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SENATE—Monday, June 6, 1988

(Legislative day of Wednesday, May 18, 1988)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the Honorable TERRY SANFORD, a Senator from the State of North Carolina.

PRAYER

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

Let us pray:

*The Lord is my shepherd * * *. He restoreth my soul: He leadeth me in the paths of righteousness for his name's sake. Yea, though I walk through the valley of the shadow of death, I will fear no evil: for Thou art with me * * *.—Psalm 23:1, 3, 4.*

Our gracious Father, we have much for which to be thankful and we have reason for sorrow. Thank You for all the benefits of recess: purposes realized, objectives achieved, plans fulfilled. Thank You for family renewal—healing of broken relationships. Thank You for safety in travel, for fruitful contacts, friendships deepened. Thank You for responsibility, for work, for colleagues, peers, and associates, for the privilege of serving the people.

We sorrow, Father, at the loss of Vernon Herath, who died unexpectedly while working at home. He will be greatly missed. Thank Thee for his years of faithful service to the Senate. God of all comfort be with his wife, Shirley, and the family. Comfort and sustain them in their loss and fill hearts and home with the peace of God that "passeth all understanding." And if there be others in our large Senate family who have lost a loved one, we include them in this intercession, in the name of Him who is life eternal. 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 legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 6, 1988.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable TERRY SANFORD, a Senator from the State of North Carolina, to perform the duties of the Chair.

JOHN C. STENNIS,
President pro tempore.

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

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the majority leader is recognized.

VERNON HERATH

Mr. BYRD. Mr. President, I join with the Chaplain in expressing sorrow at the passing of one of our doorkeepers, a gentleman who worked inside the Chamber, back to the west door of the Chamber, Vernon Herath, and in extending condolences to his family. The prayer of the Chaplain was especially fitting. He referred to the 23d Psalm, which is such a great piece of literature, it touches the hearts and strengthens the spirits of all when we hear it. It tells us of God's love and care for all of us.

Could we with ink the ocean fill,
Were every blade of grass a quill,
And were the world of parchment made,
And every man a scribe by trade,
To write the love of God above
Would drain that ocean dry,
Nor would the scroll contain the whole
Though stretched from sky to sky.

RATIFICATION OF THE INF TREATY

Mr. BYRD. Mr. President, during the break, the distinguished Republican leader and I were invited by Mr.

Reagan to witness the ratification ceremony that took place in Moscow. I was privileged to be invited to that ceremony, and I was grateful for the opportunity to attend that ceremony with my good colleague and cherished friend ROBERT DOLE.

I was appreciative when the President, as he spoke at that ceremony, referred to the Senate and its important role in the success of bringing about the ultimate ratification of the treaty, the Senate having given its approval only on the last Friday before the ratification instruments were exchanged on Wednesday of last week.

The presence of Mr. DOLE and myself at the summit served to demonstrate our unique system of shared powers. Presidents negotiate treaties. The Senate gives its advice and consent. Only then does a treaty become the law of the land.

Summit meetings are valuable in forging a better understanding between the American and Soviet peoples. President Reagan received unprecedented exposure. The Soviet people were impressed by his personality and willingness to listen. Now there is talk of further progress on arms control at the strategic arms reduction or START level. Compared to a START Treaty, however, the INF Treaty was a simple matter. Senate consideration of the INF Treaty consumed 4 months. It was time well spent. The INF Treaty is now a better treaty because of questions raised by the Senate. There is no substitute for the painstaking work by our negotiating experts in Geneva. When the Senate raised important questions on the INF Treaty, our experts returned to the negotiating table to do the work that had been left undone. With arms control agreements the devil is always in the details.

That is why it would be unwise to rush negotiations on START, and I compliment the President on the position that he has taken also in that regard. Headline grabbing summits are one thing, but rushing to meet a dead-

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

line on a treaty as important as START would be irresponsible. The INF Treaty covers perhaps 2 percent of all nuclear weapons. The START agreement would cover 50 percent of all strategic weapons. Now may be a good time to reduce the fanfare of summit and let the negotiators do their important work in quiet. Further, with a change in Presidents on the horizon, I do not believe it would be wise to lock the next President into a hasty agreement, be he a Republican or a Democrat. Another priority for America and her allies is to work hard for a reduction in conventional weapons in Europe and a complete ban on all chemical weapons. The Soviets enjoy a huge advantage in conventional forces in Europe—an advantage that we cannot allow them to have forever. Now is the time to push hard at the conventional arms control table.

