under subparagraph (A), provided, however, that such schedules are required only for donations from any one source aggregating in excess of $200 in any calendar year.

"(3) Reports required to be filed by this subsection need not include donations made to or on behalf of non-Federal candidates or political organizations in accordance with the financing and reporting requirements of State laws, or other disbursements from the non-Federal accounts in support of exclusively non-Federal election activities, provided that such donations or disbursements are governed solely by such State laws and not subject to paragraph (1) of this subsection.

"(i) The certification required by this section shall be made by the Commission on the basis of reports filed with such Commission in accordance with the provisions of this Act, or on the basis of such Commission's own investigation or determination, notwithstanding the provisions of section 505(a).

"(j) Within 15 days after a candidate for the Senate qualifies for the primary ballot under applicable State law, such candidate shall file with the Commission, a declaration stating whether or not such candidate intends to expend from his personal funds, and the funds of his immediate family, and incur personal loans, in connection with his campaign for such office, in the aggregate of $250,000 or more, for the election cycle.

"(k)(1) Any candidate for the United States Senate who expends from his personal funds and the funds of his immediate family, and incurs personal loans, in connection with his campaign for such office, in the aggregate of $250,000 or more, for the election cycle, shall file a report with the Commission within 24 hours after such expenditures have been made or loans incurred. Thereafter the expenditures referred to in this paragraph shall be reported within 24 hours after each time the aggregate of such expenditures or loans exceeds $10,000.

"(2) The Commission within 24 hours after a report has been filed under paragraph (1) shall notify each candidate in the election involved who is eligible to receive payments pursuant to the provisions of this title under section 504 about each such report.

"(3) Notwithstanding the reporting requirements in this subsection, the Commission may make its own determination that a candidate for the United States Senate has made expenditures from the personal funds of such candidate or the funds of any member of the immediate family of such candidate or incurred personal loans in connection with his campaign aggregating in excess of $250,000, or thereafter in increments of $10,000 during the election cycle. The Commission within 24 hours after making such determination shall notify each candidate in the general election involved who is eligible to receive benefits under section 504 about each such determination.".

(b) Section 301(8)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)(B)) is amended by—

(1) inserting "except for purposes of reporting and disclosing, pursuant to section 304, such amounts in excess of $200," at the beginning of subparagraphs (v), (viii), (x), and (xii); and

(2) inserting at the end thereof the following:

"(C) The exclusions provided in subparagraphs (v), (viii), (x), and (xii) of paragraph (B) shall not be exclusions from the definition of contributions for purposes of reporting contributions as required by section 304, and all such contributions shall be reported.".

(c) Section 301(4) of the Federal Election Campaign Act of 1971 is amended by adding at the end thereof the following:

"For purposes of this section, the receipt of contributions or the making of, or obligating to make expenditures shall be determined by the Commission on the basis of facts and circumstances, in whatever combination, demonstrating a purpose of influencing any election for Federal office, including, but not limited to, the representations made by any person soliciting funds about their intended uses; the identification by name of individuals who are candidates for Federal office, as defined in paragraph (2) of this section, or of any political party, in general public political advertising; and the proximity to any primary, run-off, or general election of general public political advertising designed or reasonably calculated to influence voter choice in that election.".

(d) Section 301(9)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(9)(B)) is amended by—

(1) inserting "except for purposes of reporting and disclosing, pursuant to section 304, such amounts in excess of $200," at the beginning of subparagraphs (iv), (vi), (viii), and (ix); and

(2) inserting at the end thereof the following:

"(C) The exclusions provided in subparagraphs (iv), (vi), (viii), and (ix) of paragraph (B) shall not be exclusions from the definition of expenditures for purposes of reporting expenditures as required by this Act, and all such expenditures shall be reported.".

(e) Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) is amended by adding at the end thereof the following:

"(20) The term 'election cycle' means—

"(A) in the case of a candidate or the authorized committees of a candidate, the term beginning on the day after the date of the last previous general election for such office or seat which such candidate seeks and ending on the date of the next election; or

"(B) for all other persons, the term beginning on the first day following the date of the last general election and ending on the date of the next election.".

(f) Section 304(b)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(2)) is amended by striking out "for the reporting period and calendar year," and inserting in lieu thereof "for the reporting period and calendar year in the case of committees other than authorized committees of a candidate, and for the reporting period and election cycle in the case of authorized committees of candidates,".

(g)(1) Section 304(b)(4) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(4)) is amended by striking out "for the reporting period and calendar year," and inserting in lieu thereof "for the reporting period and calendar year in the case of committees other than authorized committees of a candidate, and for the reporting period and election cycle in the case of authorized committees of candidates,".

(2) Section 304(b)(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(3)) is amended—

(A) in subparagraph (A), by inserting after "calendar year," the following: "in the case of committees other than authorized committees or in excess of $200 within the election cycle in the case of authorized committees,";

(B) in subparagraph (F), by inserting after "calendar year," the following: "in the case of committees other than authorized committees or in excess of $200 within the election cycle in the case of authorized committees,"; and

(C) in subparagraph (G), by inserting after "calendar year," the following: "in the case of committees other than authorized committees or in excess of $200 within the election cycle in the case of authorized committees,".

(3) Section 304(b)(5)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(5)(A)) is amended by inserting after "calendar year," the following: "in the case of committees other than authorized committees or in excess of $200 within the election cycle in the case of authorized committees,".

(4) Section 304(b)(6)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(6)(A)) is amended by striking out "calendar year" and inserting in lieu thereof "election cycle".

(h) Section 301(13) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(13)) is amended by striking out "mailing address" and inserting in lieu thereof "permanent residence address".

(i) Section 304(b)(5)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(5)(A)) is amended by adding before the semicolon at the end thereof the following: ", except that if a person to whom an expenditure is made is merely providing personal or consulting services and is in turn making expenditures to other persons who provide goods or services to the candidate or his authorized committees, the name and address of such other person, together with the date, amount and purpose of such expenditure shall also be disclosed".

LIMITS ON CONTRIBUTIONS BY MULTICANDIDATE POLITICAL COMMITTEES AND SEPARATE SEGREGATED FUNDS

SEC. 6. (a) Section 315(a)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(2)) is amended by—

(1) striking out "or" at the end of subparagraph (B);

(2) striking out the period at the end of subparagraph (C) and inserting in lieu thereof a semicolon; and

(3) adding at the end the following new subparagraphs:

"(D) to any candidate for the office of Member of, or Delegate or Resident Commissioner to, the House of Representatives and the authorized political committees of such candidate with respect to—

"(i) a general or special election for the office of Representative in, or Delegate or Resident Commissioner to, the Congress (including any primary election, convention, or caucus relating to such general or special election) which exceed $100,000 ($125,000 if at least two candidates qualify for the ballot in the general or special election involved and at least two candidates qualify for the ballot in a primary election relating to such general or special election), when added to the total of contributions previously made by multicandidate political committees and separate segregated funds, other than multicandidate committees of a political party, to such candidate and his authorized political committees with respect to such general or special election (including any primary election, convention, or caucus relating to such general or special election); or

"(ii) a runoff election for the office of Representative in, or Delegate or Resident Commissioner to, the Congress which exceed $25,000 when added to the total of contributions previously made by multicandidate political committees and separate segregated funds, other than multicandidate committees of a political party, to such candidate and his authorized political committees with respect to such runoff election;

"(E) to any candidate for the office of Senator and the authorized political committees of such candidate with respect to—

"(i) a general or special election for such office (including any primary election, convention, or caucus relating to such general or special election) which, when added to the total of contributions previously made by multicandidate political committees and separate segregated funds, other than multicandidate committees of a political party, to such candidate and his authorized political committees with respect to such general or special election (including any primary election, convention, or caucus relating to such general or special election) exceeds an amount equal to 30 percent of the amount provided in section 315(i); or

"(ii) a runoff election for the office of United States Senator which exceeds, when added to the total of contributions previously made by multicandidate political committees and separate segregated funds, other than multicandidate committees of a political party, to such candidate and his authorized political committees with respect to such runoff election, an amount equal to 30 percent of the limitation on expenditures provided in section 315(j), for runoff elections; or

"(F) to any State committee of a political party, including any subordinate committee of a State committee, which, when added to the total of contributions previously made by multi-candidate political committees and separate segregated funds, other than multi-candidate committees of a political party, to such State committee exceeds an amount equal to—

"(i) 2 cents multiplied by the voting age population of the State of such State committee, or

"(ii) $25,000,

whichever is greater. The limitation of this subparagraph shall apply separately with respect to each two-year Federal election cycle, covering a period from the day following the date of the last Federal general election held in that State through the date of the next regularly scheduled Federal general election.".

(b)(1) Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a) is amended by adding at the end thereof the following:

"(i) For purposes of subsection (a)(2)(E)(i), such limitation shall be an amount equal to 67 percent of the aggregate of $400,000, plus—

"(1) in States having a voting age population of 4 million or less, 30 cents multiplied by the voting age population; or

"(2) in States having a voting age population over 4 million, 30 cents multiplied by 4 million plus 25 cents multiplied by the voting age population over 4 million;

except that such amount shall not be less than $950,000, nor more than $5,500,000.

"(j) For purposes of subsection (a)(2)(E)(ii), such limitation shall be an amount equal to 20 percent of the aggregate of $400,000, plus—

"(1) in States having a voting age population of 4 million or less, 30 cents multiplied by the voting age population; or

"(2) in States having a voting age population over 4 million, 30 cents multiplied by 4 million plus 25 cents multiplied by the voting age population over 4 million;

except that such amount shall not be less than $950,000, nor more than $5,500,000.".

(2) Section 315(c) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(c)) is amended by—

(A) striking out "subsection (b) and subsection (d)" in paragraph (1) and inserting in lieu thereof "subsections (b), (d), (i), and (j)"; and

(B) inserting "for subsections (b) and (d) and the term 'base period' means the calendar year of the first election after the date of enactment of the Senatorial Election Campaign Act of 1987, for subsections (i) and (j)" before the period at the end of paragraph (2)(B).

(c) Section 315(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(d)) is amended—

(1) in paragraph (1), by striking out "(2) and (3)" and inserting in lieu thereof "(2), (3), (4), and (5)";

(2) by adding at the end thereof the following:

"(4) No congressional campaign committee may accept, during any two-year election cycle, contributions from multicandidate political committees and separate segregated funds which, in the aggregate, exceed 30 percent of the total expenditures which may be made during such election cycle by that campaign committee on behalf of candidates for Senator, Representative, Delegate, or Resident Commissioner pursuant to the provisions of paragraph (3).

"(5) No national committee of a political party may accept contributions from multicandidate political committees and separate segregated funds, during any two-year election cycle, which, in the aggregate, equal an amount in excess of an amount equal to 2 cents multiplied by the voting age population of the United States.

"(6) The limitations contained in paragraphs (2) and (3) shall apply to any expenditure through general public political advertising, whenever made, which clearly identifies by name an individual who is, or is seeking nomination to be, a candidate in the general election for Federal office of President, Senator or Representative; provided that this paragraph shall not apply to direct mail communications designed primarily for fundraising purposes which make only incidental reference to any one or more Federal candidates.".

INTERMEDIARY OR CONDUIT

SEC. 7. (a) Section 315(a)(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(8)) is amended to read as follows:

"(8) For purposes of this subsection—

"(A) contributions made by a person, either directly or indirectly, to or on behalf of a particular candidate, including contributions which are in any way earmarked or otherwise directed through an intermediary or conduit to such candidate, shall be treated as contributions from such person to such candidate;

"(B) contributions made by a person either directly or indirectly, to or on behalf of a particular candidate, through an inter-

mediary or conduit, including all contributions delivered or arranged to be delivered by such intermediary or conduit, shall also be treated as contributions from the intermediary or conduit, if—

"(i) the contributions made through the intermediary or conduit are in the form of a check or other negotiable instrument made payable to the conduit or intermediary rather than the intended recipient; or

"(ii) the conduit or intermediary is a political committee, other than an authorized committee of a candidate, within the meaning of section 301(4), or an officer, employee or other agent of such a political committee, or an officer, employee or other agent of a connected organization, within the meaning of section 301(7), acting in its behalf; and

"(C) the limitations imposed by this paragraph shall not apply to—

"(i) bona fide joint fundraising efforts conducted solely for the purpose of sponsorship of a fundraising reception, dinner, or other event in accordance with rules and regulations prescribed by the Commission by (I) two or more candidates, (II) two or more national, State, or local committees of a political party within the meaning of section 301(4) acting on their own behalf, or (III) a special committee formed by (a) two or more candidates or (b) one or more candidates and one or more national, State, or local committees of a political party acting on their own behalf;

"(ii) fundraising efforts for the benefit of a candidate which are conducted by another candidate within the meaning of section 301(2).

In all cases where contributions are made by a person either directly or indirectly to or on behalf of a particular candidate through an intermediary or conduit, the intermediary or conduit shall report the original source and the intended recipient of such contribution to the Commission and to the intended recipient.".

INDEPENDENT EXPENDITURES

SEC. 8. (a) Section 301(17) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 (17)) is amended by adding at the end thereof the following: "An expenditure shall constitute an expenditure in coordination, consultation, or concert with a candidate and shall not constitute an 'independent expenditure' where—

"(A) there is any arrangement, coordination, or direction with respect to the expenditure between the candidate or the candidate's agent and the person (including any officer, director, employee or agent of such person) making the expenditure;

"(B) in the same election cycle, the person making the expenditure (including any officer, director, employee or agent of such person) is or has been—

"(i) authorized to raise or expend funds on behalf of the candidate or the candidate's authorized committees,

"(ii) serving as an officer of the candidate's authorized committees, or

"(iii) receiving any form of compensation or reimbursement from the candidate, the candidate's authorized committees, or the candidate's agent;

"(C) the person making the expenditure (including any officer, director, employee or agent of such person) has communicated with, advised, or counseled the candidate or the candidate's agents at any time on the candidate's plans, projects, or needs relating to the candidate's pursuit of nomination for election, or election to Federal office, in the same election cycle, including any advice relating to the candidate's decision to seek Federal office;

"(D) the person making the expenditure retains the professional services of any individual or other person also providing those services to the candidate in connection with the candidate's pursuit of nomination for election, or election to Federal office, in the same election cycle, including any services relating to the candidate's decision to seek Federal office;

"(E) the person making the expenditure (including any officer, director, employee or agent of such person) has communicated or consulted at any time during the same election cycle about the candidate's plans, projects, or needs relating to the candidate's pursuit of election to Federal office, with: (i) any officer, director, employee or agent of a party committee that has made or intends to make expenditures or contributions, pursuant to subsections (a), (d), or (h) of section 315 in connection with the candidate's campaign; or (ii) any person whose professional services have been retained by a political party committee that has made or intends to make expenditures or contributions pursuant to subsections (a), (d), or (h) of section 315 in connection with the candidate's campaign; or

"(F) the expenditure is based on information provided to the person making the expenditure directly or indirectly by the candidate or the candidate's agents about the candidate's plans, projects, or needs, provided that the candidate or the candidate's agent is aware that the other person has made or is planning to make expenditures expressly advocating the candidate's election.".

INDEPENDENT EXPENDITURE BROADCAST DISCLOSURE

SEC. 9. Section 318(a)(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441d(a)(3)) is amended by deleting the period at the end thereof and inserting in lieu thereof the following: ", except that whenever any person makes an independent expenditure through (A) a broadcast communication on any television station, the broadcast communication shall include a statement clearly readable to the viewer that appears continuously during the entire length of such communication setting forth the name of such person and in the case of a political committee, the name of any connected or affiliated organization, or (B) a newspaper, magazine, outdoor advertising facility, direct mailing or other type of general public political advertising, the communication shall include, in addition to the other information required by this subsection, the following sentence: 'The cost of presenting this communication is not subject to any campaign contribution limits.', and a statement setting forth the name of the person who paid for the communication and, in the case of a political committee, the name of any connected or affiliated organization and the name of the president or treasurer of such organization.".

PERSONAL LOANS

SEC. 10. Section 315(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)), as amended by section 7 of this Act, is further amended by adding at the end thereof the following paragraph:

"(9) For purposes of the limitations imposed by this section, no contributions may be received by a candidate or the candidate's authorized committees for the purpose of repaying any loan by the candidate to the candidate or to the candidate's authorized committees.".

REFERRAL TO THE DEPARTMENT OF JUSTICE

SEC. 11. Section 309(a)(5)(C) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(5)(C)) is amended by striking out "may refer" and inserting in lieu thereof "shall refer".

EXTENSION OF CREDIT

SEC. 12. Section 301(8)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)(A)) is amended by—

(1) striking out "or" at the end of clause (i);

(2) striking out the period at the end of clause (ii) and inserting in lieu thereof "; or"; and

(3) adding at the end thereof the following:

"(iii) with respect to a candidate for the office of United States Senator and his authorized political committees, any extension of credit for goods or services relating to advertising on broadcasting stations, in newspapers or magazines, by direct mail (including direct mail fund solicitations) or other similar types of general public political advertising, if such extension of credit is—

"(I) in an amount of more than $1,000; and

"(II) for a period of more than 60 days after the date on which such goods or services are furnished, which date in the case of advertising by direct mail (including a direct mail solicitation) shall be the date of the mailing.".

PREFERENTIAL RATES FOR MAIL

SEC. 13. (a) Subchapter II of chapter 36 of title 39, United States Code, is amended by adding at the end the following:

"§ 3629. Reduced rates for certain Senate candidates

"The rates of postage for matter mailed with respect to a campaign by an eligible candidate (as defined in section 501 of the Federal Election Campaign Act of 1971) shall be—

"(1) in the case of first-class mail matter, one-fourth of the rate currently in effect; and

"(2) in the case of third-class mail matter, 2 cents per piece less than mail matter mailed pursuant to paragraph (1),

provided that the total paid by such candidate for all mail matter at the rates provided by paragraphs (1) and (2) shall not exceed 5 percent of the amount which is applicable to such candidate pursuant to section 503(b) of the Federal Election Campaign Act of 1971.".

(b) The table of sections for chapter 36 of title 39, United States Code, is amended by inserting after the item relating to section 3628 the following new item:

"3629. Reduced rates for certain Senate candidates.".

BROADCASTING ACCESS PROVISIONS

SEC. 14. (a) Section 312(a) of the Communications Act of 1934 (47 U.S.C. 312(a)) is amended by—

(1) striking out "or" at the end of paragraph (6);

(2) striking out the period at the end of paragraph (7) and inserting in lieu thereof "; or"; and

(3) adding at the end thereof the following:

"(8) for willful or repeated discrimination against such a candidate in the amount, class or period of time made available to such candidate on behalf of his candidacy.".

(b) Section 315 of the Communications Act of 1934 (47 U.S.C. 315) is amended by adding at the end the following:

"(e) In providing access to use of a broadcasting station with respect to a campaign, a licensee shall give priority to legally qualified candidates for public office in connection with their campaigns.".

DISCLOSURE

SEC. 15. Section 318(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441d) is amended by—

(1) striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(2) adding at the end thereof the following:

"(4) if paid for or authorized by a general election candidate for the Senate, or the authorized committee of such candidate who has not agreed to abide by the expenditure limits in section 503, such advertisement or announcement shall contain the following sentence: 'This candidate has not agreed to abide by the spending limits for this Senate election campaign set forth in the Federal Election Campaign Act.'.".

POLITICAL COMMITTEE POSTAL RATES

SEC. 16. Subsection (e) of section 3626 of title 39, United States Code, is hereby repealed.

CONSTITUTIONAL AMENDMENT

SEC. 17. (a) The amendments made by section 2 of this Act shall cease to be effective, as provided in subsection (b), if an amendment to the Constitution of the United States permitting the Congress to establish spending limits for Congressional election campaigns is ratified as part of the Constitution.

(b) The amendments made by section 2 of this Act shall be repealed and cease to be effective for any Federal election held after such Constitutional amendment is ratified as part of the Constitution, or 22 months after such ratification, whichever is later.

(c) Upon repeal of such section 2, the Federal Election Campaign Act of 1971 is amended by adding at the end thereof the following:

"SEC. 324. (a) No candidate in a general election for the United States Senate shall make expenditures from the personal funds of such candidate, or the funds of any member of the immediate family of such candidate, or incur personal loans in connection with such candidate's campaign for the Senate, aggregating in excess of $20,000, during the election cycle.

"(b)(1) Except as otherwise provided in this Act, no candidate in a general election for the United States Senate shall make expenditures for such general election which in the aggregate exceed $400,000, plus—

"(A) in States having a voting age population of 4 million or less, 30 cents multiplied by the voting age population; or

"(B) in States having a voting age population over 4 million, 30 cents multiplied by 4 million plus 25 cents multiplied by the voting age population over 4 million;

except that the amount of the limitation under this subsection, in the case of any candidate, shall not be less than $950,000, nor more than $5,500,000.

"(2) Notwithstanding the provisions of paragraph (1), in any State with no more than one transmitter for a commercial Very High Frequency (VHF) television station licensed to operate in that State, no candidate in such State who receives a benefit for use in a general election under this title shall make expenditures for such general election which in the aggregate exceed the higher of—

"(A) $950,000; or

"(B) $400,000 plus 45 cents multiplied by the voting age population up to a population of 4 million, plus 40 cents multiplied by the voting age population over 4 million, up to an amount not exceeding $5,500,000.

"(c) No candidate in a general election for the United States Senate shall make expenditures for the primary election, which in the aggregate exceed an amount equal to 67 percent of the limitation on expenditures for the general election determined under subsection (b), or more than $2,750,000, whichever amount is less.

"(d) No candidate in a general election for the United States Senate shall make expenditures for a runoff election, if any, in an amount which in the aggregate exceeds 20 percent of the maximum amount of the limitation applicable to such candidate as determined under subsection (b).

"(e) For purposes of this section, the amounts set forth in subsections (b), (c), and (d) of this section shall be increased at the beginning of each calendar year based on the increase in the price index as determined under section 315(c), except that for purposes of determining such increase the term 'base period', as used in section 315(c), means the calendar year of the first election after the date of enactment of the Senatorial Election Campaign Act of 1987.

"SEC. 325. (a) In the absence of a constitutional statutory limitation on the amount of independent expenditures that may be made in a Senate election, notwithstanding the provisions of section 17(b) of the Senatorial Election Campaign Act of 1987, the provisions of section 2 of such Act which provide conditions for the eligibility for matching payments to be made to a candidate in the case of independent expenditures made by any person in opposition to, or on behalf of the opponent of, such an eligible candidate, and which provide for matching payments to be made to such eligible candidates, shall remain in effect.

"(b)(1) The Secretary shall maintain in the Presidential Election Campaign Fund (hereafter referred to as the 'Fund') established by section 9006(a) of the Internal Revenue Code of 1986, in addition to any other accounts maintained under such section, a separate account to be known as the 'Senate Fund'. The Secretary shall deposit into the Senate Fund, for use by candidates eligible to receive payments under this title, the amounts available after the Secretary determines that the amounts in the Fund, plus the amounts of revenue the Secretary projects will accrue to the Fund during the remainder of the period ending on December 31 of the year of the next Presidential election, equal to 110 percent of the amount the Secretary projects will be necessary for payments under subtitle H of the Internal Revenue Code of 1986 during such remainder of such period. The monies designated for the Senate Fund shall remain available without fiscal year limitation.

"(2) On May 15 of each year following the year during which a regularly scheduled biennial Senate election has occurred, the Secretary shall determine the total amount in the Senate Fund, and evaluate if such amount, plus the amount of revenue it projects will accrue to the Senate Fund (based on the computation made by the Secretary with respect to the Fund, as provided in paragraph (1)) during the period beginning on such date and ending on December 31 of the year of the next regularly scheduled biennial election, exceeds 110 percent of the total estimated expenditures of the Senate Fund during such period. If the Secretary determines that an excess amount exists, the Secretary shall transfer such excess to the general fund of the Treasury of the United States.".

SEVERABILITY

SEC. 18. If any provision of this Act or any amendment made by this Act, or the application of any such provision to any person or circumstance is held invalid, the validity of any other such provision and the application of such provision to other persons and circumstances shall not be affected thereby.

EFFECTIVE DATE

SEC. 19. (a) Except as provided in subsection (b), this Act and the amendments made by this Act shall become effective for any election held in 1990 or thereafter.

(b) The amendments made by section 3, section 7, section 8, and section 9 shall become effective on the date of enactment of this Act.

## NOTICE OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Energy and Natural Resources Committee.

The hearing will take place July 22, 1987, at 2 p.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC.

This hearing is a continuation of the committee's oversight deliberations concerning oil and gas leasing in the coastal plain of the Arctic National Wildlife Refuge, AK.

A representative of the oil and gas industry and a representative of the conservation community have been invited to address several specific issues raises at hearings last month. These issues include the availability of sufficient water and gravel resources for energy exploration, development and production; air and water quality concerns associated with such activities; the environmental record at Prudhoe Bay; impacts of oil and gas activities on wildlife resources—especially caribou, and so forth.

Those wishing further information about the hearing should contact Tom Williams of the Energy and Natural Resources Committee Staff, U.S. Senate, room SD-364, Dirksen Senate Office Building, Washington, DC 20510 (202) 224-7145.

SUBCOMMITTEE ON ENERGY REGULATION AND CONSERVATION

Mr. METZENBAUM. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled on S. 1382, a bill to amend the National Energy Conservation Policy Act to improve the Federal Energy Management Program and for other purposes.

This hearing will take place on July 30, 1987, at 10 a.m. in room SD-366 in

the Senate Dirksen Office Building in Washington, DC.

Those wishing to submit written testimony should address it to the Committee on Energy and Natural Resources, Subcommittee on Energy Regulation and Conservation, U.S. Senate, Washington, DC 20510.

For further information, please contact Allen Stayman at (202) 224-7865.

SUBCOMMITTEE ON MINERAL RESOURCES DEVELOPMENT AND PRODUCTION

Mr. MELCHER. Mr. President, I would like to announce for the information of the Senate and the public that an oversight hearing has been scheduled before the Subcommittee on Mineral Resources Development and Production of the Committee on Energy and Natural Resources on Friday, July 10, 1987, at 10 a.m. in room 366 of the Dirksen Senate Office Building. The purpose of the oversight hearing is to discuss the proposal by the Department of the Interior to retroactively modify Notice to Lessees-5 (NTL-5), relating the determination of the value of natural gas production from Federal and Indian onshore leases for royalty purposes.

Those wishing to submit written testimony should address it to the Committee on Energy and Natural Resources, room 364, Dirksen Senate Office Building, Washington, DC 20510.

For further information, please contact Patricia Beneke at (202) 224-2383.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. BREAUX. Mr. President, I wish to announce that the Committee on Environment and Public Works will meet in SD-406, Dirksen Senate Office Building, on Thursday, July 9, 1987, at 10:30 a.m., to receive testimony on the nomination of Mr. Kenneth C. Rogers to be a member of the Nuclear Regulatory Commission for the term of 5 years expiring June 30, 1992.

Individuals and representatives of organizations who wish to testify or submit a statement for the hearing record are requested to contact Mr. Dan Berkovitz, Assistant Counsel of the Environment and Public Works Committee, at (202) 224-4039.

For further information regarding this hearing, please contact Mr. Berkovitz.

## AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Wednesday, July 1, 1987, to conduct an executive session.

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

SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Housing and Urban Affairs of the Committee on Banking, Housing, and Urban Affairs be allowed to meet during the session of the Senate Wednesday, July 1, 1987, to conduct oversight hearings on the declining affordability of homeownership and the special problems of first-time homebuyers.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. BYRD. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, July 1, 1987, to hold a hearing on intelligence matters.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Wednesday, July 1, 1987, to hold markup on H.R. 348, the Postmasters and Postal Supervisors Appeals Rights bill; H.R. 1403, the John E. Grotbert Post Office Building; and S. 1293, the Independent Counsel Reauthorization Act of 1987.

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

COMMITTEE ON ARMED SERVICES

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, July 1, 1987, in closed session to consider S. 1243, the Intelligence Authorization Act for fiscal years 1988 and 1989.

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

SUBCOMMITTEE ON THE CONSTITUTION

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on the Constitution of the Committee on the Judiciary be authorized to meet during the session of the Senate on July 1, 1987, to hold a hearing on S. 558, the Fair Housing Amendment Act of 1987.

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

## ADDITIONAL STATEMENTS

### THE MEMPHIS AIR TRAFFIC CENTER

● Mr. SASSER. Mr. President, anyone who has dissatisfactions with our National Airway System needs to fly to Memphis, TN.

The Memphis International Airport is the eighth busiest airport in the Nation. The Federal Aviation Administration operates there 1 of its 22 national air route traffic centers, controlling 167,000 square miles of airspace and all the traffic of the Memphis Airport until it is turned over to the control tower within a 30 to 40 mile range.

The Memphis air traffic center ranks sixth busiest in the Nation, handling some 1.7 million operations last year. The Memphis control tower indicates nevertheless that there have been relatively few air traffic delays, and the Federal Department of Transportation did not list Memphis among those airports scheduled for an investigation of flight delays.

With a record such as this, it is hardly surprising that the FAA has selected the Memphis center as the best of its 22 centers.

The competition for this selection is based on records of operating errors, morale and productivity. Memphis has taken top honors. This is an achievement I want to crow about. Maybe the rest of the system can learn something from the Memphis center. Until then, let me just invite everyone to schedule his next trip through Memphis, TN, and enjoy the best of the system.

Mr. President, I ask that an article which appeared in the June 5 edition of the Memphis Commercial Appeal on the Memphis air traffic center be included in the RECORD.

The article follows:

[From the Memphis (TN) Commercial Appeal, June 5, 1987]

MEMPHIS NO. 1: AIR ROUTE TRAFFIC IS UNDER CONTROL

The FAA air route traffic center in Memphis was recognized yesterday as the best of 22 such facilities in the nation for 1986.

Selection of the Federal Aviation Administration center was based on competition in such areas as operating errors, morale and productivity.

The center on Democrat Road controls 167,000 square miles of airspace it handles aircraft up to 40 miles from Memphis International Airport as well as planes passing over the city.

Manager James A. Kosicki said the center handled 1.7 million aircraft operations last year, making it the sixth busiest center in the nation.

Aircraft using Memphis International deal with the center outside the 30-40 mile range. When they near the airport they are turned over to the control tower.

FAA statistics, based on the number of aircraft tracked on radar and controlled by the tower show Memphis is the nation's eighth busiest airport.

The US Department of Transportation is investigating the cause of numerous air traffic delays at many of the nation's busiest airports. Memphis International, however, is not among those being examined.

Roddy Coker, the Memphis control tower chief, said the airport has relatively few air traffic delays. The two main reasons Coker said are the physical layout of the airport and the flow of aircraft provided by the traffic center.

BUSIEST AIRPORTS BY INSTRUMENT TRAFFIC

Increases in the number of aircraft handled by Federal Aviation Administration radar and control facilities have caused

major delays in some cities. Memphis International Airport is the nation's eighth busiest airport based on total instrument traffic, but has not experienced major problems with delays. The total number of aircraft tracked on radar and controlled by the tower represents instrument traffic. Following are the busiest airports ranked by instrument traffic.

1. Chicago O'Hare;
2. Atlanta;
3. Newark;
4. Los Angeles;
5. Dallas-Ft. Worth;
6. New York-JFK;
7. Denver; and
8. Memphis.●

## GEORGE W. WEST RECEIVES CIVILIAN OF THE YEAR AWARD

(By request of Mr. DOLE, the following statement was ordered to be printed in the RECORD:)

● Mr. MURKOWSKI. Mr. President, I rise to pay tribute to an Alaskan who received, yesterday, the Civilian of the Year Award by the Secretary of Defense for his contribution to productivity enhancement. Mr. George W. West, foreman of the machine shop at Elmendorf Air Force Base, developed a concept which will save the taxpayers of this great country countless millions of dollars in repair costs for the F-15 aircraft. In recent years, we have heard much of defense expenditures and of the waste, fraud, and abuse inherent in the system. What we do not hear much about, however, is the dedication, skill, and commitment to excellence of the many civilian employees who render invaluable contributions to our national security. George West is one such individual. I am proud to tell his story.

When the 21st Tactical Fighter Wings fleet of F-15's began experiencing failures with the inlet ramp side load scissors, failures that were beyond field level repair, Mr. West had an idea. He envisioned a tool that could be manufactured locally that would allow for repair of the mount bolt hole attach points, rather than the replacement of the entire stringer assembly by Warner Robbins Air Logistic Center. Replacement of the entire assembly could mean delays of up to 4 months and significantly higher repair costs. Mr. West prescribed a repair using a tooling fixture of his own design which eliminated the need to replace the side load scissor, yet restore all the critical tolerances to standards exceeding those of the original design. The use of this new fixture resulted in a repair time of approximately 12 man-hours locally, instead of the 384 required by Warner Robbins Air Logistic Center, and a total cost of approximately $265 rather than the $20,000 to $25,000 required by a depot repair team.

Mr. West's concept was heralded by the Department of the Air Force. On November 20, 1986, the Department of the Air Force authorized the use of George West's concept to all F-15 organizations in the U.S. Air Force.

George West's contributions to the maintenance of F-15 aircraft and the support of the flying program for the 21st Tactical Fighter Wing are unparalleled. To date, he has supported the repair of 10 F-15 aircraft at Elmendorf Air Force Base for a savings of $189,354, and 1 aircraft at McChord Air Force Base, utilizing his tooling fixture. Potential savings of approximately $14 million in defense dollars can be realized now that his procedure is authorized by all F-15 organizations. Additionally, he has been lauded by his command for being singularly responsible for many of the distinctive accomplishments of the 21st Tactical Fighter Wing. His initiative and resourcefulness impacted the entire Air Force F-15 fleet, and reflects great credit upon himself and the U.S. Air Force.

Mr. President, George West is an example of what is right about our Department of Defense. I am proud that he is a fellow Alaskan, and on behalf of the citizens of our State, I congratulate him and his family on the presentation to him of this outstanding award.●

## THE CHILD CARE CRISIS: A NEWSWEEKLY'S VIEW

● Mr. CRANSTON. Mr. President, for more than 60 years, an appearance on the cover of Time magazine has meant that the subject featured has genuinely "arrived." As a barometer of who, and what, is hot, Time seldom misses the mark. It called our attention to the coming out of the Baby Boom generation in the 1960's, the emergence of the women's movement in the 1970's, and the omnipresence of the computer in the 1980's.

Two weeks ago, Time turned the spotlight on what it calls "the most wrenching personal problem facing millions of American families." If Time is right, then the time has finally come for the child care crisis to take its rightful place at the top of our national agenda.

As one who has stood in this Chamber many times over the last 18 years to support legislation designed to alleviate the problems caused by the dearth of affordable, quality child care, I applaud the writers and editors at Time. By focusing our national attention on this dilemma they perform a valuable service.

Their thorough research into the problem yielded many facts that may come as a surprise to the reading public, but which have been uttered here in the Senate many times. Despite that, they bear repeating now:

Less than one in five American families resembles the "typical family" of 20 years ago—that is, a working father and a stay-at-home mother.

Better than 6 out of 10 mothers with children under 14 are in the labor force today.

Seven out of 10 mothers who work do so to make ends meet.

Last year, 9 million preschoolers were in some kind of child care arrangement.

Experts predict that by 1997 the number of children under six who need child care will grow by more than 50 percent.

The average cost of full-time care is approximately $3,000 a year for one child—or one-third of the poverty level income for a family of three.

High quality supervision—when it can be found—costs more than $100 a week.

Of the Nation's 6 million employers, only 3,000 provide some sort of child care assistance—mostly in the form of advice or referrals.

Only 150 employers provide on-site or near-site centers.

Child care workers rank in the lowest 10 percent of U.S. wage earners, which contributes to an average turnover rate of 36 percent a year.

In addition to its look into the way things are, Time commissioned a poll to find out what people think. And, having held 11 community forums throughout my State last year devoted exclusively to the subject of child care, it came as no surprise to me that over half of their respondents felt the Government should do more to provide child care.

I share the public's view in this matter. And because I believe that all my colleagues can benefit from reading "The Child Care Dilemma," I ask that the entire text of the article be included in the RECORD.

[From Time Magazine, June 22, 1987]

THE CHILD-CARE DILEMMA—MILLIONS OF U.S. FAMILIES FACE A WRENCHING QUESTION: WHO'S MINDING THE KIDS?

(By Claudia Wallis)

The smell of wet paint wafts through the house on a treelined street on Chicago's North Side. Marena McPherson, 37, chose a peach tint for the nursery: a gender-neutral color. But the paint had a will of its own and dried a blushing shade of pink. Ah well, no time to worry about that. With the baby due in less than a month, there are too many other concerns. Like choosing a name, furnishing the baby's room, reading up on infant care and attending childbirth classes. Above all, McPherson must tackle the overriding problem that now confronts most expectant American mothers: Who will care for this precious baby when she returns to work?

An attorney who helps run a Chicago social-service agency, McPherson has accumulated two months of paid sick leave and vacation time. She plans to spend an additional four months working part time, but then she must return to her usual full schedule. So for several months she has been exhaustively researching the local child-care scene. The choices, she has

learned, are disappointingly few. Only two day-care centers in Chicago accept infants; both are expensive, and neither appeals. "With 20 or 30 babies, it's probably all they can do to get each child's needs met," says McPherson. She would prefer having a baby-sitter come to her home. "That way there's sense of security and family." But she worries about the cost and reliability: "People will quit, go away for the summer, get sick." In an ideal world, she says, she would choose someone who reflects her own values and does not spend the day watching soaps. "I suspect I will have to settle for things not being perfect."

That anxiety has become a standard rite of passage for American parents. Beaver's family, with Ward Cleaver off to work in his suit and June in her apron in the kitchen, is a vanishing breed. Less than a fifth of American families now fit that model, down from a third 15 years ago. Today more than 60 percent of mothers with children under 14 are in the labor force. Even more striking: about half of American women are making the same painful decision as McPherson and returning to work before their child's first birthday. Most do so because they have to: seven out of ten working mothers say they need their salaries to make ends meet.

With both Mom and Dad away at the office or store or factory, the child-care crunch has become the most wrenching personal problem facing millions of American families. In 1986, 9 million preschoolers spent their days in the hands of someone other than their mother. Millions of older children participate in programs providing after-school supervision. As American women continue to pour into the work force, the trend will accelerate. "We are in the midst of an explosion," says Elinor Guggenheimer, president of the Manhattan-based Child Care Action Campaign. In ten years, she predicts, the number of children under six who will need daytime supervision will grow more than 50 percent. Says Jay Belsky, a professor of human development at Pennsylvania State University: "We are as much a society dependent on female labor, and thus in need of a child-care system, as we are a society dependent on the automobile, and thus in need of roads."

At the moment, though, the American child-care system—to the extent that there is one—is riddled with potholes. Throughout the country, working parents are faced with a triple quandary: day care is hard to find, difficult to afford and often of distressingly poor quality. Waiting lists at good facilities are so long that parents apply for a spot months before their children are born. Or even earlier. The Empire State center in Farmingdale, N.Y., received an application from a woman attorney a week after she became engaged to marry. Apparently she hoped to time her pregnancy for an anticipated opening. The Jeanne Simon center in Burlington, Vt., has a folder of applications labeled "preconception."