United States-Soviet relations are entering a new era. And, there are opportunities in addition to arms control for our two nations to work together to solve critical problems.

I believe that an opportunity is afforded us to work with the Soviet Union in a new program of cooperation in the war on drugs. After hearing Mr. Gorbachev's proposal for a joint effort to send astronauts to Mars the question occurred to me: Why fly men to Mars when millions of American and Soviet citizens need help right here on Earth? The Soviet Union has a serious problem with alcoholism. And here at home, we are under siege by the drug lords.

We must attack the plague of drug abuse on two fronts. We have to educate our people to the dangers of drug abuse to discourage the demand side of the drug problem here at home. We have to fight the supply side of the drug war on every international front. The Soviet Union's worldwide operations and influence could be of help to us as well as to them as we grapple with the drug tide crashing in on our shores.

And, we can help the Soviet Union with their alcohol abuse problem and their own growing drug problem. Both sides have experience, knowledge, and resources that we ought to marshal. If we can make progress on eliminating arms together, why can't we make progress on eliminating drug abuse and the plague of alcoholism?

I have written to Mr. Gorbachev to commend him on authorizing the distribution of 100,000 Bibles in the Soviet Union. One hundred thousand Bibles will not go far in a country that has 280 million people. I have urged him to expand that number and see that translations are made for the many languages in his country and that the number of Bibles be disseminated throughout the 15 diverse republics.

Mr. Gorbachev has shown courage in moving his country into the sunlight. But glasnost will not be real until human rights, including freedom of religion, are granted to every Soviet citizen. If glasnost is ever opened to a renewal of freedom of worship in the Soviet Union, then Paul the Apostle's words, "Where the spirit of the Lord is, there is Liberty," will have come true in the Soviet Union. There will be liberty in the Soviet Union.

I again compliment our President on the work he did in helping to bring about the culmination of the ratification of the INF Treaty. It was his determination, his spirit, his tenacity, his strength that finally brought the Soviets back to the table after they walked away.

I also close complimenting my esteemed colleague, BOB DOLE, in the work that he put forth in making the approval of the Senate a reality in time for the President to have that treaty at the summit. It was a pleasure visiting the Soviet Union with Mr. DOLE. We were gone 50 hours, from Andrews to Moscow, back to Andrews; half of which was spent in the air. I compliment my colleague on having overcome that jet lag and looking so Hale and hearty and full of vigor and vitality on this day.

Mr. President, I yield the floor.

RECOGNITION OF THE REPUBLICAN LEADER

The ACTING PRESIDENT pro tempore. Under the standing order the Republican leader is recognized.

Mr. DOLE. Mr. President, I reserve my time. Other Senators have been waiting. I will do mine later.

ARE THE SOVIETS 5 FEET TALL OR ONLY 2½ FEET?

Mr. PROXIMIRE. Mr. President, how big and how productive is the Soviet Union? Our Central Intelligence Agency [CIA] estimated the size of the U.S.S.R. economy at about 55 percent of ours. Recently, Anders Aslund, a research scholar at the Kennan Institute for Advanced Russian studies, has charged that the CIA has grossly overestimated the size of the Soviet economy. William Safire, the New York Times columnist, has written about this subject repeating the assertions of Aslund and others.

Here is an issue of enormous importance to this country. The military strength of our country's prime potential adversary depends fundamentally on the strength of its economy. For 14 years this Senator has chaired a subcommittee of the Joint Economic Committee that has been holding annual hearings on the Soviet economy. I have conducted other hearings on the Soviet economy, including a series last fall on Gorbachev's reforms

in which there was extensive testimony from private and Government specialists.

We have regularly heard testimony by the Defense Intelligence Agency [DIA] as well as the CIA. The intelligence agencies provide annual estimates of the overall size and growth of the Soviet economy and of each of its sectors including military spending and defense production. The United States Department of Agriculture [USDA] makes its own separate analysis of Soviet agricultural production. Agriculture represents a very large proportion of the Soviet economy. USDA estimates of the size of Soviet agricultural production represent an independent conclusion about a major segment of Soviet production. The United Kingdom, France, and West Germany also make estimates of the Soviet economy. I am not aware that any of those countries have indicated substantial disagreement with the CIA estimates of the Soviet economy made public in the hearings of our subcommittee. In addition, the Joint Economic Committee has published numerous studies by private specialists whose findings about the size and growth of the Soviet economy are consistent with those of the CIA.