Finding an acceptable day-care arrangement is just the beginning of the struggle. Parents must then maneuver to maintain it. Michele Theriot of Santa Monica, Calif., a 37-year-old theatrical producer, has been scrambling ever since her daughter Zoe was born 2½ years ago. In that short period she has employed a Danish au pair, who quit after eight months; a French girl, who stayed 2½ months; and an Iranian, who lasted a week. "If you get a good person, it's great," says Theriot, "but they have a tendency to move on" Last September, Theriot decided to switch Zoe into a "family-care" arrangement, in which she spends seven hours a day in the home of another mother. Theriot toured a dozen such facilities before selecting one. "I can't even tell you what I found out there," she bristles. In one home the "kids were all lined up in front of the TV like a bunch of zombies.' At another she was appalled by the filth. "I sat my girl down on the cleanest spot I could find and started interviewing the care giver. And you know what she did?" asks the incredulous mother. "She began throwing empty yogurt cups at my child's head. As though that was playful!"

Theriot is none too sure that the center she finally chose is much better. Zoe's diapers aren't always changed instructions about giving medicine are sometimes ignored, and worse, "she's started having nightmares." Enroute to day care on a recent day. Zoe cried out. "No school! No school!" and became distraught. It is time, Theriot concludes, to start the child-care search again.

Fretting about the effects of day care on children has become a national preoccupation. What troubles lie ahead for a generation reared by strangers? What kind of adults will they become? "It is scaring everybody that a whole generation of children is being raised in a way that has never happened before," says Edward Zigler, professor of psychology at Yale and an authority on child care. At least one major survey of current research, by Penn State's Belsky, suggests that extensive day care in the first year of life raises the risk of emotional problems, a conclusion that has mortified already guilty working parents. With high-quality supervision costing upwards of $100 a week, many families are placing their children in the hands of untrained, overworked personnel. "In some places, that means one woman taking care of nine babies," says Zigler. "Nobody doing that can give them the stimulation they need. We encounter some real horror stories out there, with babies being tied into cribs."

The U.S. is the only Western industrialized nation that does not guarantee a working mother the right to a leave of absence after she has a child. Although the Supreme Court ruled last January that states may require businesses to provide maternity leaves with job security, only 40 percent of working women receive such protection through their companies. Even for these, the leaves are generally brief and unpaid. This forces many women to return to work sooner than they would like and creates a huge demand for infant care, the most expensive and difficult child-care service to supply. The premature separation takes a personal toll as well, observes Harvard Pediatrician T. Berry Brazelton, heir apparent to Benjamin Spock as the country's preeminent guru on child rearing. "Many parents return to the workplace grieving."

New York City Police Office Janis Curtin resumed her assignment in south Queens just eight weeks after the birth of Peter. The screaming sirens and shrill threats of street thugs were just background noise to a relentless refrain in her head: "Who can I trust to care for my child?" She tried everything, from leaving Peter at the homes of other mothers to handing him over to her police-officer husband at the station-house door when they worked alternating shifts. With their schedules in constant flux, there were snags every step of the way. Curtin was more fortunate than most workers: police-department policy allows a year of unpaid "hardship" leave for child care. She decided to invoke that provision.

The absence of national policies to help working mothers reflects traditional American attitudes: old-fashioned motherhood has stood right up there with the flag and apple pie in the pantheon of American ideals. To some people day-care centers, particularly government-sponsored ones, threaten family values; they seem a step on the slippery slope toward an Orwellian socialist nightmare. But such abstract concerns have largely receded as the very concrete need for child care is confronted by people from all walks of life.

Child care is fast emerging as a political issue. At least three Democratic presidential candidates have been emphasizing the need for better facilities and calling for federal action. Former Arizona Governor Bruce Babbitt has proposed that the U.S. Government establish a voucher system to help low-income parents pay for day care. Delaware Senator Joseph Biden favors federal child-care subsidies for the working poor and tax incentives to encourage businesses to provide day care. If elected, he vows, he will set up a center for White House employees as an example to other employers. Massachusetts Governor Michael Dukakis, who has established the country's most comprehensive state-supported day-care system, would like to see the Federal Government fund similar programs throughout the U.S.

Last week the issue surfaced on Capitol Hill. In the House, Republican Nancy Johnson of Connecticut and Democrat Cardiss Collins of Illinois introduced legislation to establish a national clearinghouse for information on child-care services. A Senate subcommittee began hearings focused on the shortage of good-quality, affordable day care. Says Chairman Christopher Dodd of Connecticut: "It's about time we did something on this critical problem."

Without much federal help, the poorest mothers are caught in a vise. Working is the only way out of poverty, but it means putting children into day care, which is unaffordable. "The typical cost of full-time care is about $3,000 a year for one child, or one-third of the poverty-level income for a family of three," says Helen Blank of the Children's Defense Fund in Washington. As a result, many poor mothers leave their young children alone for long periods or entrust them to siblings only slightly older. Others simply give up on working.

Rosalind Dove, 29, of Los Angeles, is giving it her best shot. A single mother of four, she worked for five years as a custodian in a public high school, bringing home $1,000 in a good month. "I was paying $400 a month for child care," she recalls. "We didn't buy anything." When that failed, she began bringing her children to work with her, hiding them in an empty home-economics classroom while she mopped floors and hauled huge barrels of trash for eight hours a day. "I'd sneak them in after the teacher left and check on them every 30 minutes or so." She finally quit last February and slipped onto the welfare rolls. She applied for state child-care assistance, only to learn there were 3,000 others on the waiting list. Frustrated, she returned to work this month. "Don't ask me how I'm going to manage," she says.

Child care has always been an issue for the working poor. Traditionally, they have relied on neighbors or extended family and, in the worst of times, have left their children to wander in the streets or tied to the

bedpost. In the mid-19th century the number of wastrels in the streets was so alarming that charity-minded society ladies established day nurseries in cities around the country. A few were sponsored by employers. Gradually, local regulatory boards began to discourage infant care, restrict nursery hours and place emphasis on a kindergarten or Montessori-style instructional approach. The nurseries became nursery schools, no longer suited to the needs of working mothers. During World War II, when women were mobilized to join wartime industry, day nurseries returned, with federal and local government sponsorship. Most of the centers vanished in the postwar years, and the Donna Reed era of the idealized nuclear family began.

Two historic forces brought an end to that era, sweeping women out of the home and into the workplace and creating a new demand for child care. First came the feminist movement of the '60s, which encouraged housewives to seek fulfillment in a career. Then economic recessions and inflation struck in the 1970s. Between 1973 and 1983, the median income for young families fell by more than 16%. Suddenly the middle-class dream of a house, a car and three square meals for the kids carried a dual-income price tag. "What was once a problem only of poor families has now become a part of daily life and a basic concern of typical American families," says Sheila B. Kamerman, a professor of social policy and planning at Columbia University and co-author of *Child Care: Facing the Hard Choices.*

Some women are angry that the feminist movement failed to foresee the conflict that would arise between work and family life. "Safe, licensed child care should have been as prominent a feminist rallying cry as safe, legal abortions," observes Joan Walsh, a legislative consultant and essayist in Sacramento.

In the early 1970s, there was a flurry of congressional activity to provide child-care funds for the working poor and regulate standards. But under pressure from conservative groups, Richard Nixon vetoed a comprehensive child-development program in 1971, refusing, he said, to put the Government's "vast, moral authority" on the side of "communal" approaches to child rearing. The Reagan Administration has further reduced the federal role in child care. In inflation-adjusted dollars, funding for direct day-care subsidies for low- and middle-income families has dropped by 28%.

California, Minnesota, Massachusetts, New York and Connecticut are among the few states that have devoted considerable resources to improving child-care programs. Most states have done virtually nothing. Thirty-three have lowered their standards and reduced enforcement for licensed day-care centers. As of last year, 23 states were providing fewer children with day care than in 1981.

Nor have American businesses stepped in to fill the void. "They acknowledge that child care is an important need, but they don't see it as their problem," says Kamerman. Of the nation's 6 million employers, only about 3,000 provide some sort of child-care assistance. That is up from about 100 in 1978, but most merely provide advice or referrals. Only about 150 employers provide on-site or near-site day-care centers. "Today's corporate personnel policies remain stuck in a 1950s time warp," charges David Blankenhorn, director of the Manhattan-based Institute for American Values. "They are rooted in the quaint assumption that employees have 'someone at home' to attend to family matters."

There are basically three kinds of day care in the U.S. For children under five, the most common arrangement is "family" or "home-based" care, in which toddlers are minded in the homes of other mothers. According to a Census Bureau report called *Who's Minding the Kids,* 37% of preschool children of working mothers spend their days in such facilities. An additional 23% are in organized day-care centers or preschools. The third type of arrangement, which prevails for older children and for 31% of those under five, is supervision in the child's own home by a nanny, sitter, relative or friend.

Home-based groups are popular primarily because they are affordable, sometimes costing as little as $40 a week. The quality depends on the dedication of the individual mothers, many of whom are busy not only with their paid charges but with their own children as well. Darlene Daniels, 31, a single mother of three in Chicago, has been through four such sitters in six months. Two proved too expensive and careless for Daniels, who was earning $7 an hour as a janitor, another robbed her. "For most people, it's not their own kids, and they're just looking at the dollar sign," she complains.

Only eight states have training requirements for home-based centers. Regulations governing the ratio of attendants to tots vary widely. In Maryland there must be one adult for every two children under age two. But in Georgia each adult is allowed to care for up to ten children under age two and, in Idaho, twelve.

A private nanny or au pair usually assures a child more individual attention. Professional couples, who must work long hours or travel, often find that such live-in arrangements are the only practical solution, though the cost can exceed $300 a week. However, most live-in sitters in the U.S., unlike the licensed nannies of Britain, have no formal training. Many speak English poorly, and agencies frequently do a cursory job of screening them. A Dallas mother who asked an attorney friend to run a check on her newly hired nanny was told the woman was wanted for writing bad checks. "People need a license to cut your hair but not to care for your child," observes Elaine Claar Campbell, a Chicago investment banker. She and her lawyer-husband Ray, armed with five pages of questions, spent three months interviewing more than 50 people before settling on Clara Hawkes, 47, an artist from Santa Fe whose own daughter is a National Merit Scholar. "You don't want to gamble with your child," says Ray.

Au pairs, usually European girls between 18 and 25, are less expensive, receiving an average of $100 a week plus room and board. Most stay only a year, and few have legal working papers. The immigration law that took effect this month will make the employers of such workers liable for fines up to $10,000, though the Immigration and Naturalization Service does not plan an aggressive crackdown on domestic help.

Concerns about legality have led more families to hire American au pairs—frequently teenage girls from the Midwest and often Mormons. "We Mormons come from big families, so we have experience with kids," explains Karen Howell, 19, a Californian who is spending a year with a Washington, D.C., family. "We don't drink, and we know the meaning of hard work." Two agencies—the Experiment in International Living and the American Institute for Foreign Study—have Government permission to bring in 3,100 European au pairs a year on cultural-exchange visas. Although the programs are more expensive than traditional au pair arrangements, host families are assured that their helpers are legal.

The professional day-care center is the fastest-growing option for working parents. There are an estimated 60,000 around the country, about half nonprofit and half operated as businesses. Costs vary widely, from $40 a week to as much as $120. In the best centers, children are cared for by dedicated professionals. At the nonprofit Empire State center in Farmingdale, N.Y., teachers make up lesson plans even for infants. Empire, which receives partial funding from New York State, keeps parents closely informed of their child's development. "If a child takes a first step, develops in the least, that parent is called," Says Director Ana Fontana.

Not all day-care centers are so conscientious. Day-care staffers rank in the lowest 10% of U.S. wage earners, a fact that contributes to an average turnover rate of 36% a year. Says Caroline Zinsser of the Center for Public Advocacy Research in Manhattan: "It says something about our society's values that we pay animal caretakers more than people who care for our children." Gilda Ongkeko is delighted with the quality of the Hill an' Dale Family Learning Center in Santa Monica, Calif., attended by Jason, 4. In her job as owner of a preschool-supply company, she has come to appreciate how unusual it is. "I've been to over 1,000 child-care centers," she says, "and I'd say that 90% of them should be shutdown. It's pathetic."

Experts worry that a two-tier system is emerging, with quality care available to the affluent, and everyone else settling for less. "We are at about the same place with child care as we were when we started universal education." says Zigler of Yale. "Then some kids were getting Latin and Greek and being prepared for Harvard, Yale and Princeton. Other kids were lucky if they could learn to write their own name."

In 1827 Massachusetts led the way to universal education by becoming the first state to require towns with 500 or more families to build high schools. Now it is showing the way to universal child care. Aided by a booming economy, the state has worked out a program with employers, school boards, unions and nonprofit groups to encourage the expansion and improvement of child-care facilities. Small companies and groups can receive low-interest loans from the state to build day-care facilities. Funds are earmarked for creating centers in public housing projects. School systems can get financial aid for after-school programs. A statewide referral network serves both individual parents and corporations looking for child care.

Emilia Davis, 38, of Boston's working-class Roslindale section, is the beneficiary of another of the state's far-reaching programs. After years of dependence on welfare to support herself and her five children. Davis, who is separated from her husband, is now going to college with the ultimate hope of finding a job. The state's E.T. (employment and training) program provides her with vouchers for day cre in the public housing complex where she lives. "Child care is an absolute precondition if one is serious about trying to help people lift themselves out of poverty." insists Governor Dukakis. Though

the state will spend an estimated $27 million on day care under the E.T. program this year—and a total of $101 million on all child-care related services—it claims to have saved $121 million in welfare costs last year alone. Next month the state will begin a pilot program that will pay 20% to 40% of child-care costs for 150 working-class families.

San Francisco has adopted another innovative approach. It requires developers of major new commercial office and hotel space to include an on-site child-care center or pay $1 per sq. ft. of space to the city's child-care fund. The state of California is spending $319 million this year on child-care subsidies for 100,000 children. It also funds a network of 72 resource and referral agencies.

Because such state programs are the exception, a number of political leaders and lobbying groups are calling for federal intervention. This summer a coalition of 64 groups—including the National Education Association, the American Federation of Teachers and the Child Welfare League of America—will propose a comprehensive national child-care bill, which will probably call for increased support to help low- and moderate-income families pay for child care. Legislation has already been introduced in both Houses of Congress to create a national parental-leave policy.

In an era of towering federal deficits, much of the future initiative will have to come from the private sector. By the year 2000, women will make up half the work force. Says Labor Secretary Bill Brock: "We still act as though workers have no families. Labor and management haven't faced that adequately, or at all."

A few companies are in the forefront. Merck & Co., a large pharmaceutical concern based in Rahway, N.J., invested $100,000 seven years ago to establish a day-care center in a church less than two miles from its headquarters. Parents pay $550 a month for infants and $385 for toddlers. Many spend lunch hours with their children. "I can be there in four minutes," says Steven Klimczak, a Merck corporate-finance executive whose three-year-old daughter attends the center. "It's very reliable, and that's important in terms of getting your job done."

Elsewhere in the country, companies have banded together to share the costs of providing day-care services to employees. A space in Rich's department store in downdown Atlanta serves the children of not only its own employees but also of workers at the Federal Reserve Bank of Atlanta, the First National Bank of Atlanta, Georgia-Pacific and the Atlanta *Journal* and *Constitution* newspapers.

Businesses that have made the investment in child care says it pays off handsomely by reducing turnover and absenteeism. A large survey has shown that parents lose on average eight days a year from work because of child-care problems and nearly 40% consider quitting. Studies at Merck suggest that the company also saves on sick leave due to stress-related illness. "We have got an awful lot of comments from managers about lessened stress and less unexpected leave time," says Spokesman Art Strohmer. At Stride Rite Corp., a 16-year-old, on-site day-care center in Boston and a newer one at the Cambridge headquarters have engendered unusual company loyalty and low turnover. "People want to work here, and child care seems to be a catalyst," says Stride Rite Chairman Arnold Hiatt. "To me it is as natural as having a clean-air policy or a medical benefit."

The generation of workers graduating from college today may find themselves in a better position. They belong to the "baby-bust" generation, and their small numbers, says Harvard Economist David Bloom, will force employers to be creative in searching for labor. Child-care arrangements, he says, will be the "fringe benefits of the 1990s." The economics of the situation, if nothing else, will provide a change in the attitude of business, just as the politics of the situation is changing the attitude of government. In order to attract the necessary women—and men—employers are going to have to help them find ways to cope more easily with their duties as parents.●

## SENATE OBSERVER GROUP ON ARMS CONTROL

● Mr. SPECTER. Mr. President, our distinguished Ambassador Edward L. Rowny, special adviser on arms control to President Reagan and Secretary of State Shultz, issued a statement on June 23, 1987, concerning the Senate Observer Group on Arms Control which is worthy of note.

I ask that Ambassador Rowny's statement be included in the CONGRESSIONAL RECORD in full.

The statement follows:

STATEMENT OF AMBASSADOR ROWNY

Ambassador Edward L. Rowny, special advisor on arms control to President Reagan and Secretary of State Shultz, praised a delegation of visiting U.S. Senators for urging the Soviet to move promptly to reduce strategic offensive arms by 50 percent and to eliminate longer-range intermediate-range nuclear warheads completely from Asia as well as Europe.

"The observer delegation led by Senator Pell made it unmistakable to the Soviets that the Administration and bipartisan leadership in Congress are of one mind on the most crucial issues in arms control," Rowny said.

"First, the senators made it clear that the most important arms control problem facing the U.S. and the Soviet Union is strategic weapons. General Secretary Gorbachev recently called strategic arms 'the root problem' of arms control. Since 1982, President Reagan has been calling for deep reductions in the central systems the superpowers target at one another. Six weeks ago, the U.S. tabled a draft START treaty. If the Soviets will act promptly to table a draft of their own, we could complete a treaty this year on the major arms control problem.

"Second, the senators took a firm position on improving the verifiability of an intermediate-range arms agreement. President Reagan has agreed, as an interim measure, to allow 100 longer-range INF warheads on each side. It was made plain to the Soviets that the Senate observers and the Administration are solidly in agreement that the two sides should move as rapidly as possible to the ultimate goal of true global zero LRINF. Reaching this goal would strengthen verification and make ratification of an INF treaty more likely."

The Senate Arms Control Observer Group delegtion, which departed Geneva today, included Sens. Claiborne Pell, (D-RI), chairman of the foreign relations committee; Daniel Patrick Moynihan (D-NY); J. Bennett Johnston (D-LA); and Arlen Specter (R-PA).

Ambassador Rowny was to depart Geneva for Brussels late Tuesday.●

## RICE IMPORTS

● Mr. JOHNSTON. Mr. President, notwithstanding the able efforts of Secretary Lyng and Ambassador Yeutter, the Japanese Government appears to be unwilling to discuss rice imports on a bilateral basis, let alone actually permit importation of even a modest amount of rice during the next few years as a sign of good faith. Although the Japanese Government may not appreciate the depth of our concerns, we in Congress are growing increasingly impatient with its adamant refusal to address this issue in a meaningful way.

According to the Rice Millers' Association, this market could be worth up to $1.7 billion to the U.S. rice industry. Since implementation of the Rice Marketing Loan Program mandated by the Food Security Act of 1985, the industry's export picture has dramatically improved. U.S. rice is now competitive in world markets. But without access to those markets, our price and quality advantages will remain irrelevant. Clearly, the industry's efforts to obtain market access throughout the world depends in great measure on the success of our Government in opening up the Japanese market.