It is true that Soviet economic statistics are used by the CIA and all other Western experts. The CIA acknowledges that Soviet data is both inaccurate and incomplete. For this reason, the CIA tries to take Soviet distortions, inaccuracies, and omissions into account. The CIA has consistently told the committee that the Soviet Government overstates the growth of its economy and also exaggerates its size. Even in the Soviet Union some economists criticize official statistics. It would obviously be great news for America's national security if the Soviet economy were, in fact, as Safire and Aslund claim, only half as big as the CIA and our European allies believe. It would mean that this country is up against an opponent who is not even half our size. It would bring America's main potential military antagonist down to the size of a pint-size kid who is barely out of kindergarten. The leading nation of the Communist world and the Warsaw Pact nations aligned with it would have shrunk to the size of the little boy in the old "Our Gang" comedies with Spanky McFarlane and Alfalfa. It is ironic that one of the country's most esteemed conservative commentators, William Safire, a vigorous promoter of a bigger and better military force, seems to be snookered into supporting an analysis which would imply that we have little to worry about in confronting a military array of economic midgets.

I have asked Richard Kaufman, the general counsel of the Joint Economic

Committee and the staff man who has organized and quartered our hearings on the Soviet economy for the past 14 years to comment on Mr. Aslund's conclusions that the CIA has overestimated the Soviet economy by 100 percent. Kaufman makes the following six points:

First, Aslund provides no evidence to support his belief that the Soviet national income is only half of CIA estimates. In his article, he seems to rely heavily on personal impressions and anecdotal information, such as impressions gained from foreign travel, rather than systematic analysis.

Second, Aslund cites as the probable reason for the CIA's alleged mistaken conclusions that the agency relies on "an old econometric model." But econometric models are usually used for doing simulations and making forecasts, not for estimating GNP. Aslund seems to be confusing the CIA's method for measuring Soviet GNP with the method for predicting future growth.

Third, Aslund is wrong in asserting that the CIA does not consider cheating, fraud, double counting, and other shortcomings in Soviet statistics. The CIA takes these factors into account.

Fourth, Aslund says the CIA estimate of the Soviet national income in dollars is twice the official Soviet GNP at the official exchange rate. In fact the Soviets have not disclosed the size of their economy in terms of GNP. Their statistics are based on a different economic accounting system, which excludes much of the services sector.

Fifth, Aslund contends that "official Soviet economists have flooded us with data showing that the CIA has been grossly overoptimistic about Soviet economic performance." This is at best an overstatement. Some Soviet economists have criticized official Soviet statistics. The most outspoken of these is GI Khanin. Khanin has not provided supporting evidence for his allegations. Western economists who have examined Khanin's data say it is not sufficient to make conclusive judgments.

Sixth, Aslund's proposal for what he calls an alternative basis for judging the Soviet GNP is "simply to estimate the Soviet inflation rate and deflate the Soviet national income in current rubles." What is wrong with this suggestion? Everything. Estimating Soviet inflation is extremely difficult. The Soviets do not publish inflation figures and thus their statistics contain hidden inflation. Estimating hidden inflation is one of the hardest tasks for the CIA and anyone trying to measure the growth of the Soviet economy. In addition, the proposal ignores the problem of overreporting in the official Soviet national income statistics. In addition to that, we would end up with an estimate of national

income in rubles which would not be comparable to the estimate of GNP in dollars and would have little, if any, utility.

I might add that anyone who has worked in the area of the Soviet economy knows that there are margins of error in all Western estimates because of the problems in the official Soviet statistics. For this reason the CIA's estimates are regularly reviewed and revised when new information is made available.

Undoubtedly, improvements in the estimates are possible. But those who come forward with criticism of the CIA's estimates have a responsibility to demonstrate with facts and analysis where the estimates are incorrect. Assertions without supporting evidence are not enough. The community of Western experts has high confidence in the CIA's estimates of the Soviet economy because of the professionalism, the level of effort and the rigorous methodology that goes into the estimates. Until hard facts demonstrate otherwise, that confidence should be continued.

Mr. President, I ask unanimous consent that the article by Anders Aslund from the May 19 Washington Post and the column by William Safire in the April 21 New York Times be printed in the RECORD at this point.