I was an original cosponsor of S. 500, a bill designed to encourage other governments to open up their markets to competitively priced U.S. rice. I am also a cosponsor of the Wilson-Pryor amendment to the trade bill and I want to express my concern over the Japanese Government's failure to open its market to our competitively priced agricultural products. If the administration is unable to obtain meaningful concessions soon, we are going to have to do something more concrete than merely encourage the Government of Japan to adopt a reasonable import policy. If the administration needs new market opening tools, we will provide them. I hope my colleagues will support that effort.●

## YOUR GOOD NEIGHBOR—THE OKLAHOMA REC'S

● Mr. BOREN. Mr. President, the Oklahoma Association of Electric Cooperatives conducts a statewide essay contest for young people served by its cooperatives. The winners are given an expense-paid trip to Washington. From the area winners, one statewide winner is selected. This year's top winner was Miss Deanna Kalcich of Sperry, OK. Her winning essay follows:

"YOUR GOOD NEIGHBOR—THE OKLAHOMA REC'S"

What is a "good neighbor"? A good neighbor can be described in a number of differ-

ent ways, such as reliable, dependable, responsible, helpful and cooperative. In this essay, I will form an acronym from the phrase "good neighbor" with each letter representing a different quality or service that the Oklahoma Rural Electric Cooperatives possess or provide. Using this approach, I will show that the Oklahoma RECs are truly the epitome of "good neighbors".

"G" represents a "guarantee" for the future, something the Oklahoma RECs are sure to provide. With the organization's affairs being conducted by its members and any profits made being disbursed to its' consumer-members, it is easy to see that the cooperatives' interests lie directly where they should—in its people.

"O" represents "ownership" of the cooperative, which lies fully with the members themselves. These consumers elect representatives to conduct the affairs of the coop. In addition, any revenues raised return to these part-owners.

The next "O" stands for "open membership", an invitation that the Oklahoma RECs extend to anyone within the cooperative service area who desires electric service. No one may be excluded due to race, sex, religion, etc.

"D" represents the "democratically" controlled voting process. This procedure entitles each member of the cooperative to one vote in the affairs of the cooperative.

"N" stands for "non-profit"—outstanding quality the Oklahoma rural electric cooperatives are proud to display. Any net earnings are paid in capital credits to members when financially possible.

"E" depicts "electricity"—what the RECs are all about. This vital service is now supplied to over 320,000 meters in the 77 counties of the state of Oklahoma by 26 electric distribution cooperatives and 2 generation and transmission cooperatives.

"I" stands for the "identification of children", yet another of the services the Oklahoma RECs provide their surrounding communities. This process allows many parents peace of mind concerning their most precious asset, their children.

"G" stands for "growth" of the economy, which rural electric cooperatives help to stimulate. Since RECs pay no income taxes, any gross receipts taxes are distributed to the local school districts. In addition, rural electric cooperatives also pay social security, unemployment, gasoline taxes, license and franchise fees and a variety of miscellaneous taxes to the local economy.

"H" represents "home energy audits", which the RECs provide free of charge. This service examines a home's energy consumption to determine ways in which the cost of energy bills may be lowered.

The "B" typifies the "bond" that Oklahoma RECs provide by uniting the citizens of their communities. Examples of this are the Crime Watch Program, the Job Watch Program, security lights, and some co-ops even provide a community room. This facility is supplied to their members free of charge.

"O" symbolizes "Oklahoma". . . a subject that ALL rural electric cooperatives are truly concerned about. This is evidenced by the fact that the RECs are non-profit, nondiscriminatory and controlled democratically.

Finally, there is the "R", which stands for "rebates"—cash rebates that many consumers receive when they install energy efficient equipment in their homes or businesses. In such economically trying times as these, when both incomes and budgets are limited, such a reimbursement is truly a blessing for these communities.

What is a good neighbor? The description is merely opinion. However, of the many ways in which a good neighbor can be recounted, Oklahoma's RECs are certain to be included in all. In closing, I feel that I have not only shown the concern of the RECs in our future, but have also signified the outstanding attributes of this magnanimous organization.●

## SENATOR WIRTH'S COMMENCEMENT ADDRESS TO THE SIDWELL FRIENDS SCHOOL

● Mr. ADAMS. Mr. President, my friend and colleague, Senator WIRTH, was recently fortunate enough to have been invited to give the commencement address to his daughter's graduating class at the Sidwell Friends School. It was the kind of situation all parents dream of: He could talk and his daughter would be forced to listen. I suspect, however that his daughter—and all the members of the audience—would have listened even if they had not been required to.

They listened because Senator WIRTH had some interesting and important things to say. While his remarks were directed at an important audience, I believe that they also deserve a wider audience. Accordingly, I ask that Senator WIRTH's remarks, as well as the remarks of Mr. Grant Thompson, the chairman of the board of trustees at Sidwell Friends School, appear in the RECORD.

The material follows:

INTRODUCTION OF SENATOR TIMOTHY E. WIRTH, THE SIDWELL FRIENDS SCHOOL GRADUATION, GRANT P. THOMPSON, CHAIRMAN, BOARD OF TRUSTEES

Paul Starr, in his book about the evolution of American medicine, begins with one of the memorable lines in contemporary writing on sociology—indeed, I dare say, the only memorable line any sociologist has ever uttered! Starr remarks that, "The dream of reason did not take power into account."

It is commonplace in Washington, D.C. that power—the brutal art of getting your way—is all too frequently the common coin of political life. Deals made and trades arranged, the frail dream of reason sits huddled in her corner like a Dickensian matchgirl, referred to in passing, but ignored in practice.

It is therefore always somewhat surprising when a politician comes to Washington equipped by intellect and drive to honor the dream of reason and manages to turn her into a voice of power. Our speaker today, Senator Timothy Wirth from Colorado, is such a politician.

His background is unusual. Born out of a family of long-time Westerners, his mother left a widow when he was three years old, his drive and intellect led him to Phillips Exeter Academy (a small independent school that aspires to play in the Sidwell Friends Big League some day), as a scholarship student to Harvard College for his B.A. and M.A., and finally on a Ford Foundation fellowship to Standford University for his Ph.D.

As a newly-minted White House Fellow, he served as a special assistant to the Secretary of HEW, John Gardner, last year's commencement speaker at Sidwell Friends School. Moving from that Fellowship, he was awarded a Distinguished Service Award for his service as Deputy Assistant Secretary for Education from 1969 through 1970.

Elected to Colorado's Second Congressional District—an area that covers the northwest and northernmost suburbs of Denver, including Boulder, an affluent, intellectual surburb and Northglenn, a mainly blue-collar town, his rise to power—fueled by his drive, his vision for what public service might be, and his desire to apply the gifts of intellect to the problems of society—led *The Almanac of American Politics* to state that, "Among the stars of the large Democratic freshman class of 1974, Wirth is arguably one of the most powerful and important members of the House today. . . . He attracts notice because he does not always take stereotyped positions."

An insider because of his knowledge of the levers of powers, he brings a distinctiveness to politics because of his probing questions, his interest in issues, and his dedication to people and their welfare.

After 12 years in the House, Tom Wirth was elected to the Senate in 1986.

Around this School, he is, of course, known as the father of Kelsey. It has always been a subject of some amazement to those of us who know the rigors of a modern American Senator's life that he has been able to maintain a 92 percent average voting attendance record during his 13-plus years in Congress; yet, so far as the Sidwell Friends School attendance record shows, he has maintained an equally stellar attendance record at Kelsey's many triumphs on the athletic field.

Benjamin Barbor, in his new book *Strong Democracy,* remarks that, "We suffer, in the face of our era's manifold crises, not from too much but from too little democracy." It is easy, I suppose, to look around us at hearings, at newspaper stories, at TV programs and to ascribe this failing to a cynicism borne of a surfeit of the exercise of power, unalloyed with the dream of reason. Senator Tim Wirth is a happy exception to this cynical rule.

It is, therefore, my distinct pleasure to introduce to you this morning, from the halls of power, the champion of the dream of reason, Timothy E. Wirth, United States Senator from Colorado and Sidwell Friends parent.

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THE DUTIES OF A PILGRIM GENERATION

(Remarks of Senator Timothy E. Wirth, Commencement Exercises, Sidwell Friends School)

Members of the Class of '87, congratulations—Parents, Grandparents, brothers and sisters, teachers, friends—all of us members of this wonderful Sidwell community!

I am honored to be your speaker today. Thank you for asking me.

Commencement speakers represent a secular priesthood in America. Our ritual duty is to make up for all the deficiencies of a dozen years of structured education, and to do it in just a few minutes.

We are just keepers of the light. We are the ones who are supposed to switch the light on and, in one blinding flash, to illuminate you, your past and your future.

It's as if I had to focus all of your time at Sidwell in one well lit scene.

An impossible task, but think about it this way. Imagine your education as a senior lounge—dark, privileged, isolated from the world outside. Suddenly the door opens and the light is snapped on.

Everything becomes bright—clear—fully revealed!

The enlightenment that commencement speakers dispense is not quite so drastic or so memorable as Tom's. Indeed, when you look back on this graduation day, you will probably have a clearer recollection of the mating call of the cicadas than of my remarks.

The occasion, however, calls for me to speak and for you to listen. With luck, we will all finish at the same time.

Let's recognize that along with the reality of this important day goes a measure of make-believe.

You graduates are supposed to pretend that you are happy to say goodbye to your friends and to your school.

Your dedicated, demanding teachers are supposed to pretend to be satisfied with their accomplishments and yours.

And we parents are supposed to pretend a firm confidence in your maturity.

The truth, of course, is that no parent can believe that you are really grown-up.

We are delighted that the days of carpools are over and that you drive yourselves. But now we worry when you are out late and wonder where you have been and with whom.

And we always will.

Just be thankful that we have matured to some extent. Conforming to today's fashions, we no longer nag you to tie your shoelaces . . . just to fasten your seat-belts.

This year you put on a wonderful production of Guys and Dolls, and you said "Call it sad, call it funny". That's the way we parents feel—call it sad, call it funny, the fact is that you are ready to leave and we are not ready to let you go.

The reason for our trepidation is that we'd like to better know the future of the world that awaits you.

Proud as we are of you, your training, your ability, your common sense and decency, we can't pretend anything like the same confidence in the world that is heading toward you.

It is a world full of the noise of war and the silent danger of disease. It sets great wealth alongside desperate poverty in a state of cruel and threatening unrest. It holds up the bright wonder of nature against the dark history of man's abuse of his environment.

It is a world of promise and of despair, of science and of madness. And sooner than you think, it will be your world.

Part of it—our country—was being shaped 200 Junes ago in the fierce heat of Philadelphia by the men we now call our Founding Fathers. How remarkable they were in their relevance to the late 20th century.

While many of them were superbly educated for their time—fluent in Latin and Greek, comfortable with classical philosophy and its enlightenment revival—they could know nothing of the theories of Darwin, Freud, Einstein, Crick and Watson that are the intellectual matrix of your lives.

They could shoe a horse and shoot a flintlock rifle—practical skills most of you lack—but they would have been as helpless behind the wheel of a car as at the keyboard of a computer.

Yet their challenge is our challenge.

When they gathered in Philadelphia they were divided and confused about the merits of their enterprise, as uncertain of the outcome to expect as of the direction to take.

One delegate wrote home from Philadelphia: "A very large field presents to our view, without a single straight or eligible road that has been trodden by the feet of nations."

Their expedition into the unknown still goes forward toward "A more perfect Union."

For 200 years, we Americans have explored and experimented, rejoiced and despaired, as we've worked together to make realities of their ideals.

The testing never ends, and new answers are always needed. Some of them will come from you. Alexis de Toqueville observed, "Among Democratic nations each new generation is a new people."

So my first advice to you is to preserve the newness of your character as long as you can. Stay fresh.

I am not suggesting that you pursue perpetual adolescence in all its rich variety. A world where clothes are picked up and stereos turned down has much to recommend it.

There will even be other occasions after today when it will prove worthwhile to wear a necktie, and you'll want to put on something other than Levis and sneakers.

What I urge you to prolong is not an outward form but an inner spirit. For instance, when someone asks you today what you intend to be, hunt for an adjective before you answer with a noun.

You are being trained to think of yourselves in terms of future professions, as scientists, lawyers, writers, teachers, entrepreneurs. You will bring excellence to your callings.

But for as long as you can, try to set yourselves even more demanding goals: to be courageous, idealistic, inquisitive, involved, useful.

Measure your future by the risks you take, not the security you gain, but the commitments you make to causes larger than yourselves.

Even when you are far from home, perhaps as volunteers abroad, or when you can cheer yourselves for your achievements as parents or as teachers, or when the world applauds your gifts and your genius, I hope you will still be able to define your aspirations in terms of the responsibilities you seek, not the rewards you have gained.

What I hope most of all—and this is the second piece of advice, in case anybody is taking notes—is that you will keep the courage to pursue your convictions, the boldness to invent great goals and to go after them.

Precisely because of the dangers, the challenges, or our time, you dare not play it safe.

A century ago Justice Holmes said: "As life is action and passion it is required of a man that he should share the passion and action of his time at peril of being judged not to have lived."

That requirement, unlike the Justice, makes no implied distinction as to gender. And it applies as strongly to men and women today as at any time since the first American revolution. Share the passion of your time.

The agenda that faced the Republic's young leaders in Philadelphia is not so different from the one you confront today.

Like all American generations since Yorktown, yours is charged not with making a revolution, but with making it work.

We are still trying to "establish justice" and to "secure the blessings of liberty." We are still working to translate the promise of equality into the reality of opportunity.

And for all the successes and accomplishments of the past, for all the privileges and comforts of the present, the passion of your inheritance is strife and striving, not ease and indifference. We parents sit down with you, and together we look out on the world—on war, on tyranny, on poisoned air and water, on despairing, restless billions of people your own age. You certainly can't conclude that the globe is in good shape.

You cannot even say that your own future is assured.

But what you can ask is "what can I do about it?" And what you can say is "I can make a difference."

What I hope you'll say is what Robert Kennedy said to a group of students in Capetown, South Africa exactly 21 years ago today:

"It is a revolutionary world we live in," he told them, "and in Latin America, in Asia, in Europe and in the United States, it is young people who must take the lead. . . .

"Few will have the greatness to bend history itself, but each of us can work to change a small portion of events, and in the total of all those acts will be written the history of this generation . . .

"It is from numberless diverse acts of courage and belief that human history is shaped."

A generation later courageous people, young and old, are still fighting to bend history in South Africa, to put in practice there the beliefs that inspired our own revolution. No matter how far away or how slow-moving their struggle may seem, they are shaping not only their own future but yours as well.

You dare not ignore them or their cause. They, and people like them all around the world, from Moscow to Manila, from Santiago to Seoul, are fighting to vindicate the vision of human dignity that was at risk two centuries ago in Philadelphia.

It is in jeopardy today wherever starvation, disease, ignorance, bigotry and oppression deny freedom and frustrate hope. You can choose to enter that combat, in many ways. But you cannot safely stand on the sidelines, even when here at home, America's internal debates today may seem less worthy of your passion.

As recent leaders have exalted self and self-satisfaction, our civic life has been trivialized. Self-serving conduct and self-righteous deceit have understandably made many young people avert their eyes and their thoughts from our politics.

Adlai Stevenson said in bitter jest, "your public servants serve you right." If you, who are among the best of our citizens, scorn what should be a citizen's highest calling, America's promise will languish.

It must be constantly renewed.

Your generation is already in line to assume a share of responsibility for the nation's great but unfinished business.

Your self-interest requires that you help define the public interest.

Abstinence may prevent AIDS, but only involvement will treat it or find its cure.

You should say no to drugs, but yes to the fight against the culture of poverty in which so much crime and addiction breed.

You must be the ones to insist on and to take affirmative action against pollution, against the insanity of the arms race, for equal rights for women and for wider opportunity for all.

You must help find ways out of old problems, new energy to push aside today's bar-

riers and embrace tomorrow's responsibilities.

Now, as you do so, as you pick up the cudgels of citizenship, and start to work on our country's future, you will find that in at least one way, democracy is unfair; those, like you, who have been given much, bear an even greater obligation to pay benefits back to the community. You bear a disproportionate responsibility for making democracy work.

But that's our world, the real world, your world, in all its confusion and complexity and challenge.

You'll rise to it and make it a better place.

You go out today, to new success.

You travel from us carrying all the love, the pride, the back-up support that we can give to you, our country's newest pilgrim generation.

In your diversity, generosity, humanity and skill, we rejoice that our future is in such good hands. Now go to it—congratulations and God speed.●

## JUDGE MARSDEN'S RETIREMENT AS CHIEF JUDGE

● Mr. DURENBERGER. Mr. President, I rise today to honor a fine judge from Minnesota, David Marsden, on the occasion of his retirement as chief judge of the Ramsey County District Court Bench.

Judge Marsden was born and raised in Hendrum, MN. He served in the Army during World War II and was 1 of 25 men in a unit of 75 who survived the Battle of the Bulge.

Judge Marsden was first appointed in 1960 to the Ramsey County Bench. For the past 2 years he presided as chief judge of the district. During that time, the district underwent a major reorganization, consolidating the municipal, and district courts.

Fortunately, Judge Marsden will continue on as an active district court judge. I would like to take this opportunity to congratulate him on his service to the Ramsey County District Court as chief judge.

Mr. President I ask that the text of an article from the Minneapolis Star and Tribune entitled "Marsden Led Court Through Turbulent Years," a copy of which is attached to my statement, be printed in the RECORD.

The article follows:

[From the Minneapolis Star and Tribune, Apr. 14, 1987]

MARSDEN LED COURT THROUGH TURBULENT YEARS—RETIRING RAMSEY COUNTY CHIEF JUDGE KNOWN FOR WIT, QUICK DECISIONS

(By Dan Oberdoridge)

Ramsey County Chief Judge David Marsden, who recently presided over the Lois Jurgens murder trial and issued a controversial ruling permitting the Playboy Lounge in St. Paul to remain open, is an old-school jurist known for his wit, quick decisions and ever-present bow ties.

While some judges agonize over their cases. Marsden says his are "not like wine. My notes don't get better with age. They just get harder to read."

Marsden, 63, will step down next month as chief judge of Ramsey County after presiding over the county's court system during two of its most turbulent years. He will be replaced as chief by Judge Jerome Plunkett but will continue as a district judge, a position he has held since 1965. Marsden said he has tried to follow the advice he got from the late Hennepin County District Judge, Judge Donald Barbeau after being appointed to the municipal court bench in 1960. Marsden said he asked Barbeau "for any advice you can give me. I need all the advice I can get."

He said Barbeau told him: Remember that it is not your courtroom, and the people appearing before you often are frightened. Remember not to be a Hamlet; decide cases promptly. And remember to "pray to God you are right 51 percent of the time."

"The only thing Barbeau didn't say is you need a sense of humor and some humility," Marsden said. "I fear that some judges, when they put on the robe, forget that when they go to the john . . . they are just like everybody else."

Peter Poposich, chief judge of the Minnesota Court of Appeals, describes Marsden, a former law partner, as "an erudite sort of judge. He likes to explore things philosophically. He is a tremendous conversationalist, whether it is law or politics or the birches over at the College of St. Thomas."

Marsden was born in the Red River Valley in Hendrum, Minn., one of five boys and a girl. His father died of illness when Marsden was 9 years old. Marsden's mother supported the family through the Great Depression as the postmaster at Hendrum. She taught the children the value of education, and all but one graduated from college.

Despite poor eyesight, Marsden was allowed to join the Army in World War II. He was one of 25 men in his unit of 75 who survived the Battle of the Bulge, Germany's final offensive. He and other members of his unit walked through a village at 5:55 a.m., five minutes before German soldiers began firing from their positions surrounding the town. For the next three days the unit retreated to safety, crossing streams and fields.

Marsden was first appointed to the bench in 1960 by DFL Gov. Orville Freeman. At the time he was chairman of the Fourth District DFL organization.

Marsden is a longtime member of the Minnesota Sentencing Guidelines Commission. For 10 years he served on the board of trustees at Macalester College in St. Paul, his alma mater, where he and his wife, Mary, met. They have four grown children.

An activist chief judge, Marsden led his colleagues through major reorganization. The Ramsey County judges agreed to unify their district and municipal court benches and pursued a controversial plan to abolish the county's suburban courts, an effort that was only partly successful.

Marsden also took a leading role when controversy swirled around fellow Judge Alberto Miera. He publicly criticized Miera for allegedly contacting two witnesses during the recent civil trial in which a jury found that Miera had made sexual advances toward a court reporter.