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

[From the Washington Post, May 19, 1988]

THE CIA VS. SOVIET REALITY
(By Anders Aslund)

Students of Soviet affairs have long made wide use of CIA estimates of the Soviet economy. But do the estimates really deserve that confidence?

Until recently, the CIA stated that the national income per capita was higher in the Soviet Union than in Italy. Anyone who has visited both countries should be able to see for himself that such a statement is absurd. If the U.S.S.R. had been so well off, there would not have been much need for a radical reform. Excessive belief in CIA statistics is an important reason why so few Western experts predicted any Soviet reform.

To anyone who has lived in the Soviet Union, it is clear that it is a reasonably well developed Third World country, calling to mind Argentina, Mexico or Portugal in terms of infant mortality, life expectancy, agricultural employment, consumption and other nonmilitary indicators of economic development. In many regards Russians are worse off with one car per 22 people and one private phone per 16 people.

According to the CIA, Soviet economic growth averaged 1.9 percent a year from 1981 to 1985, but last year the top Soviet economist Abel Afganbegyan stated that there was no growth in that period. For 1986, the CIA at first even exceeded the official Soviet growth estimate, arguing that the national income had grown by 4.2 percent (later revised to 3.9 percent) and speaking of great success. Serious Soviet commentators spoke of failures instead.

Gradually, the CIA has raised its estimate for the defense share of the national income from 15 percent to 17 percent at present,

but this calculation is based on an exaggerated view of the Soviet national income. If we assume that the CIA has a reasonably correct view of defense expenditures while the national income is only half of CIA estimates, then the defense share jumps to one-third of the national income, which is what Soviet experts suggest in private. Similarly, Soviet dependence on foreign trade turns out to be twice what the CIA believes.

When I tell Soviet economists about the CIA perception of their economy, they suspect that the CIA deliberately exaggerates in order to advocate larger U.S. defense expenditure. I do not think so. The actual reason seems to be that the CIA relies on an old econometric model that does not take full account of the inefficiency of the Soviet economy, which requires at least three times the input to produce the same quantity of output as a Western firm, but of much worse quality.

Nor are cheating, fraud, double accounting or other well-known shortcomings of Soviet statistics considered. Neither is the plausibility of the outcome checked. For instance, the CIA estimate of the Soviet national income in dollars is twice as large as the official Soviet GNP at the official exchange rate. Who would argue that the ruble is undervalued?

As early as 1980, Igor Birman made most of these points in this newspaper. In 1982, the British economist Michael Ellman suggested that Soviet economic growth ceased in 1978. Vladimir Treml of Duke University has long shown how great is the Soviet Union's dependence on foreign trade.

In the past few years, official Soviet economists have flooded us with data showing that the CIA has been grossly overoptimistic about Soviet economic performance. The evidence seems overwhelming. Yet, together with the Defense Intelligence Agency, the CIA has just presented new calculations for 1987, based on its old inadequate methodology. Its last ally seems to be the notorious Soviet State Committee for Statistics, but even it seems to be about to revise its statistics.

It is difficult to understand why so many have used CIA statistics for so long. These estimates have positively harmed Western understanding of the Soviet Union. Western analysts of the Soviet economy are well advised to elaborate their own estimates. The most obvious alternative is simply to estimate the Soviet inflation rate and deflate the Soviet national income in current rubles. Not least does it deprive us of illusions of precision.

[From the New York Times, Apr. 21, 1988]

THROUGH NEW EYES
(By William Safire)

WASHINGTON.—Two recent articles in this space registered close to 7 on the MEGO (My Eyes Glaze Over) Scale.

Their import was that glasnostic revelation is out of the Soviet Union show that the Soviet economy is much smaller than we thought it was, which means that the Kremlin is under far greater pressure than we imagined to reduce its spending on defense and empire.

If true, these revised estimates of Soviet growth would knock ski-whiffy our most cherished intelligence assumptions, and be of considerable use to the President at the Moscow summit.

One reader did not yawn. He is William Webster, former Federal judge and F.B.I.

Director, who is now the Director of Central Intelligence.

Director Webster called to say cheerfully "maybe somebody knows something we don't," and invited me and a Times colleague to an on-the-record luncheon session with his Soviet experts, who must be uneasy about findings from outside economists who are looking at previous Kremlin and C.I.A. estimates with new eyes.

At the lunch (the shrimp bisque at the C.I.A. beats the borscht at the K.G.B.), I allowed in a friendly way that bureaucratic inertia might be keeping the truth about negotiating pressure points from our policy planners. That caused Robert Gates, the Deputy D.C.I., to bridle.

"What I'm bridling at," he said, "is that we've taken steps to bring in outsiders, especially on the Soviet economy in '83 and again in '85. What we do here is published by Congress and exposed to the country. The outsiders' view is a different view, but it's the same different view."

Ah, but much has changed since 1985, I countered; the once-outcast Soviet economist Grigory Khanin published a blast at the previous figures in *Novy Mir*, and Mikhail Gorbachev seems to have embraced that much lower analysis. The "new eyes" crowd in the U.S. followed that zagging while the C.I.A. continued to zig.

Not so, said the C.I.A. Soviet experts present. Their own estimate of the percent of Soviet G.N.P. devoted to defense, including cost of empire, was 20 percent, compared with 6 percent in the U.S.; the Pentagon's Office of Net Assessment said 23 percent, and outsiders "Harry and Charlie" (Henry Rowen of Stanford, Charles Wolf of Rand) about 25. Not such a big spread.

Our eco-spoofs are all dedicated public servants, but minimize a deepening disagreement. I checked around afterward. The C.I.A. estimates the size of the Soviet economy today to be over half that of the U.S., at \$8,300 per capita income; but the new-eyes consensus is little more than a third of the U.S.—as low as \$3,000 per capita.

To figure out the percent of G.N.P. going to defense, both insiders and outsiders use the same C.I.A. estimates of Soviet military spending. But using the new numerator of a shrunken Soviet G.N.P., our new-eyes crowd comes up with the possibility of 35 percent in arms spending, a burden on Moscow nearly twice as heavy as now estimated by the C.I.A. If the new eyes are right, Mr. Gorbachev is negotiating from underlying weakness.

Well, isn't it time to set up a Team B, I asked, pocketing an agency ashtray, to present a different view of reality?

"We're always open to reassessment," said Judge Webster, adding judicially, "but I haven't seen enough yet to get me exercised," Mr. Gorbachev has admitted only that the Soviet rate of increase, not economic growth itself, has stagnated.

But the D.C.I. would not have exposed his staff to this lunch if he were not concerned. His deputy, Robert Gates, offhandedly added: "Probably after the Soviet policy conference in June, we will bring in a group of different guys."

But Team B is already in informal existence, and it's foolish to wait until after the Moscow summit meeting to get its different view before the President. Among its members are Richard Ericson of Columbia, Greg Grossman of Berkeley, the Swedish economist Anders Aslund, and Harry and Charlie.

Nobody yet knows if the new-eyes assessment is on the mark. But we do know that

the purpose of our vast intelligence system is to discover the truth, not to cover its institutional posterior. Not for nothing, as Muscovites say, is the piece of art on Judge Webster's desk a replica of the sculpture by Heckki Seppa titled "The Search."

We may all have been egregiously wrong about the erosion of the Soviet Union's internal strength. The political debate ahead here should be about the wisdom of helping it recover, or stressing it until it reduces its empire, or just leaving it alone.

First task is to search out the true size of our adversary. Appoint a Team B.

Mr. REID addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Nevada.

COMMITMENT TO FIGHTING DRUG ABUSE

Mr. REID. Mr. President, during the past several months, we have heard a lot about this administration's commitment toward fighting drug abuse—from cutting a deal to drop drug trafficking charges against Panamanian dictator Manuel Noriega, to the CIA's alleged involvement in drug smuggling in Central America and other parts of the world. Yes, this administration is committed all right—one just has to wonder in which direction this commitment lies. It would appear that while the American public is told to "just say no," the Government, many times, is "just saying yes."

We have heard the cries for a drug free America and the pleas for legislation, but we have seen the budgets sent down from Pennsylvania Avenue that disregard the necessary funding.

We have heard continually the calls for zero tolerance echoing from the Justice Department, but we see those same men plea bargaining with a notorious foreign drug trafficker.

The hypocrisy is unparalleled.

It is, in fact, only through the persistence of Congress that funding has been restored to the necessary interdiction, eradication and educational programs that must exist in order to tackle this drug menace.