Marsden said he is happy to be leaving the post of chief judge. The pressures often were tremendous, he said. Last fall he checked himself in for chemical dependency treatment after family members told him he was becoming withdrawn and drinking too much.

Marsden said the Jurgens trial was especially difficult. Not only were there a number of unique legal issues because the homicide was 22 years old, but the judge also tangled with aggressive news media seeking access to legal arguments by the opposing lawyers in chambers.

After sentencing Lois Jurgens to up to 25 years in prison for the murder of her adopted son, Marsden wrote letters to Robert Jurgens' hometown newspapers in the Crookston area, applauding his courage in taking the stand to testify against his mother. He also wrote to the White Bear Lake newspaper praising the police officers who had reinvestigated Dennis Jurgens' death. Marsden said he has never written to a letters-to-the-editor column before.

In the Playboy Lounge case, he ruled that because the alleged front for prostitution allows minors to see nude dancing free, it does not violate zoning laws and the nudity cannot be stopped. He hinted in his decision that the city should try other arguments to close the lounge, but said that, judging by the arguments he heard, he could not close the W. 7th St. business.

Marsden's trademark is his bow ties. He said he converted to them while in law school at the University of Michigan in 1948, inspired by one of his heroes, Gov. G. Mennen (Soapy) Williams, a populist who was the Floyd B. Olson of Michigan. "I own one (long tie)," Marsden said, "I was going to wear it April Fools' Day, but it had a spot."

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INFORMAL POLL HAS KEMP LEADING AMONG IR COMMITTEE MEMBERS

(By Betty Wilson)

Rep. Jack Kemp, R-N.Y., is the presidential favorite of a majority of the Independent-Republican state central committee members surveyed by the Kemp campaign.

Of 170 IR central committee members contacted by telephone last week—about half of the 344-member committee—85 said they would prefer Kemp to be the Republican presidential nominee.

Sen. Robert Dole of Kansas was second with 21. Vice President George Bush was the choice of seven: Howard Baker, the president's chief of staff, was preferred by four and former Gov. Pierre du Pont of Delaware, one. The other 35 respondents had no opinion. The poll was not done scientifically; organizers tried twice to contact all 344 members just before the central committee's meeting Saturday.

State central committee members are not necessarily the same people who will be delegates to the district and State conventions. These conventions will pick Minnesota's 31 delegates to the national Republican convention, which nominates a presidential candidate.

But there is some overlapping of committee members and delegates, and those on the committee are activists who reflect the sentiments of many in the party, said Ed Rollins, Kemp's national campaign chairman. "I think it shows Jack Kemp has very strong grass-roots support in Minnesota," Rollins said. State central committee members are the people who organize and work for candidates, he said.

Former State IR Chairman Leon Oistad predicted Sunday on KTCA-TV's "Minnesota Issues" that the contest in the state on the IR side will boil down to Kemp and Bush. Oistad supports Bush. Rollins said he does not see Robertson as a threat. The TV preacher will hold a rally at Met Center at 7:30 p.m. Thursday.

Kemp will announce a committee in Minnesota in the next 30 days and open a cam-

paign office in the state in the next 60 to 90 days, Rollins said.●

## THE RENEWAL OF UKRAINIAN INDEPENDENCE

● Mr. LEVIN. Mr. President, yesterday marked the 46th anniversary of the most recent renewal of Ukrainian independence. I say "most recent" because Ukraine, an ancient country with a rich history dating back to at least the ninth century, has enjoyed several periods of independence. These independent periods while varying in length have, tragically, always been followed by far longer periods of subjugation to foreign powers.

But throughout the years of foreign domination, the Ukrainian people have retained their national ambitions, culture, and language. And they have repeatedly renewed their status as an independent nation, even in the face of incredible odds.

In June 1941, the German Army launched a massive invasion of the Soviet Union. Ukraine was one of the first areas entered by the Nazi forces, and they quickly met unexpected resistance, not from the Soviet troops but from a Ukrainian underground army. The Organization of Ukrainian Nationalists [OUN] and its leader, Stepan Bandera, took the Germans by surprise by seizing the radio station in Lviv, the West Ukrainian capital and declaring the restoration of the Ukrainian Free State. A Provisional Ukrainian Government with Yaroslav Stetsko as Prime Minister was established.

This proclamation of independence was aimed as much at the retreating Soviet Army as it was at the invading Nazi troops. It was a courageous assertion of nationhood at a time when the Ukrainian people were caught between two enormous totalitarian empires.

In 1942, OUN created the Ukrainian Insurgent Army, under General Shukhevych as its commander in chief. The OUN resistance movement and the Provisional Government under Prime Minister Yaroslav Stetsko continued to function until 1951, fighting in turn against the Nazi and Soviet armies, sometimes simultaneously.

The resilience of the Ukrainian people in the face of repression is an inspiration to those who value the principles of self-determination and human rights. And it is worth remembering, even as we commemorate the resistance movement of 45 years ago, that today there are still dozens of Ukrainian political prisoners. In this era of "glasnost" we ought not forget those Ukrainians confined to Soviet labor camps, prisons, mental institutions, and exile, suffering from harassment, terrible conditions, and lack of medical care. Their crimes consist of nothing more than their deep love for the Ukrainian nation, and their persistent struggle for religious freedom and other fundamental human rights.

In honor of this anniversary of the most recent renewal of the independence of a great nation, we should pay special tribute to those Ukrainian who are continuing the age old struggle for freedom. And on behalf of the Ukrainian people and others deprived of their basic human rights, we should renew our pledge to seek Soviet compliance with international human rights agreements.●

## HIGH YIELD BONDS ARE GOOD FOR AMERICA

● Mr. HECHT. Mr. President, today I would like to discuss an issue which is receiving widespread attention these days; high yield bonds.

Almost all of that attention has been focused on restricting the use of high yield bonds in corporate takeovers, or limiting the investment of high yield bonds by savings and loans, banks and thrifts. Well, Mr. President, I have to say to my colleagues that I believe it would be a mistake to restrict the use of these bonds, and, maybe we should begin to look at how we can expand the high yield bond market.

Mr. President, I don't think there is a Member of this body that would not support and encourage the creation and expansion of jobs in their respective States. Well, the companies that are responsible for the major portion of job creation in this country are not the Fortune 500 "investment grade" companies. No, Mr. President, it is the small and midsize companies that have fueled the economic growth of this country.

Today, very few of these companies would qualify for an "investment grade" rating. Of the over 23,000 U.S. companies with sales in excess of $25 million, fewer than 800 would currently qualify for "investment grade" ratings. In my own State of Nevada, there are 104 companies with sales of more than $25 million. And if these 104 companies, only 3 have "investment grade" ratings. The 101 companies that issue high yield bonds in Nevada employ 95,000 people worldwide and generate annual revenues of over $7.6 billion.

I think after examining the facts, Mr. President, it becomes obvious that high yield bonds are not the evil demons that we have been led to believe they are. High yield bonds have not caused widespread default throughout the savings and loan industry. High yield bonds have not caused the "over leveraging" of corporate America. And, most importantly, they do not pose a threat to the safety and soundness of our country's financial system. What high yield bonds do is to help to provide jobs for America; they provide an important source of investment capital for growing companies, and they have increased the number and diversity of investors that help to boost the U.S. economy.

High yield bonds are essential to the future growth of America, and I urge my colleagues to look beyond the headlines and the rhetoric as we continue to discuss this important issue.●

## THE RUSSELL CORP. RECEIVES SAFETY AND HEALTH AWARD

● Mr. HEFLIN. Mr. President, the U.S. Department of Labor's Occupational Safety and Health Administration [OSHA] recognized five sites of the Russell Corp. during a special ceremony on June 17 in Alexander City, AL, for outstanding performance in and commitment to job safety and health.

John A. Pendergrass, Assistant Secretary of Labor for OSHA, presented the "Star" certificate and flag to Russell Corp. officials. The Star designation is for firms which qualify for the top category under OSHA's Voluntary Protection Programs [VPP]. To qualify for Star, a worksite must have injury and lost workday case rates at or below the national average for their industry as well as exemplary safety and health program which, in most instances, go well beyond OSHA requirements.

The Russell Corp. is a manufacturer and marketer of clothing textiles, specializing in athletics and leisure wear. They employ over 8,000 workers in Alabama and they are the first company in the State and the first textile company in the country to receive Star recognition. Over 1,000 workers are employed at the five sites that were recognized.

Assistant Secretary Pendergrass said:

Labor and management of Russell Corp. are to be congratulated for being the first in the textile industry to qualify for this VPP participation. Our on-site evaluation team noted the sincere commitment to safety and health at all levels of management and the strong support for the ceremony by its employees.

The five sites honored are involved in yarn production and dying as well as the cutting, sewing, and packaging of garments for distribution.

The five Russell sites join 43 other workers worksites across the United States which have met the rigorous requirements for the Star award. To place this accomplishment in perspective, there are over 6 million worksites nationwide. However, only 48 sites have ever qualified for this award. Five of those sites are at Russell.

The concept of the Voluntary Protection Program [VPP] is based on the realization that workplace compliance with OSHA standards alone will never completely accomplish the goals of the Occupational Safety and Health Act.

Good workplace safety and health programs which go well beyond OSHA standards can provide more immediate protection through a system of rules which can be set and enforced quickly, rewards for positive action, and safety and health improvements in ways simply not available to OSHA.

The VPP is intended to supplement OSHA's enforcement effort by identifying employers committed to protecting workers through internal systems so that limited enforcement resources can be directed to workplaces where the most serious hazards exist to encourage voluntary improvement and expansion of internal worker protection systems.

Mr. President, I congratulate the management and workers of the Russell Corp. They have set a fine example of what can be accomplished when government and industry work hand in hand rather than as adversaries.●

## EUROPEAN FATS TAX WITHDRAWN

● Mr. DANFORTH. Mr. President, first reports from the summit of the European heads of state indicate that the European Community will not declare economic war on our soybean farmers by imposing the levy on fats and oils.

I certainly hope the initial reports from Brussels are well-founded, Mr. President. I hope the heads of state have decided to shelve the levy, which is designed to raise over $2 billion almost exclusively at the expense of American farmers.

Let me review briefly the purpose and effect of the tax. The purpose of the tax, simply put, is the force American farmers and European consumers to finance the costly failure of Europe's protectionist farm policies. The vehicle would be a 330-ECU-per-ton tax on the consumption of all vegetable and marine fats and oils within the Community. The revenues would be used to finance expanded production in Europe's fats and oils sector. This levy would effectively raise the price of finished soybean oil by 90 percent, with a devastating impact on U.S. farmers. The consumers pushed away from products based on American soybeans would purchase European-produced vegetable oil, which cannot compete on their own.

The proposed tax on fats and oils is absolutely unacceptable to the United States, and its imposition would have to be met with swift and severe retaliation. This is precisely the message which the Senate sent on March 26 when it overwhelmingly approved the Danforth-Heflin resolution warning the EC against the tax. I am happy to note the administration has publicly echoed this same message.

The Senate's opposition to the tax was subsequently reaffirmed when Senator HEFLIN and I were joined by 49 of our colleagues in sending a letter to the External Affairs Minister of the Community. In that letter, we emphasized that the levy would seriously injure our relations with the EC, would undermine the prospects for a new trade round, and would not be tolerated by the Congress.

As is common in such matters, there is variance among the initial accounts of the exact actions taken by the heads of state on this volatile issue. But there is agreement on a central point: The heads of government were not willing to pull the trigger on the fats and oils tax at this time. Nevertheless, some concern remains that the proposal may be raised from the ranks of the dead or near-dead at some unknown point in the future. Certainly, we must keep our guard up.

In this connection, I want to reiterate the following message to our European trading partners:

You are handling dynamite when you look to the fats and oils tax to finance Europe's farm programs, because the United States will not stand for it. Pursuit of this proposed tax can only result in serious damage to our commercial relations, and we will not tolerate it. If Europe wishes to pursue its existing agricultural policies, that is certainly Europe's decision. But American farmers will not be forced to pay the bill. I repeat: American farmers will not pay the bill. If Europe wishes to maintain its farm policies, let the governments of the European Community stand before their taxpayers and present an honest accounting of the costs. If, on the other hand, Europe wishes to undertake serious reform of its common agricultural policy, I say, "Full speed ahead."●

## SAVINGS BANK LIFE INSURANCE

● Mr. MOYNIHAN. Mr. President, I rise today to support the right of my State of New York, along with its neighbors Connecticut and Massachusetts, to continue to allow their State-chartered savings banks to issue savings bank life insurance [SBLI]. SBLI is a low-cost, high-quality product little known in most of the country, but very popular in these three States, with over 1.5 million policyholders and over $18 billion of policies in force. Indeed, in New York alone we have over 800,000 policyholders.

The late Justice Louis Brandeis invented SBLI in 1907 to provide low- and middle-income individuals with an opportunity to purchase inexpensive life insurance. Brandeis realized that savings banks, already established throughout his native State of Massachusetts, were effective outlets for serving these consumers. New York joined Massachusetts in 1938 in allowing its citizens to purchase life insurance through savings banks, followed by Connecticut in 1941. Of New York's 87 savings banks, 86 offer SBLI.

Consumer publications have consistently recognized SBLI as among the best life insurance buys available in the three States in which it is offered. On June 14, 1987 the New York Times in an editorial pointed out that "thousands of New Yorkers know the life insurance sold by savings banks is an excellent buy." Mr. President, I will ask that this editorial be inserted in the RECORD.

The long history and consumer orientation of SBLI would seemingly ensure the continued availability of the product. In New York, the State legislature has continually supported SBLI and increased coverage amounts over the years. However, Federal bank regulators have recently placed SBLI in jeopardy.

Many savings banks that sell SBLI are now raising capital by converting from mutual to stock form. This requires them to use the holding company format, which brings these State-chartered institutions under the aegis of the Federal Reserve, which must approve all bank holding company applications.

Until recently, the Federal Reserve has not attempted to regulate the activities of State-chartered banks which are subsidiaries of bank holding companies. In a departure from past practice, the Federal Reserve has now conditioned approval of bank holding company applications of savings banks upon the bank's agreement to stop offering SBLI within a specified period of time.

Such conditionality flies in the face of our "dual banking system" which leaves to the States the fashioning of the powers of State-chartered banks. It also ignores the long history—almost half a century in the case of New York—of savings banks offering a high-quality, low-cost consumer service without any loss or threat of loss to the banks.

In this case, the Federal Reserve's refusal to defer to those States which have determined that State-chartered institutions should be permitted to offer SBLI makes absolutely no sense. Consequently, I, along with Senator D'AMATO, 20 members of the New York delegation to the House, and the Massachusetts and Connecticut delegations have all written to Chairman Volcker urging the Federal Reserve to reconsider its current practice of requiring State-chartered savings banks to discontinue offering SBLI.

I also note that S. 790, the Competitiveness Equality Banking Act of 1987, which passed the Senate on May 14, 1987, contained, in section 101(d), a provision directing the Federal Reserve to permit savings banks which are subsidiaries of bank holding companies to continue offering SBLI. I do

thank the Banking Committee chairman, Senator PROXMIRE, for including this provision in the managers' amendment when the bill was first considered on the Senate floor, and I urge my colleagues who are conferees on this matter to insist that this provision, which would allow over 800,000 policyholders in New York continued access to SBLI, be included in the final conference report presented to both bodies.

I ask that the June 14, 1987, New York Times editorial be printed in the RECORD.

The editorial follows.

[From the New York Times, June 14, 1987]

PUBLIC OR SPECIAL INTERESTS ON INSURANCE?

Thousands of New Yorkers know the life insurance sold by savings banks is an excellent buy. Fewer know that the chance to purchase certain kinds of savings bank life insurance is now under attack by the insurance agents' lobby. Voters ought to let legislators know they are watching.

Two years ago the agents lost a battle to limit the amount of insurance the banks could sell to depositors. Now they are pressing the Legislature to limit policyholders' right to convert their "term" policies, which have no accumulating cash value, into conventional "whole" life insurance, which do.

Savings banks were given authority to sell life insurance in the 1930's, when the only policies available to lower-income New Yorkers were incredibly overpriced. But the insurance lobby swiftly regrouped, and has been able to prevent the savings banks from competing for affluent customers. Until last year, the maximum S.B.L.I. policy was limited to $50,000—far less insurance than most middle-income families need.

But in a successful effort to expand their own rights to market group policies, the agents inadvertently provided S.B.L.I. a lovely loophole. Anyone who lives or works in the state may now join the "group" known as savings bank depositors and thereby become eligible for up to $250,000 worth of S.B.L.I.'s group term insurance. Consumer Reports rates S.B.L.I. among the cheapest insurance available, which probably explains why some 400 "group" policies are purchased each week.

There's one catch, however. Group insurance is term or pure life insurance, with no savings component. The agents want Albany to keep S.B.L.I. customers from converting their big policies into "whole" life insurance. Under a bill approved by the Senate's insurance committee, conversions would be limited to $50,000.

Since relatively few S.B.L.I. policyholders are likely to use the conversion privilege, the damage would be modest. But the symbol here is important. The sole purpose of the proposed restriction is to protect insurance agents at the expense of consumers. Passage would reinforce the impression that the Legislature cares more about special interests than about the public.●

## ANTINECKLACING CONDITIONS ON AID TO SOUTHERN AFRICA

● Mr. PRESSLER. Mr. President, I would like to express some concerns regarding the Supplemental Appropriations Conference Committee's changes in my antinecklacing amendment.

As our colleagues will recall, we voted overwhelmingly, by a vote of 77 to 15, for my amendment to prohibit assistance through the Southern Africa Development Coordination Conference [SADCC] to any country that refuses to renounce necklacing or is not making a concerted effort to prevent its territory from being used to support the crime of necklacing and state terrorism against black South Africans.

The conference report language is contained in chapter IV. It would prohibit United States assistance through SADCC to any country that has advocated necklacing, or cannot give assurances that it has taken action against any person who has been found to have practiced necklacing, or knowingly allows its territory to be used by terrorists who practice necklacing against black South Africans.

Mr. President, I hope everyone will recognize that this is a weaker prohibition on assistance to countries that endorse, support or encourage the crime of necklacing than the prohibition provided in my original amendment. I am pleased to see that the conferees saw fit to retain strong antinecklacing language, but I wish they had not weakened it by removing the applicability of the prohibition to terrorist organizations that may operate from the territory of South Africa's neighbors. The conferees' deletion of my amendment's reference to state terrorism is also a glaring change. The perpetration of crimes of violence against South African blacks by other blacks goes far beyond the gruesome crime of necklacing. It is clear that some of the SADCC countries provide a haven and sanctuary for terrorist organizations that victimize black South Africans. This should stop.

Still, the Senate vote on my original language, and the language agreed to by the conferees, puts our own State Department on notice that Congress will not stand idly by if the Department fails to pursue strict adherence to the antinecklacing provisions of this legislation. We will be watching closely to see how the State Department carries out the Presidential certification requirement. We also will be monitoring the statements and actions of the SADCC governments. We will be looking closely for any violation of the provisions of this restriction on funds for SADCC countries—in terms of both the letter and the spirit of the antinecklacing provisions. Any attempt to loosely interpret these provisions, or any insincere or false assurances given to our Government by authorities of the SADCC countries will be exposed in due course.

All Americans hope that necklacing and other forms of terrorism are not committed any more in South Africa, or, for that matter, in any other nation. The Congress of the United States can take pride in its insistence upon a high standard of respect of human rights as a condition for U.S. assistance to the SADCC nations.●

## THE PROMISE OF CHANGE IN SOUTH KOREA

● Mr. CRANSTON. Mr. President, something strange and wonderful appears to be happening around the world. People are demanding democracy, and the vast power of dictators and their military machines are giving in to the peoples' demands. Peacefully.