It is, in fact, only through the leadership of Congress that strong words are backed with tough legislative action. This legislative action is best demonstrated by my colleagues Senators DECONCINI and D'AMATO who have offered S. 2205 which would increase funding for education and rehabilitation programs; increase alcohol and drug abuse block grants; provide additional funding for local and State law enforcement agencies; and combine the Customs Service and the Coast Guard under one office in the Department of the Treasury to improve the efficiency of drug control operations. I am proud to say that I am a cosponsor of this fine piece of legislation.

On a more personal note, I have seen the devastation that drug use and addiction can bring to human lives. I have seen it in my home town of Las

Vegas. Careers are ruined, families are destroyed, children are abused, and people are dying from drug-related deaths.

Our cities must be able to break the iron grip of the drug dealers on their citizens. They must have the resources to develop effective law enforcement programs, and they must have the resources to educate their young people about the dangers of drugs.

I met last week in Las Vegas with Federal, State, and local law enforcement officials and experts in Nevada. My hope is to develop, as a result of this meeting, a solid Federal, State, and local partnership that will allow Nevada to ultimately claim victory in this devastating drug war we now face.

Mr. President, I will discuss in the immediate future the problems as seen by Nevadans charged with fighting this international menace.

I yield the floor.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that there be a period for morning business not to extend beyond 12 noon, and that Senators may speak therein for not to exceed 10 minutes each.

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

The Senator from Illinois.

RE-EXAMINATION OF OUR RELATIONSHIP WITH VIETNAM

Mr. SIMON. Mr. President, I rise as a result of having read an article on the New York Times editorial page by our colleague, Senator LARRY PRESSLER, in which he calls for re-examination of our relationship with Vietnam.

Senator PRESSLER served in the Army in Vietnam. It is interesting that another Member of this body, Senator McCAIN, who is a former POW, has introduced legislation to call for re-examination. I think it is in our own self-interest that we re-examine that relationship.

Let me just give a little personal experience here. Back some years ago, in 1978, I was a Member of the House. I served as part of the U.S. delegation to the United Nations in a special session. While I was at the United Nations, I tried to meet people I would not otherwise meet.

One day I went over to the Vietnamese delegation and said: "I would like to invite you to have lunch with me and maybe one or two of my colleagues next Tuesday." I got the message back they would have to check with Hanoi first and that they would get back to me.

They checked with Hanoi and found out they could probably survive having lunch with PAUL SIMON.

We had lunch. My colleague, Congressman BILL LEHMAN, happened to be there. He joined us and a representative of the State Department.

During the course of the lunch, they mentioned that they felt they had an agreement from former President Nixon that Vietnam would receive \$3 billion in reparations from the war. They said they were willing to forget that and were willing and eager to enter into a new relationship with the United States.

I said: "Would you be willing to come to Washington to discuss it?" They told me—and I should have been aware of it, but I was not aware of it—they said: "We cannot go more than 25 miles from the United Nations." They also said they would have to check with Hanoi before they could have a meeting in Washington.

I said: "You check with Hanoi; I will check with the State Department. Let's see if we can have a meeting."

We had a meeting—frankly, a dinner meeting—in our home. We had Members of the Senate and the House, Republicans and Democrats, and two representatives of the State Department. We talked about improving the relationship.

One of the things I think we easily lose sight of is that Vietnam is the third largest Communist country on the face of the Earth in terms of population following China and the Soviet Union. They mentioned at that point they were under pressure from the Soviet Union to use the facility at Cam Ranh Bay, the facility that the United States of America built. They said they were trying to resist that. They wanted to be independent of both China and the Soviet Union.

Our small group recommended to the White House that we enter into diplomatic relations with Vietnam. It did not happen. We were still too close, I guess, to the passions of that day to let it happen. Though, I think it would have been wise to let it happen.

It is interesting that our Ambassador to the United Nations told me sometimes afterward that he was told by the Ambassador from Vietnam that had the United States recognized Vietnam at that point, they probably would not have invaded Cambodia.

That is history. The question now is: What is in the best interest of this country? It seems to me it is clear that it is in the best interest of this country that we have Vietnam as an independent country, independent of the United States, but also independent of China and independent of the Soviet Union. That is best encouraged by renewing diplomatic ties with Vietnam and working with that country on the problems that she faces; working with her also on the problems of the prisoners of war and those missing in action.

It is very easy in the area of foreign affairs to respond to the national passion rather than the national interest. The national passion is, frankly, one still of embarrassment over what happened in Vietnam. In my opinion the national interest is very clear, that we ought to try to see that Vietnam is independent. I am old enough, Mr. President—and if you will forgive me, the Presiding Officer is old enough along with me—to remember that immediately after World War II President Harry Truman took some steps of friendship toward Germany and Japan. There was a lot of criticism of Harry Truman for doing that. That clearly turned out to be in our national interest.