First in the Philippines, and now seemingly in South Korea, we are witnesses to the triumph of freedom over repression, of human dignity over human degradation. These transformations are all the more remarkable in that they have taken place without guns, and without bloody revolutions, but rather through the force of human courage and the strength of the people's yearning for freedom. The people of the Republic of Korea have once again inspired us to hope that democracy will prevail when the people reveal their vast strength and the great power of their dreams of liberty.

Not too long ago it would have been impossible to imagine a dictator willingly stepping aside to permit serious reforms. It would have been difficult to see a Nazi, or a Fascist, or a Stalinist agreeing to opposition demands. Even behind the Iron Curtain today, we see a loosening of the chains in Poland and glasnost in the Soviet Union. Just a few weeks ago, it would have been hard to believe that change could take place so rapidly in South Korea.

President Chun Doo Hwan's speech today, in which he said he accepted vital democratic reforms including direct presidential elections, has given new hope to all friends of a strong, democratic, free Korea. President Chun's statement shows wisdom and personal strength in a willingness to transcend party politics and to begin transforming Korea into a modern, democratic nation.

Roh Tae Woo also has shown foresight and leadership in initiating these reform proposals within the ruling Democratic Justice Party. His willingness to risk his position within the party by calling for change and compromise is laudable. And the South Korean military is to be especially commended for showing restraint during this time of great civil unrest.

While their struggle is not over yet, the Korean people have already achieved a remarkable victory. President Chun's announcement comes as a sign of promise and hope for Kim Dae Jung and Kim Young Sam, who have suffered greatly under repeated jail arrests, house arrests, and other diffi-

culties. They have never ceased their struggle to bring democratic progress to their homeland. This is a wonderful moment for the thousands upon thousands of students, intellectuals, businessmen, and other citizens who took to the streets to protest dictatorship and to fight for democracy.

President Chun's promise of reform is a great, dramatic step forward. This may truly be a historic moment in South Korea's history, and for all nations that look toward South Korea as a model of economic prosperity and growth. Let us fervently hope that South Korea will soon see a political miracle to match its great strides in economic development, and let us anticipate strengthening the United States-Korean partnership through our common principles of democracy, freedom, and justice.●

## REGARDING MIKE PLANT, WINNER OF THE BOC CUP

● Mr. CHAFEE. Mr. President, I wish to commend Mike Plant of Jamestown, RI, winner of the BOC Challenge, Around Alone. His victory in this around-the-world, single-handed sailing race is an inspiration to us all, and he deserves our heartiest congratulations.

Twenty-nine sailors began this arduous task on August 30 of last year, and almost half found it impossible to complete. It is both a physically and mentally draining event. Unfortunately, one of the challengers lost his life in the race. But Mike's fierce courage and ability allowed him to continue on to finish first in his class, days ahead of his competitors.

Mike's efforts are even more admirable when we consider the circumstances surrounding his victory. Unlike many of the other sailors, he lacked full financial sponsorship. But rather than give up his dream of entering the race, he proceeded to build his own sailboat and to work part time to raise the necessary funds. In the end, he overcame the odds and defeated sailors with far greater resources. I believe that his victory offers encouragement to us all, to strive to attain our fullest potential, regardless of any obstacles that we may face.

In keeping with our seafaring tradition, my home State is proud to be able to call Mike Plant a Rhode Islander. But Mike should be congratulated by all people of all States, since it is individuals like Mike who inspire our Nation to initiate new ideas, set new goals, and face the challenges they present.●

## JUDGE STEPHEN MAXWELL'S RETIREMENT

● Mr. DURENBERGER. Mr. President, I rise today to honor Judge Stephen Maxwell on the occasion of his retirement as a district court judge of the Ramsey County District Court.

Before I came to the U.S. Senate, I had the honor of serving as chief of staff to then Gov. Harold LeVander. It was during Governor LeVander's term in office, in 1967, that Judge Maxwell was appointed to first the Ramsey County Municipal Court bench and 1 year later to the Ramsey County District Court bench.

For 20 years Judge Maxwell has been an institution in the Ramsey County Courthouse. His sharp wit, tough questioning and external toughness concealed a compassionate and thoughtful jurist who was highly respected by his peers and by members of the bar. Judge Maxwell will be missed by all those who knew him and I would like to take this opportunity to wish him well in his retirement.

Mr. President I ask that the text of an article from the St. Paul Pioneer Press entitled "Judge Maxwell Retiring After 19 Years," a copy of which is attached to my statement, be included in the RECORD.

The article follows:

JUDGE MAXWELL RETIRING AFTER 19 YEARS

Stephen Maxwell compiled a long list of firsts in his 34-year legal career, but he didn't start out with the intention of being a trailblazer.

In fact, he said, being the first blacks to hold some key jobs in St. Paul and Minnesota was to a great extent a matter of luck.

"I happened to be the first one standing in line," Maxwell said. "It's like standing in front of one of many doors, and they open your door first."

Maxwell, 66, the son of a St. Paul barber, will retire June 30 after 19 years as a Ramsey Count district judge. For a year before that, he served as a St. Paul municipal judge.

Maxwell was the first black district judge in Minnesota and the second black to serve as a municipal judge in the state. He also was the first black to be St. Paul corporation counsel, the city's chief attorney, and the first to serve as an assistant Ramsey County attorney.

Minimizing his accomplishments is typical of Maxwell, according to a longtime colleague, District Judge David Marsden. "As a minority, he has never in my judgment used that status to gain any special advantage," Marsden said.

During an interview last week, Maxwell looked back on a career that included prosecuting some of St. Paul's most notorious criminals, almost defeating one of Ramsey County's most unbeatable politicians, deciding major court cases and serving a long list of community organizations.

Maxwell relishes regaling visitors to his chambers with tales of some of the more well-known criminals he prosecuted as assistant Ramsey County attorney.

He also admitted enjoying his reputation for being outspoken and sometimes gruff in the courtroom.

"I'm not known as a sweet, lovable guy," Maxwell said. He said he gets irritated when lawyers don't come quickly to the point or don't perform up to what he considers the acceptable standard.

But associates said Maxwell's reputation as a curmudgeon is undeserved because he often is needling people with the expectation—and even the desire—that they will reply in the same vein.

ASKS SHARP QUESTIONS

"He has a sharp wit, and occasionally his wit is misunderstood," Marsden said.

District Judge Harold Schultz said Maxwell likes to ask sharp questions and to reduce legal jargon into language more easily understood by jurors and others not in the legal profession.

"If you can get by his gruffness, he basically is a pretty soft-hearted guy," said William Falvey, Ramsey County's chief public defender. "I've known him for so many years. The guy kind of grows on you."

"We became very close during the Thompson trial," said Randall, who described Maxwell as a candid person with a "great sense of humor." With 18-hour days seven days a week during the trial Maxwell "never blinked, never was late and never indicated any concern about overwork," Randall said.

Maxwell also assisted Randall in prosecuting Rocky Lupino and John Azzone, convicted in 1960 of kidnapping in connection with the 1953 slaying of Tony DeVito. The state contended that the two men and Alex DeGoode killed DeVito because he confessed to a burglary and implicated them. Murder charges were not brought because the body was never found.

Maxwell recalled that DeGoode, who testified for the prosecution, told prosecutors many stories about his life as a criminal. Once DeGoode and an accomplice couldn't get a safe to blow up, Maxwell said, so they took it with them and it exploded while they were driving over railroad tracks. The pieces pockmarked the face of DeGoode's accomplice for life.

Maxwell also recalled DeGoode's testimony that DeVito's slayers buried the body and spread 5 pounds of red pepper over the dirt to discourage animals from digging up the body.

The key to solving the Thompson case was the discovery of distinctive pieces of the grips from a pistol at the murder scene, Maxwell said. They were identified as coming from a gun stolen in a Minneapolis burglary.

Because of his reputation as tough in sentencing. Maxwell said defense attorneys "don't beat a path to my door."

But Falvey said he views Maxwell as a moderate in sentencing, not as lenient as some judges "but not the tough guy a lot of people make him out to be. . . . Steve Maxwell is a fair guy who wasn't beyond giving people a chance when they deserved it."

As a prosecutor, Maxwell said he sometimes "would wonder about whether the jury system worked" when a jury acquitted someone he felt was guilty. After becoming a judge, he said, "I changed my view on that and decided the jury system was just the cat's pajamas. The jury system works. I'm really happy with it."

Maxwell said he enjoys talking to jurors after trials and answering their questions. He said he likes to tell them, "It's your court, your administration of justice. It doesn't belong to the judge."

When Maxwell worked for former Ramsey County Attorney William Randall, he assisted Randall in the prosecution of T. Eugene Thompson, who was convicted of arranging the 1963 murder for hire of his wife, Carol. Later, Maxwell directed the prosecution of Norman Mastrian, who was convicted of being the middleman who hired the killer.

Randall said last week that Maxwell was a valued member of his staff, someone he trusted to prosecute Mastrian during a trial in Duluth without having to look over his shoulder.

When the three suspects were arrested, each said he had turned down Mastrian's offer to carry out the murder-for-hire. One said he gave Mastrian the name of Dick W.C. Anderson, who later confessed to the killing, Maxwell recalled.

A St. Paul native, Maxwell graduated from Central High School and attended the University of Minnesota before transferring to Morehouse College in Atlanta, where he received an accounting degree in 1942.

His father died when Maxwell was 9, and his mother supported her two boys with jobs as a social worker and teacher. Maxwell's brother William, now retired, was a railroad section worker.

Maxwell served in the Coast Guard in New York during World War II and then returned to St. Paul, where he worked as an accountant for various government agencies. He graduated from the St. Paul College of Law (now William Mitchell) in 1953 and began a private practice in St. Paul.

While in private practice, Maxwell said he won the first verdict of more than a token amount for blacks in a Twin Cities-area discrimination case. The decision awarded $400 each to two blacks who had been refused service at a Dakota County bar.

During that period, Maxwell was legal counsel for the St. Paul NAACP, and he has served other black organizations. He said he considered himself "a participant, not an activist" in the civil rights movement.

1966 ELECTION WAS CLOSE

Maxwell was an assistant county attorney from 1959 to 1964, when he was named St. Paul corporation counsel (now called city attorney) by Mayor George Vavoulis.

After leaving that post because the DFL recaptured the mayor's office, Maxwell ran for U.S. House of Representatives from the 4th District in 1966 as a Republican. It proved to be the closest race ever for Rep. Joseph Karth. Maxwell lost by 11,004 votes out of 170,938 cast.

Asked about his Republican ties in view of polls that show most blacks favor Democrats, Maxwell said the GOP fits his philosophy of limitations on government and more fiscal responsibility. He said he considers himself a liberal to middle-of-the road Republican.

"I suppose the cliche now is, 'You can't solve a problem by throwing money at it,'" Maxwell said. "That was back in the days when they just threw money at everything, and it didn't solve anything."

After his run for Congress, Maxwell returned briefly to the county attorney's office until he was appointed a St. Paul municipal court judge in 1967 by Republican Gov. Harold LeVander. A year later, LeVander elevated Maxwell to the Ramsey County District Court bench.

Maxwell and his wife, Betty, a Duluth native, were married in 1943. When they celebrated their 25th wedding anniversary, Maxwell concocted a ruse to surprise his wife with an unusual memento—a message on three large billboards.

When a newspaper photographer called about taking a photo of one of the billboards, Maxwell told his wife the police had just phoned, and they had to leave home to bail one of their sons out of jail. He pretended there was something wrong with the car and stopped it near Dale Street and University Avenue. When Betty Maxwell got out of the car, she spotted the billboard message, "Happy 25th anniversary, Betty. Love, Steve."

The Maxwells have known more than their share of personal tragedy, with both of their children dying in accidents. Rodney Maxwell, 26, drowned while swimming in 1977. Last year, the couple's other son, Stephen, 41, died in an auto accident.

"The impact is almost immeasurable," said Ramsey County District Judge Hyam Segell, a long-time friend of Maxwell. "The death of the second son had even greater impact because that's all the children they had."

"It was so tragic," said Marsden. "He went into seclusion. Then he seemed to recover. But I wonder if you ever fully recover." Marsden said Maxwell talks less about himself than most people do and never complains.

Maxwell said he was "raised on death," starting with the deaths of his grandmother when he was about 6 and his father when he was 9.

"You don't have any choice," he said. "There's nothing you can do. Weeping, wailing and gnashing of teeth won't bring anyone back."

"Everybody's going to do it but me," he said with a typical touch of dark humor. "I'm too damn mean."●

## NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS

● Mr. HEFLIN. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principle objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee has received a request for a determination under rule 35, for Jim Morhard, a member of the staff of Senator ROBERT W. KASTEN, Jr., to participate in a program in the Federal Republic of Germany, sponsored by the Hans Seidel Foundation, from July 1 to 8, 1987.

The committee has determined that participation by Mr. Morhard in the program in the Federal Republic of Germany, at the expense of the Hans Seidel Foundation, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Nicholas J. Glaskas, a member of the staff of the Committee on Appropriations, to participate in a program in the Federal Republic of Germany, sponsored by the Hans Seidel Foundation, from July 1 to 8, 1987.

The committee has determined that participation by Mr. Glakas, in the program in the Federal Republic of Germany, at the expense of the Hans Seidel Foundation, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Richard W. Day, a member of the staff of the Subcommittee on Immigration and Refugee Affairs, to participate in a program in Australia, sponsored by the Special Visits Program of the Australian Government, from June 27 to July 17, 1987.

The committee has determined that participation by Mr. Day in the program in Australia, at the expense of the Special Visits Program of the Australian Government, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Ms. Collen Getz, a member of the staff of the Committee on Armed Services, to participate in a program in the Federal Republic of Germany, sponsored by the Hans Seidel Foundation, from July 1 to 8, 1987.

The committee has determined that participation by Ms. Getz, in the program in Federal Republic of Germany, at the expense of the Hans Seidel Foundation, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Gordon Riggle, a member of the staff of the Committee on Armed Services, to participate in a program in the Federal Republic of Germany, sponsored by the Hanns Seidel Foundation, from July 1 to 8, 1987.

The committee has determined that participation by Mr. Riggle, in the program in Federal Republic of Germany, at the expense of the Hanns Seidel Foundation, is in the interest of the Senate and the United States.●

## 200TH ANNIVERSARY OF THE CONSTITUTION

● Mr. ARMSTRONG. Mr. President, this year we celebrate the 200th anniversary of the writing of the Constitution of the United States. As the Nation pays its respect to the Constitution and to those who wrote it, we should not lose sight of its underlying purpose and the reason it was written. The Constitution, while a secular document was intended to secure rights which are the gift of God.

Mr. President, I commend to my colleagues and other readers of the CONGRESSIONAL RECORD "One Nation Under God," a pamphlet written on this subject by Forest D. Montgomery. This pamphlet traces the historical and religious origins of the Declaration of Independence, the Articles of Confederation and the Constitution. Mr. Montgomery worked 25 years for the Department of Treasury, and is an expert on constitutional law. A graduate of the Georgetown University Law Center, Mr. Montgomery is now counsel to the National Association of Evangelicals. I ask that "One Nation

Under God" be reprinted at this point in the RECORD.

ONE NATION UNDER GOD

(By Forest D. Montgomery)

"The American Constitution is the most wonderful work ever struck off at a given time by the brain and purpose of man."—William Gladstone, British Prime Minister, 1878

INTRODUCTION

The year of our Lord 1987 marks the beginning of our nation's third century under the oldest national constitution in the world. Half the nations in the world have constitutions written since 1970; only 14 predate World War II. France, for example, has had five republics since 1789, when our Constitution went into effect. We have been blessed with a political stability that is the envy of the world. Our Constitution has survived many trails, the most severe being the Civil War.

In 1983, Congress established a commission to promote and coordinate activities commemorating the bicentennial of the Constitution. The historic significance of the bicentennial is reflected in these congressional findings:

(1) the bicentennial of the Constitutional Convention's adoption of the Constitution occurs on September 17, 1987;

(2) the Constitution enunciates the limitations on government, the inalienable rights, and the timeless principles of individual liberty and responsibility, and equality before law, for the people of the United States of America;

(3) this document has set an enduring example of representative democracy for the world; and

(4) the maintenance of the common principles that animate our Republic depends upon a knowledge and understanding of their roots and origins.

The bicentennial of the Constitution will mean little if it is confined to chauvinism and ceremony. As the Framers responded to the needs of their generation, so we must respond to ours.

"History plainly reveals that this nation was founded on biblical principles. Yet, the paranoia over religion that grips the land threatens to bar that history from our public schools."

One need, in this day of the secularizing of America, is to understand not just the mechanics of the Constitution, but its profound underlying principles.

History plainly reveals that this nation was founded on biblical principles. Yet, the paranoia over religion that grips the land threatens to bar that history from our public schools. As a result, our young people, who profess belief in the God of history, are not familiar with their rich religious heritage. As recent studies have demonstrated, public school textbooks conceal the religious heritage of our country.

This is tragic, considering the public debate on what is meant by separation of church and state. Many Americans do not understand that the attempt of those who would ban all religion from American public life has no basis in history. Moreover, the public does not seem to grasp the effect on America's future if our public institutions bar all reference to God.

A majority of the Supreme Court has ventured so far from the intent of our Founding Fathers that it struck down an Alabama statute permitting a moment of *silent* prayer in public schools. That decision would have stunned the Framers of the First Amendment.

God has shed his grace on this country through these two centuries under the Constitution. However, the secularization of American public life, together with the idea that religion is irrelevant to the "real world," is an affront to God that could cause us to forfeit his blessings.

Our early history clearly evidences belief in God, the Author of History.

Our early history clearly evidences belief in God, the Author of History. Our foundational documents, the Declaration of Independence and the Constitution, are weighted with Judeo-Christian values.

One cannot understand the Constitution without understanding its purpose and the reason it was written. The Constitution, while a secular document, was intended to secure rights which are the gift of God. It is no accident that religious liberty, our most precious, God-given right is protected by the First Amendment. History speaks for itself. In the words of the Declaration of Independence, "let facts be submitted to a candid world."

It is no accident that religious liberty, our most precious, God-given right, is protected by the First Amendment.

The crucial importance of preserving "the common principles that animate our Republic" was emphasized by President Grover Cleveland, a minister's son, on the occasion of the Constitution's centennial. "If the American people are true to their sacred trust, another centennial day will come, and millions yet unborne will inquire concerning our stewardship and the safety of their Constitution. God grant they may find it unimpaired; and as we rejoice today in the patriotism and devotion of those who lived 100 years ago, so may those who follow us rejoice in our fidelity and love for constitutional liberty."

We do rejoice in the fidelity of those who expressed their love for constitutional liberty a hundred years ago. Will those who follow us find that we were true to our sacred trust? Only if we engrave on our hearts the words enshrined in the Jefferson Memorial: "God Who gave us life gave us liberty. Can the liberties of a nation be secure when we have removed a conviction that these liberties are the gift of God? Indeed I tremble for my country when I reflect that God is just, that His justice cannot sleep forever."

The challenge to the church is to heed Jefferson's warning. The Constitution has secured our liberty for 200 years, but it is not the Constitution which grants us the liberties we enjoy. Those liberties, as Jefferson said, are the gift of God; they will only be preserved if this nation acknowledges the sovereignty of God. "Blessed is the nation whose God is the Lord." If "We the People" are to maintain the ideals of our founding documents, America must remain what Congress recognized it to be in 1954—One Nation Under God.

In order to appreciate the wisdom of the Founding Fathers, and the result of their labors in that hot Philadelphia summer of 1787, we need to understand the historical origins of the Declaration of Independence, the Articles of Confederation and the Constitution.

I. THE DECLARATION OF INDEPENDENCE

Every July 4, Americans joyfully celebrate their nation's birthday. On that date in 1776, members of the Second Continental Congress signed an eloquent statement setting forth the reasons that compelled the 13 British colonies to declare their independance from Great Britain. There was much celebration at the long-awaited news. The spirit of independence had been building for a decade. Many were asking with the "Father of the Revolution," Samuel Adams, "Is not America already independent? Why not then declare it?" Nowhere was the popular sentiment more forcefully expressed than in Patrick Henry's stirring speech on March 20, 1775, before the Virginia Convention, assembled in Richmond in the old church of Saint John:

"There is no longer room for hope. If we wish to be free, we must fight! I repeat it sir, we must fight! An appeal to arms and to the God of Hosts is all that is left us! They tell me that we are weak; but shall we gather strength by irresolution? We are not weak. Three millions of people, armed in the holy cause of liberty, and in such a country, are invincible by any force which our enemy can send against us. We shall not fight alone. A just God presides over the destinies of nations . . . There is no retreat, but in submission and slavery . . . Is life so dear, or peace so sweet, as to be purchased at the price of chains and slavery? Forbid it, Almighty God! I know not what course others may take; but as for me, give me liberty, or give me death."

Patriots did shed their blood to secure the freedoms we take for granted. On the Tomb of the Unknown Soldier of the American Revolution, located in the courtyard of the Old Presbyterian Meeting House in Alexandria, Virginia, is the following inscription:

"Here lies a soldier of the Revolution whose identity is known but to God. His was an idealism that recognized a Supreme Being, that planted religious liberty on our shores, that overthrew despotism, that established a peoples' government, that wrote a Constitution, setting metes and bounds of delegated authority, that fixed a standard of value upon men above gold and lifted high the torch of civil liberty along the pathway of mankind. In ourselves, his soul exists as part of ours, his memory's mansion."

Two days before Christmas in 1776, Thomas Paine paid tribute to patriots ready to lay down their lives for freedom: "These are the times that try men's souls. The summer soldier and the sunshine patriot will, in this crisis, shrink from the service of his country; but he that stands it now, deserves the love and thanks of man and woman."

The profound constitutional significance of the Declaration of Independence lies in its ideal of a fundamental God-given law above and outside the formal structures of government.

They have our sincere thanks. The Declaration of Independnce that emboldened them is the most important political document ever produced in this country, if not the world. It is far more than the "birth certificate" of this nation. It embodies America's constitutional ideals, and is an inspiration to those the world over who would be free. Its ringing affirmation of human rights is venerated by the oppressed today, as it was when it astonished the world.

The profound constitutional significance of the Declaration of Independence lies in its ideal of a fundamental God-given law above and outside the formal structures of government. The motivating principles of the Declaration reflect the influence of Christian thought on Jefferson's philosophy. The Declaration expressed the purpose of government, which was to secure the

human rights of the people; the Constitution created the governmental framework to achieve that purpose. Abraham Lincoln well understood the cause and effect relationship between the Declaration of Independence and the Constitution. In his words:

"All this is not the result of an accident. It has a philosophical cause. Without the Constitution and the Union, we could not have attained the result; but even these are not the primary cause of our great prosperity. There is something back of these, entwining itself more closely about the human heart. That something is the principle of "Liberty to all"—the principle that clears the path for all—gives hope to all—and, by consequence, enterprise and industry to all.

"The expression of that principle, in our Declaration of Independence, was most happy and fortunate."

The Declaration of Independence, if it had merely announced our separation from Great Britain, would have been a matter of relatively little importance in world history. But the Declaration was accomplished by a magnificent preamble that revolutionized the principles and practice of government. Other revolutions had taken place, but they signaled only a change in rule by men. The Declaration effected a change in principles. Here are the timeless words that established a government of law, not a government of men:

"We hold these Truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the Pursuit of Happiness. That to secure these rights, Governments are instituted among Men, deriving their just Powers from the consent of the governed. That whenever any Form of Government becomes destructive to these ends, it is the Right of the People to alter or to abolish it, and to institute new Government, laying its foundation on such principles, and organizing its powers in such form, as to them shall seem most likely to effect their Safety and Happiness."

Over the course of centuries, dating back at least to the Magna Carta in 1215, king and Parliament recognized that the English people possessed certain fundamental rights under law, such as trial by jury. The Petition of Right in 1628 asserted the supremacy of law over the personal wishes of the king. The English Bill of Rights in 1689 listed certain rights that were the "true, ancient, and indubitable rights and liberties of the people."

In recognizing that these fundamental rights were the gift of God, not granted by men, the Declaration revolutionized the philosophy of government.

The genius of the Declaration of Independence lies in its radical expansion of the concept of natural rights. It boldly postulated as self-evident the truth that "all men are created equal," and as a necessary consequence of this inherent equality, all legitimate government must be derived from the "consent of the governed." The people were sovereign, not some king born to rule by "devine right." And the Declaration eloquently proclaimed to the world that all men possessed God-given rights that were "unalienable"; government could not legitimately deprive them of these rights.

In recognizing that these fundamental rights were the gift of God, not granted by men, the Declaration revolutionized the philosophy of government. Because they were endowed by their Creator with certain inalienable rights, including the right of self-government, the colonists say themselves as morally justified in defending those rights by the force of arms. As Patrick Henry thundered, and the Declaration echoed, the people could confidently rely "on the Protection of Divine Providence" in fighting for a just cause.

In the book, *Religion in American Public Life*, Brookings Institution Fellow A. James Reichley draws on the Declaration of Independence in stating that "human rights are rooted in the moral worth with which a loving Creator has endowed each human soul, and social authority is legitimized by making it answerable to transcendent moral law." Reichley correctly concludes that the stability and strength of American democracy depends on religious underpinnings.

II. THE ARTICLES OF CONFEDERATION

Following the Declaration of Independence, and the establishment of the United States of America as a separate nation, the Second Continental Congress realized the pressing need for some formal plan of union. Richard Henry Lee of Virginia had first proposed a confederation in the Congress on June 7, 1776. Within a month, John Dickinson of Delaware prepared a first draft, but disagreements and war problems delayed adopting the Articles of Confederation until November 15, 1777.

Twelve states soon ratified the Articles, but Maryland objected to the western land claims of Massachusetts, Connecticut, New York, Virginia, North and South Carolina and Georgia. After these states consented to give up their western land claims to the United States, Maryland ratified the Articles on March 1, 1781, and they became effective on that date. The Articles of Confederation reflected the distrust that the colonists had for a powerful national government. The first substantive provision (Article 2) provided: "Each state retains its sovereignty, freedom, and independence, and every power, jurisdiction, and right, which is not by this confederation expressly delegated to the United States, in Congress assembled." (Note the limiting word "expressly.")

The Articles delegated a few specific powers to the national government: the power to conduct the war, to make treaties and conduct foreign relations, establish an army and navy, to coin money, to establish postal service, and to appoint tribunals to settle disputes between the states. However, the Congress of the Confederation had no power to levy taxes, a fatal mistake. Moreover, in retaining all powers not *expressly* delegated to the national government, the states retained authority over commerce with other states and, in part, with other nations. By requiring that nine of the 13 states—each with one vote in Congress—agree to treaties, and to legislation concerning raising, appropriating or coining money, creating and maintaining armies, and declaring war, the Articles further impeded effective action. There was no independent executive nor judicial branch, and the Congress of the Confederation had virtually no power to enforce its will, even within its limited scope of powers. Amendments to the Articles could occur only by unanimous consent of the states. The Articles of Confederation contained the seeds of its own destruction.

Despite the flaws of the Articles of Confederation, the Congress of the Confederation achieved one remarkable success, the Ordinance of 1787. It established equitable and republican principles for the governance of the western territories, and provided for the admission of new states into the Union on an equal footing with the 13 original states. In prescribing the conditions for the admission of new states, the Northwest Ordinance prohibited slavery and included a sentence asserting that "religion, morality and knowledge, being necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged."

This limited success, however, was far from enough to ensure survival of the Articles of Confederation in the face of so many inherent weaknesses. Dislocations in foreign trade, which the Confederation was unable to improve, led to a depression in the 1780s. State governments were confronted with civil unrest caused by the depression and radical demands by the people for relief. Commercial disputes between the states led first to the Mount Vernon Conference between Maryland and Virginia in 1785 and then to a convention in Annapolis, Maryland in 1786. Only delegates from New York, New Jersey, Pennsylvania, Delaware and Virginia attended the Annapolis Convention. While not even Maryland attended, the result was constructive. The delegates recognized that the "embarrassments" which characterized the state of the country's national affairs, foreign and domestic, necessitated a convention of all the states.

Alexander Hamilton drafted a resolution calling for another convention the following year in Philadelphia to correct "such defects as may be discovered to exist" in the Articles of Confederation. The resolution also stated that the May 1787 convention would address all issues necessary "to render the constitution of the federal government adequate to the exigencies of the Union."

Shays' Rebellion in the summer of 1786, though finally subdued by Massachusetts by the end of February 1787, contributed to the general feeling of unrest and made the state governments aware that their best interests lay in forming "a more perfect Union."

The Congress of the Confederation agreed that reform of the national government was necessary and cautiously endorsed the Annapolis plan "for the sole and express purpose of revising the Articles of Confederation." However, the delegates to the Constitutional Convention drafted an entirely new Constitution. The Congress of the Confederation transacted its last official business on October 10, 1788.

III. THE CONSTITUTION

Some Americans today assume the Constitution was written for 3 million people living in a rural environment along the Atlantic seaboard. They are wrong. The Constitution was designed not for the moment, but for the ages. It was framed not for 3 million people, but for 230 million Americans living in a highly complex, urban society. As James Madison said in a letter in the 1820s: "We have framed a constitution that will probably be around when there are 196 million people."

The Constitution was designed not for the moment, but for the ages.

The Founding Fathers were men of vision. They foresaw a continental Union, an increasing population with larger cities than any of them knew, and a growing economy as the frontier moved westward. They were creating the future, not reflecting the past. The durability of the Constitution attests to the extraordinary vision and capabilities of its Framers.

The Constitution is remarkably short. It is a framework of government, not a bill of particulars. Its principles have been equal to dramatic changes in the makeup of our society, the industrial revolution, the present era of high technology and America's role as leader of the free world. A procedure for amending it was included, but the basic document is so sound that relatively few changes have been made. (There have been only 16 amendments since the ratification of the Bill of Rights in 1791–one every 12 years.)

The Constutitional Convention opened on May 25, 1787, with a quorum of delegates from seven states. Eventually delegates attended from all the states, except Rhode Island. Of the 55 who attended, half were lawyers and 29 had attended college. The respected public figures included George Washington, who presided by unanimous vote of the delegates, James Madison, Benjamin Franklin, George Mason, Gouverneur Morris, James Wilson, Roger Sherman and Elbridge Gerry.

The delegates decided that their express instruction to confine themselves to amending the Articles of Confederation had to be ignored. Thus the attempt of Congress and some states to limit the power and agenda of the Convention proved futile. Moreover, the Convention ignored the amendment procedure of the Articles of Confederation, which required the approval of every state, by devising a procedure calling for ratification by the people.

The Virginia General Assembly had issued the invitation to the Convention. James Madison, the "Father of the Constitution," came thoroughly prepared. (He also persuaded George Washington to come, a strategic move to enhance respect for the Convention.) During 1786 and early 1787, Madison combined the history of ancient republics and confederacies, as well as the states' constitutions. Madison, as well as the other Founding Fathers, had read the Spirit of Laws by Montesquieu. They knew Locke. Indeed, they knew all of the great authors of both political theory and historical fact. Madison drafted a number of "resolves," some little more than suggestions, for the consideration of his fellow delegates. On the fifth day of the meeting, Edmund Randolph of Virginia introduced Madison's handiwork, 15 resolutions known as the "Virginia Plan" of Union which promptly became the vehicle for discussion. Madison drew heavily on many sources, including the Massachusetts Constitution of 1780, in suggesting a basic framework of government similar to that we enjoy today.

Madison and the other Framers were not political romantics, wedded to the notion of pure "majority rule."

Madison made no attempt to salvage what he called the "imbecilic" Articles of Confederation. Instead, his proposal described a completely new governmental structure calculated to redeem the promise of the American Revolution. It included a bicameral (two-chamber) legislature representing the states proportionately according to population, with a lower house elected by the people and an upper house chosen by the lower body from nominees proposed by the state legislatures; an executive chosen by the legislature; a judiciary branch; and a council made up of the executive and members of the judicial branch which could veto enactments of the national legislature. While changes in this plan were made later, the basic concept of the separation of powers among legislative, and executive and judicial branches survived.

Madison and the other Framers were not political romantics, wedded to the notion of pure "majority rule." Rather, they were political realists interested in dividing government power, separating it so that each branch of government would act as a check on the others. The Framers agreed that the people were sovereign, as the Declaration of Independence established, but were determined to prevent tyranny by the majority, and to control government by checks and balances built into its structure.

The biggest single issue—one that threatened to destroy the Convention—was the matter of representation in the proposed national legislature. The small states saw that under the Virginia Plan, the states with large populations would dominate them politically. They wanted equal representation, which they had enjoyed under the Articles of Confederation. The stalemate over equal versus proportionate representation by states in Congress was finally resolved after weeks of debate by the so-called "Great Compromise." The Convention finally determined on July 16 that each state would be equally represented in the Senate. A few days earlier the Convention had agreed that representation in the House would be proportional to a state's population which was to be determined by adding to the number of free persons (white or black) "three-fifths of all other persons." By that was meant slaves, although the word, slave, was never used in the Constitution.

Although the Declaration of Independence declared that "all men are created equal," that God-given right was denied the slaves. James Madison's brilliant contribution to American political theory left intact the central paradox in American history—the persistence of slavery and racial segregation in a society which ostensibly aspired to the lofty ideals of the Declaration and representative democracy.

In allowing slavery to continue until at least 1808, the Constitution fell far short of the Declaration's affirmation of human rights. But, politics is the art of the possible, and this glaring defect in American idealism was thought by the Founders to have been dictated by political necessity. The exigencies of the political situation limited those opposed to slavery to create a Constitution which, while it tolerated slavery, put slavery on what Lincoln termed "the road to ultimate extinction."

Slavery obviously could not be reconciled with the Declaration's historic proclamation that liberty was a gift of God which could not legitimately be taken away, nor the statement that legitimate government rule rests on the consent of the governed.

By September, the Convention had survived other major and minor crises without disbanding and had produced a Constitution with 23 articles—fought over, voted upon, and many times rewritten. A preamble began, "We the undersigned delegates. . . ." The Convention chose a committee to "revise the style of and arrange the articles." The five selected were William Samuel Johnson, Alexander Hamilton, Gouverneur Morris, James Madison and Rufus King. All advocated a strong national government. Gouverneur Morris took the 23 articles and condensed them into seven, producing a Constitution that could be carried in a pocket. The Committee of Style deleted altogether Articles XXII and XXIII concerning ratification by state legislatures (which would never have succeeded) and cleverly provided for ratification by the people through state conventions, with ratification by nine state conventions to be sufficient for the Constitution to take effect. The Preamble captured the essence of the Convention's hard work:

"We the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquillity, provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America."

A discussion of the difficulties in the ratification process by the states is not possible here. Suffice it to say, there was a real struggle in Massachusetts, Virginia, and especially New York. The main criticism was the absence of a Bill of Rights. The people were far from satisfied with the pro-ratification arguments in The Federalist and elsewhere that the new Constitution created a government of limited delegated powers, and thus had been granted no power that could be used to abridge their rights. They demanded something more concrete to secure those God-given rights of which the Declaration of Independence so eloquently spoke. James Madison assured them that the first Congress would pass a Bill of Rights and submit it to the states for ratification. That promise was fulfilled when the first 10 amendments were passed by Congress in September 1789; ratification was completed on December 15, 1791.

George Washington was elected president unanimously by the electoral college. On April 30, 1789, he took the oath of office on the balcony of Federal Hall in New York City. Thousands of people had waited for hours to witness the historic occasion. Turning toward Judge Robert R. Livingston, Washington placed his left hand on an opened Bible lying on a table beside him, raised his right hand and repeated the presidential oath of office as prescribed in the Constitution: "I do solemnly swear that I will faithfully execute the office of President of the United States, and will to the best of my Ability, preserve, protect and defend the Constitution of the United States." Then, after pausing briefly, Washington electrified the hushed crowd by adding his own words: "I swear, so help me God." A murmur spread throught the crowd and the inaugural party. This was not part of the oath of office, although the precedent set by Washington has been followed by every president since. Then Washington bent over and kissed the Bible. Another murmur. Judge Livingston turned to the thousands below and cried out: "Long live George Washington, President of the United States!" The people cheered, church bells rang, and cannons fired.

No one among the Founding Fathers was more respected, more revered, than George Washington. He was truly the "American Cincinnatus." The country and the people came before his beloved Mount Vernon. George Washington, first in war, first in peace, first in the hearts of his countrymen, humbly acknowledged that the office of President was greater than the man filling it. He spoke for the earliest American citizens in his first inaugural address:

"Such being the impressions under which I have, in obedience to the public summons, repaired to the present station, it would be peculiarly improper to omit in this first official act my fervent supplications to that Al-

mightly Being who rules over the universe, who presides in the councils of nations, and whose providential aids can supply every human defect, that His benediction may consecrate to the liberties and happiness of the people of the United States, a Government instituted by themselves for these essential purposes, and may enable every instrument employed in its administration to execute with success the function allotted to his charge. In tendering this homage to the Great Author of every public and private good, I assure myself that it expresses your sentiments not less than my own, nor those of my fellow citizens at large less than either. No people can be bound to acknowledge and adore the Invisible Hand which conducts the affairs of men more than those of the United States. Every step by which they have advanced to the character of an independent nation seems to have been distinguished by some token of providential agency; and in the important revolution just accomplished in the system of their united government, the tranquil deliberations and voluntary consent of so many distinct communities from which the event has resulted cannot be compared with the means by which most governments have been established without some return of pious gratitude along with an humble anticipation of the future blessings which the past seems to presage. These reflections, arising out of the present crisis, have forced themselves too strong on my mind to be suppressed. You will join with me, I trust, in thinking that there are none under the influence of which the proceedings of a new and free government can more auspiciously commence."

Evangelical Christians in the United States owe an extraordinary debt of gratitude to God and to the men who wrote and adopted the Constitution.

Washington went on to add this caution: "We ought to be no less persuaded that the propitious smiles of heaven can never be expected on a nation that disregards the eternal rules of order and right which heaven itself has ordained."

Evangelical Christians in the United States owe an extraordinary debt of gratitude to God and to the men who wrote and adopted the Constitution. This great document allowed 13 former colonies to cease languishing as a collection of small, squabbling, independent states and to become unified as one nation.

Our country has grown and prospered beyond even the dreams of the Founding Fathers. "We the People" have been able to enjoy our God-given inalienable rights because the Constitution has preserved these rights.

By guaranteeing religious freedom for all and building on principles based on biblical teaching, the Constitution has provided an environment in which evangelical churches could thrive. Because of a significant growth in membership, an increase of influence in public life, and the provision of adequate financial resources, American evangelicals have been in the vanguard of world evangelization and missionary outreach.

As long as we maintain the spirit and intent of our Constitution's Framers and follow their principles, George Washington's expectation of the "smiles of heaven" should continue as reality.

Our challenge, then, as we commemorate the Bicentennial of the United States Constitution, is to live, work and pray for a third century as One Nation Under God.

THE CAPITOL

Every session of the House and the Senate begins with prayer. Each house has its own chaplain.

The Eighty-third Congress set aside a small room in the Capitol, just off the rotunda, for the private prayer and meditation of members of Congress. The room is always open when Congress is in session, but it is not open to the public. The room's focal point is a stained glass window showing George Washington kneeling in prayer. Behind him is etched these words from Psalm 16:1: "Preserve me, O God, for in Thee do I put my trust."