I think we face the same situation in Vietnam today. I think we ought to take the steps to recognize the reality that that country exists, to do what we can to encourage them to be independent and where we can in our own self-interest to extend the hand of friendship.

I ask unanimous consent that the article by our colleague, Senator LARRY PRESSLER, be printed in the RECORD.

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

WE CAN'T ISOLATE VIETNAM FOREVER

(By Larry Pressler)

WASHINGTON.—Following a visit to Vietnam last month, I concluded that more than 13 years after the last American helicopters left Saigon, the United States should consider ending its isolation of Vietnam. For the first time, Congress seems ready to review American policy there.

United States policy has remained virtually unchanged since April 30, 1975, when we closed our embassy and evacuated the last American personnel. Since then we have sought to keep Vietnam diplomatically isolated while denying aid and imposing a trade embargo. In 1978, after Vietnam invaded Cambodia, we escalated our policy to oppose diplomatic recognition until Vietnam withdrew from Cambodia and until it fully cooperated in resolving cases of Americans missing in action.

It is worth considering, however, whether these objectives could be achieved more easily if the United States made regular official contacts with the Vietnamese and if it made known its readiness to respond to urgent humanitarian needs through such established programs as Food for Peace.

The White House should include Vietnam and Cambodia on the agenda for the Moscow summit meeting next week. The Cambodia issue would benefit from the kind of "realistic engagement" by the United States that helped bring about the agreement on withdrawal of Soviet forces from Afghanistan.

As it is, we are leaving the Soviet Union a clear field in Vietnam. During my visit, I observed Soviet personnel in many places. They are staying at and using facilities previously used by the United States, most importantly the former United States naval base and the harbor at Cam Ranh Bay. Soviet economic and military assistance to Vietnam, one of the poorest countries in the world, is estimated at some \$1.6 billion annually. Nonetheless, the Vietnamese are dis-

satisfied with Soviet involvement in their country.

Rather than giving the Vietnamese only one option, we should actively seek a dialogue with Vietnam to work out a withdrawal of Vietnamese forces from Cambodia. The Afghanistan agreement and our role as a guarantor serve as an example of the contribution the United States can make in achieving such a settlement.

Although the intention of American policy is to isolate Vietnam, the effect has been to isolate ourselves from a country in which we have a lasting interest.

I served as an Army lieutenant in Vietnam in 1967 and 1968. Since my return visit, I have received messages from other veterans eager to renew their ties to that country. Some are looking for children fathered with Vietnamese mothers, others for friends with whom they worked as advisers—many of whom were locked up for years in harsh "re-education camps." Most of the camp prisoners have been released, but they are not yet free to leave Vietnam for reunion with family and friends in the United States.

Still other Americans are concerned about the missing-in-action issue and believe a first-hand look at the country would help resolve lingering questions. Many other veterans said they want to go back to see where they served.

All this demonstrates the almost forgotten bond the United States has with Vietnam. Nearly three million Americans served there during our 15 year involvement. In the years since the war, close to a million Vietnamese and their families have come to the United States. A Vietnamese-American who traveled with me was able to visit his aging mother in Hanoi and other relatives in Ho Chi Minh City. Anyone witnessing such reunions would understand the powerful attraction that family ties have for the Vietnamese, as they do for us.

For a number of reasons, the Vietnamese appear ready to welcome Americans. A Vietnamese with whom I spoke recalled that his country has been "occupied" in this century, as he put it, by the French, the Japanese, the Americans and the Russians. "And the Americans are the ones we want back," he said.

Probably the Americans' reputation for generosity to former enemies is part of the reason, but I believe it goes deeper. I sensed an enduring interest in American life and culture and economic techniques among many of the Vietnamese with whom we met.

The United States could not have played its active role in reaching the Afghanistan agreement without engaging in continuing dialogue with the Soviet Union and its leaders. Likewise in Indochina, the United States, China and our allies in the Association of South East Asian Nations have a vital role to play in bringing about a settlement in Cambodia and in guaranteeing its security against encroachments by the genocidal Khmer Rouge.