Inside the rotunda is a picture of the Pilgrims about to embark from Holland on the sister ship of the *Mayflower*, the *Speedwell*. The ship's revered chaplain, Brewster, who later joined the *Mayflower*, has open on his lap the Bible. Very clear are the words, "the New Testament according to our Lord and Savior, Jesus Christ." On the sail is the motto of the Pilgrims, "In God We Trust, God With Us."

SENATE PRAYER

*Thursday, July 17, 1986*

"We the People of the United States . . . do ordain and establish this Constitution of the United States of America."

God of our fathers, these words are so familiar that we hear them with a yawn. Help us to realize how revolutionary—how radical they must have sounded at a time when governments were sovereign and people were subjects. As we approach the bicentennial of the Constitution, awaken the people to the unprecedented political system which is our legacy and renew them in their understanding and commitment. Help them to comprehend that in this sytem the people are sovereign and the Government receives its "just powers" from their "consent." Help the people to recognize that the system breaks down when they abdicate their sovereignty. Forgive the false thinking of the people as "us" and the Government as "them." Gracious God, may November 4 and the time between now and then see the renewal of the people in taking their sovereignty as seriously as the Senate does. In the Name of Him Who is Lord of History. Amen.

RICHARD C. HALVERSON,
*Chaplain, U.S. Senate.*●

## PANAMA

● Mr. DURENBERGER. Mr. President, I rise today to again comment on the situation in Panama. Last week, this body passed a resolution condemning the actions of the Noriega government by an overwhelming vote of 84 to 2. I was the lead sponsor of that resolution and was joined by over 50 of my colleagues in cosponsorship. I argued that this body needed to take a strong stand on support for democracy in all the Americas, and that Panama could not be exempt from the democratic tide sweeping through our hemisphere.

Since we passed Senate Resolution 239, Panama's dictator has reacted harshly. This should not surprise those of us who understand just what kind of a person Noriega is. Panama recalled its Ambassador to the United States the day after the resolution passed. The suspension of constitutional guarantees was lifted but only, it seems, to allow a government incited crowd to attack our Embassy in Panama City. A large number of Panamanians—led by eight cabinet ministers—stormed our Embassy, destroyed property, and generally rampaged through the streets yesterday. Though the Panamanian security forces have proven themselves to be very diligent in the pursuit of any political dissenters, they made no arrests in the shameful attack on our Embassy.

Mr. President, there are certain diplomatic customs that are observed by modern nations, even by those with reprehensible forms of government. But yesterday's attack in Panama goes far beyond the bounds of civilized behavior—especially in light of the fact that mendacious behavior was not only tolerated but encouraged by the Government of Panama. I have even received reports that government workers were told that they would not receive their paychecks unless they attended the protests.

This much is clear Mr. President: the violence in Panama will continue until there is a government in place that represents the will of the people, and has the legitimacy that is only found in truly democratic structures. I am told that the situation in Panama is tense tonight. I am informed that threats against prominent opposition leaders have increased. I am particularly concerned about the welfare of Aurelio Barria, the head of the chamber of commerce, who has played such an important role in the democratic opposition in Panama.

Mr. President, I will continue to monitor the crisis in Panama, as will many of my colleagues. The actions of General Noriega have only reinforced the nearly unanimous sentiment of this body that the current situation in Panama must change. I ask that two articles describing the situation in Panama since we passed Senate Resolution 239 be inserted in the RECORD.

The articles follow:

[From the Minneapolis Star and Tribune, July 1, 1987]

DEMONSTRATORS STONE EMBASSY IN PANAMA, CITE U.S. INTERVENTION

PANAMA CITY, PANAMA.—Thousands of supporters of Panama's military-controlled government demonstrated Tuesday against alleged U.S. intervention in Panamanian affairs, and some threw stones at U.S. Embassy buildings.

At the same time, thousands of Panamanians staged a counterdemonstration against the government of President Eric Arturo Delvalle. They honked car horns, banged pots and pans and waved white handkerchiefs to demand a military withdrawal from politics and investigations into alleged corruption.

Witnesses said at least 10 vehicles parked in the U.S. Embassy compound were damaged by stones thrown during the progovernment demonstration.

Police made no report of injuries or arrests in either demonstration.

Eight Cabinet ministers and other top officials led the anti-U.S. demonstration, the latest in a series of actions protesting a nonbinding resolution passed by the U.S. Senate last week calling for free elections and an end to military meddling in Panama's politics.

The resolution also criticized Gen. Manuel Antonio Noriega, commander of the Defense Force, and called for an independent investigation of allegations made against him.

A recently retired colonel claimed that Noriega was linked to election fraud in 1984, the 1985 killing of a political opponent and the death of Gen. Omar Torrijos in a 1981 plane crash. Torrijos at the time was Panama's military ruler.

The National Legislature, in a vote early yesterday, lifted the 19-day state of emergency that restricted civil rights.

Delvalle imposed the state of emergency after two days of rioting by opposition groups demanding that Noriega resign and that democracy be restored.

But earlier at the same session, the legislators by a 39–0 vote with all 22 opposition members absent, attacked the U.S. Senate resolution as "interventionist aggression" and demanded the expulsion of U.S. Ambassador Arthur Davis.

In the anti-U.S. rally, an estimated 30,000 demonstrators gathered at midmorning in the Plaza Porras outside the Foreign Ministry building and then divided into separate groups that marched to the U.S. Embassy compound, the U.S. Consulate and the U.S. Information Agency.

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PDC COMMENTS ON U.S. SENATE RESOLUTION SUPPORT

PANAMA CITY, June 29.—The opposition Christian Democratic Party [PDC] said today that U.S. Senate "identifies" with "the Panamanian people in their stuggle for democracy" and in their demands that the Defense Forces not meddle in civilian affairs.

In a communique released by its political committee, Panama's PDC asserts that "democracy and nationalism go hand in hand" and that the U.S. Senate resolution supports rather than intervenes in the Panamaniam people's democratic aspirations.

According to the PDC, the Senate backs the aspiration of the majority of Panamanians, who want an investigation of General Manuel Antonio Noriega, commander in chief of the Army [as received], to take place. Noriega has been accused of corruption and murder. The Panamanian people also want him to be separated from his post for the duration of his trial.

The PDC said: "The people's democractic self-determination is what justifies the nationalist demand for nonintervention."

The PDC mentions eight "pieces of evidence" to show that Noriega, to remain in power, has promoted "interventionism" by the U.S. Army and banks and has sought the support of Cuban and Nicaraguan Presidents, Fidel Castro and Daniel Ortega.

According to the PDC, in September 1985 when Noriega "removed" President Nicolas Ardito Barletta from office, Noriega sent a memorandum to then Southern Command Chief General John Galvin, who is now the NATO supreme commander.

According to the PDC, both President Castro and President Ortega have come out in defense of Gen. Noriega at various times.

The communique issued by the PDC states that the U.S. Senate resolution is an expression of solidarity with the views of the patriotic junta, which is composed of five opposition political parties, the civilianization crusade (which called for civilian disobedience early in June), and the Panamanian Episcopal Conference.

On Friday, the U.S. Senate approved, with 82 votes for and 2 votes against, a resolution recommending "democratic elections" in Panama and requesting that the soldiers accused of corruption and abuse of power not meddle in civilian affairs.

The U.S. Senate also requested an investigation concerning accusations made against Army officers of corruption and murder, and even requested that until the completion of that investigation, the officers accused should suspend their duties, including Gen. Manuel Antonio Noriega, Army commander in chief.

The Senate resolution has elicited the rejection of the Panamanian Government, the Defense Forces, and the Panamanian Legislative Assembly, which described the resolution as "intervention" in Panamanian internal affairs.●

## ORDER OF PROCEDURE TUESDAY, JULY 7

Mr. BYRD. Mr. President, while awaiting the arrival of a Senator, the Senate will convene at 10 o'clock on Tuesday next, July 7. I ask unanimous consent that after the two leaders are recognized under the standing order, there be a period for morning business not to extend beyond 10:30 a.m., that Senators be permitted to speak therein for not to exceed 5 minutes each; that at the hour of 10:30 a.m. the Senate resume consideration of the trade legislation, at which time the pending question will be on the amendment offered by Messrs. SYMMS and NICKLES.

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

Mr. BYRD. There is no time agreement on that amendment. I understand that there may be a rollcall vote on the amendment.

Once that amendment has been disposed of, the Senate will then resume consideration of the amendment by Mr. MOYNIHAN in the first degree, amended by the amendment by Mr. BYRD in the second degree. Quite likely, that amendment will be laid aside by unanimous consent so that other amendments to the trade bill can be called up.

There is no doubt in my mind, Mr. President, but that there will be rollcall votes on Tuesday. I think we are down to the point where most of the amendments that remain to be called up will be the major amendments. There are a few amendments that are less than major, perhaps, except that in the eyes of the beholder, they may be major amendments as well.

ORDER FOR RECESS BETWEEN 12 NOON AND 2 P.M. ON TUESDAY NEXT

Mr. President, I ask unanimous consent that the Senate stand in recess between the hours of 12 noon on Tuesday next and 2 p.m., to accommodate the party conference luncheons.

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

Mr. BYRD. Mr. President, I expect that the Senate will be in session into the evenings next week. The trade bill should be passed by Wednesday or Thursday. Thursday, I think. So let us hope that it is passed by Thursday or before.

Rollcall votes can be expected daily. The Senate will be coming in early each day.

If the Republican leader has no objection, I would like to get consent now, so that Senators will be on notice, as to the hours the Senate will be convening.

ORDER FOR RECESS FROM TUESDAY, JULY 7, 1987, UNTIL 8:30 A.M. ON WEDNESDAY, JULY 8

Mr. President, I ask unanimous consent that when the Senate completes its business on Tuesday next, it stand in recess—and we can always change this by unanimous consent—until the hour of 8:30 a.m. Wednesday next.

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

ORDER FOR RECESS FROM WEDNESDAY, JULY 8, 1987, UNTIL 8:30 A.M. ON THURSDAY, JULY 9

Mr. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on Wednesday next, it stand in recess until the hour of 8:30 a.m. on Thursday next.

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

ORDER FOR RECESS FROM THURSDAY, JULY 9, 1987, UNTIL 8:30 A.M. ON FRIDAY, JULY 10

Mr. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on Thursday next, it stand in recess until the hour of 8:30 a.m. on Friday next.

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

## RECESS UNTIL 10 A.M., TUESDAY, JULY 7, 1987

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate stand in recess, in accordance with House Concurrent Resolution 154, until the hour of 10 a.m. on Tuesday, July 7, 1987.

There being no objection, the Senate recessed at 7:53 p.m., in accordance with the provisions of House Concurrent Resolution 154, until Tuesday, July 7, 1987, at 10 a.m.

## NOMINATIONS

Executive nominations received by the Senate July 1, 1987:

THE JUDICIARY

Clarence A. Beam, of Nebraska, to be U.S. circuit judge for the eighth circuit, vice Donald R. Ross, retired.

Jerome Turner, of Tennessee, to be U.S. district judge for the western district of Tennessee, vice Robert M. McRae, Jr., retired.

T. S. Ellis III, of Virginia, to be U.S. district judge for the eastern district of Virginia, vice Robert R. Merhige, Jr., retired.

William L. Standish, of Pennsylvania, to be U.S. district judge for the western district of Pennsylvania, vice Barron P. McCune, retired.

George C. Smith, of Ohio, to be U.S. district judge for the southern district of Ohio, vice Joseph P. Kinneary, retired.

Charles R. Wolle, of Iowa, to be U.S. district judge for the southern district of Iowa, vice William C. Stuart, retired.

R. Kenton Musgrave, of California, to be a judge of the U.S. Court of International Trade vice Morgan Ford, retired.

## CONFIRMATIONS

Executive nominations confirmed by the Senate July 1, 1987:

### Securities and Exchange Commission

Edward H. Fleischman, of New Jersey, to be a member of the Securities and Exchange Commission for the term expiring June 5, 1992.

### Export-Import Bank of the United States

Simon C. Fireman, of Massachusetts, to be a member of the Board of Directors of the Export-Import Bank of the United States for a term expiring January 20, 1991.

### Department of State

Max M. Kampelman, of the District of Columbia, to be counselor of the Department of State.

Hume Alexander Horan, of New Jersey, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Saudi Arabia.

Williard Ames De Pree, of Maryland, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of Bangladesh.

Lester B. Korn, of California, to be the Representative of the United States of America on the Economic and Social Council of the United Nations, with the rank of Ambassador.

### U.S. Information Agency

Anthony J. Gabriel, of Virginia, to be inspector general, U.S. Information Agency.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

### The Judiciary

James T. Turner, of Virginia, to be a judge of the U.S. Claims Court for the term of 15 years.

Robert Holmes Bell, of Michigan, to be U.S. district judge for the western district of Michigan.

### Department of Justice

Richard Bender Abell, of Virginia, to be an Assistant Attorney General.

William S. Price, of Oklahoma, to be U.S. attorney for the western district of Oklahoma for the term of 4 years.

Charles H. Turner, of Oregon, to be U.S. attorney for the district of Oregon for the term of 4 years.

Daniel B. Wright, of New York, to be U.S. Marshal for the western district of New York for the term of 4 years.

### State Justice Institute

Ralph J. Erickstad, of North Dakota, to be a member of the Board of Directors of the State Justice Institute for a term expiring September 17, 1989.

### In the Air Force

The following-named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370:

Lt. Gen. Forrest S. McCartney, xxx-xx-xx... xxx-... FR, U.S. Air Force.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

*To be lieutenant general*

Maj. Gen. Robert D. Beckel, xxx-xx-xxxx FR, U.S. Air Force.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

*To be general*

Gen. Duane H. Cassidy, xxx-xx-xxxx FR, U.S. Air Force.

### In the Army

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

*To be general*

Gen. Jack N. Merritt xxx-xx-xxxx, U.S. Army.

The following-named officers for appointment in the Regular Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 611(a) and 624:

*To be permanent major general*

Brig. Gen. Charles E. Edgar III, xxx-xx-xxxx xxx..., U.S. Army.

Brig. Gen. John S. Peppers xxx-xx-xxxx, U.S. Army.

Brig. Gen. Bobby F. Brashears, xxx-xx-xxxx xxx-... U.S. Army.

Brig. Gen. John O. Sewall xxx-xx-xxxx, U.S. Army.

Brig. Gen. Thomas G. Lightner, xxx-xx-x... xxx-... U.S. Army.

Brig. Gen. Charles F. Scanlon, xxx-xx-xxxx xxx-... U.S. Army.

Brig. Gen. Paul R. Schwartz, xxx-xx-xxxx, U.S. Army.

Brig. Gen. Joseph D. Schott, xxx-xx-xxxx, U.S. Army.

Brig. Gen. Wayne C. Knudson, xxx-xx-xxxx xxx-... U.S. Army.

Brig. Gen. Peter J. Offringa, xxx-xx-xxxx, U.S. Army.

Brig. Gen. Larry D. Budge, xxx-xx-xxxx, U.S. Army.

Brig. Gen. John H. Stanford, xxx-xx-xxxx, U.S. Army.

Brig. Gen. Peter J. Boylan, Jr., xxx-xx-xx... xxx-... U.S. Army.

Brig. Gen. Eugene B. Leedy, xxx-xx-xxxx, U.S. Army.

Brig. Gen. Charles E. Williams, xxx-xx-xxxx xxx-... U.S. Army.

Brig. Gen. Philip H. Mallory, xxx-xx-xxxx, U.S. Army.

Brig. Gen. James W. Ray xxx-xx-xxxx, U.S. Army.

Brig. Gen. George H. Akin, xxx-xx-xxxx, U.S. Army.

Brig. Gen. Arnold Schlossberg, Jr., xxx-... xxx-xx-x... U.S. Army.

Brig. Gen. Stanley H. Hyman, xxx-xx-xxxx xxx-... U.S. Army.

Brig. Gen. Harold T. Fields, Jr., xxx-xx-xxxx xxx-... U.S. Army.

Brig. Gen. Thomas C. Foley, xxx-xx-xxxx, U.S. Army.

Brig. Gen. Thomas H. Harvey, Jr., xxx-xx-x... xxx-... U.S. Army.

Brig. Gen. Marvin D. Brailsford, xxx-xx-xx... U.S. Army.

Brig. Gen. Robert D. Chelberg, xxx-xx-xx... xxx-... U.S. Army.

Brig. Gen. John P. Dreska xxx-xx-xxxx, U.S. Army.

Brig. Gen. Harry G. Karegeannes, xxx-xx-x... xxx-... U.S. Army.

Brig. Gen. William F. Streeter, xxx-xx-xxxx xxx-... U.S. Army.

Brig. Gen. Charles E. Dominy, xxx-xx-xxxx xxx-... U.S. Army.

Brig. Gen. Charles A. Hines, xxx-xx-xxxx, U.S. Army.

Brig. Gen. John A. Renner xxx-xx-xxxx, U.S. Army.

Brig. Gen. Merle Freitag xxx-xx-xxxx, U.S. Army.

Brig. Gen. Wayne A. Downing, xxx-xx-x... xxx-... U.S. Army.

Brig. Gen. Craig H. Boice, xxx-xx-xxxx, U.S. Army.

Brig. Gen. Thomas P. Carney, xxx-xx-xxxx xxx-... U.S. Army.

Brig. Gen. Thomas G. Rhame, xxx-xx-xxxx xxx-... U.S. Army.

Brig. Gen. Leon E. Salomon, xxx-xx-xxxx, U.S. Army.

Brig. Gen. Horace G. Taylor, xxx-xx-xxxx, U.S. Army.

Brig. Gen. Daniel R. Schroeder, xxx-xx-xxxx xxx-... U.S. Army.

The following-named Army Nurse Corps Competitive Category officer for appointment in the U.S. Army to the grade indicated under the provisions of title 10, United States Code, sections 611(a) and 624:

*To be permanent brigadier general*

Col. Clara L. Adams-Ender, xxx-xx-xxxx, Army Nurse Corps Competitive Category, U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

*To be general*

Gen. Joseph T. Palestra, xxx-xx-xxxx, U.S. Army.

### In the Navy

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

*To be vice admiral*

Vice Adm. Jonathan T. Howe, xxx-xx-xxxx xxx-.../1110, U.S. Navy.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370.

*To be vice admiral*

Vice Adm. Thomas J. Hughes, Jr., xxx-xx-x... xxx-.../1210, U.S. Navy.

IN THE AIR FORCE

Air Force nomination of David L. Franks, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of June 16, 1987.

Air Force nominations beginning Richard R. Digney, and ending Chesley G. Williams, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 16, 1987.

Air Force nominations beginning Drue L. Deberry, and ending David L. Franks, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 16, 1987.

Air Force nominations beginning David T. Anderson, and ending Anthony M. Tolle, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 16, 1987.

Air Force nominations beginning Charles M. Baier, Jr., and ending Roberta V. Mills, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 16, 1987.

Air Force nominations beginning Sidney C. Wisdom, and ending Larry P. Kelly, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 18, 1987.

Air Force nominations beginning Maj. Larry L. Allen, [redacted] and ending Maj. Diane M. Koren, [redacted] which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 18, 1987.

IN THE ARMY

Army nominations beginning *David C. Ballew, and ending *Jeffrey M. Young, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 16, 1987.

Army nominations beginning *John S. Ahmann, and ending *Mark K Zygmond, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 16, 1987.

IN THE MARINE CORPS

Marine Corps nominations beginning Francis P. Ahearn, Jr., and ending John M. Young, Jr., which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 16, 1987.

Marine Corps nominations beginning David R. Aday, and ending Bertrand L. Zeller, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 16, 1987.

IN THE NAVY

Navy nomination of Everette D. Stumbaugh, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of March 23, 1987.

Navy nominations beginning Philip B. Bailey, and ending Richard Dale Shepard, which nominations which were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 18, 1987.

Navy nominations beginning Dorrit E. Ahbel, and ending Arthur Eugene Wickerham, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 18, 1987.