It is not enough to preach about withdrawal to the Vietnamese. We need to shoulder some share of responsibility in a region where the United States' presence just 15 years ago was a central factor. Our policy of isolation has reached the point of diminishing returns. The Moscow summit meeting would be a good opportunity for America to begin a new approach toward Vietnam.

Mr. SIMON. Mr. President, I question the presence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that further proceedings under the quorum call be rescinded.

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

CLARENCE PENDLETON

Mr. DOLE. Mr. President, yesterday in California, Clarence Pendleton, the Chairman of the U.S. Civil Rights Commission, died of a heart attack at the age of 57.

Clarence Pendleton was one of those rare phenomenons in public life—a man who said exactly what he believed. What he believed in, he believed in with all his heart and soul. Some of his beliefs were controversial—stands that ran contrary to the accepted wisdom and public opinion. But that is what America is all about—the opportunity for one person to rise to a position of responsibility and prominence through dint of his own hard work and, once there, the freedom to express his views openly.

Clarence Pendleton was a conservative's conservative—a man who wholeheartedly believed in the free enterprise system as the means to gain economic, and therefore personal independence.

But most of all Clarence Pendleton cared about this country, about its people, its future. He cared at the community level, starting as a recreation director in Baltimore, through his years at the National Recreation and Parks Association, in San Diego at the Model Cities Program, and then as executive director of the city's Urban League, and of course finally, at the national level, during his 6 years as Chairman of the U.S. Civil Rights Commission.

Mr. President, I express my sincere condolences to Clarence's wife Margrit and his three children. Clarence Pendleton was a strong, unique man, dedicated to this country and its people.

REMEMBERING ROBERT F. KENNEDY

Mr. DOLE. Mr. President, today the Nation remembers a man—Robert F. Kennedy—whose vibrance, energy, and commitment to public service stirred a generation of young Americans to become involved—and stay involved—in the political process.

Robert Kennedy rose to prominence during a time of terrific turmoil in this Nation. And while we may not have subscribed to the same solutions to these crises—domestic and foreign—we faced, there was never any doubt that his overriding interest was in preserv-

ing and promoting the principles this, the freest nation in the world, was founded upon.

Mr. President, the Kennedy family—and particularly our colleague, Senator EDWARD KENNEDY—has much to take pride in as the country stops to reflect and pay tribute to Robert Kennedy's life.

BICENTENNIAL MINUTE

JUNE 2, 1913: SENATORS DISCLOSE FINANCIAL HOLDINGS

Mr. DOLE. Mr. President, 75 years ago this week, on June 2, 1913, Senators for the first time publicly disclosed their financial holdings. The circuitous road that led to this unprecedented action had its beginning with a tariff bill and an angry President.

President Woodrow Wilson ranked tariff reduction at the top of his legislative agenda when he took office in March 1913. By May, the House of Representatives had passed just what he wanted—a bill that lowered the average tariff rate by 29 percent. That measure ran into trouble in the Senate, however, when large numbers of lobbyists, seeking to retain the protected status of the manufacturers they represented, descended upon Members.

The resulting delay on his priority legislation infuriated President Wilson. In a strongly worded statement, he condemned the "industrious and insidious" lobby, and accused lobbyists of trying to thwart the will of the people. The press took up the cry, demanding an investigation of the lobby and the legislators it might possibly control. Senators could hardly refuse to pursue the matter. To do so would only seem to give credence to the President's charges. When Republican Senator Robert La Follette suggested that all Senators disclose any holdings that might be affected by tariff reductions, no Senator dared publicly protest.

Beginning on June 2, each Member of the Senate appeared before the newly created special committee to investigate the lobby and revealed how many shares of coal or steel stock, acres of sugar cane and citrus trees, and textile mills he owned. Amidst intense press coverage of each day's revelations, opposition to downward revision of the tariff quickly collapsed. Though debate dragged on in the Senate throughout a suffocatingly hot summer, in September President Wilson got his wish. By a vote of 44 to 37 the Senate passed the Underwood tariff.

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

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

UNITED STATES-SOVIET RELATIONS

Mr. PRESSLER. Mr. President, President Reagan has returned from Moscow. We now have summaries of his meetings. We look forward to the possibility of another summit during this President's term of office.

I congratulate the President on his initiatives. Both he and Mr. Gorbachev have made breakthroughs in the effort to improve United States-Soviet relations.

However, I am very much concerned that breakthroughs have not been achieved in conventional arms agreements and chemical arms agreements.

If we do move forward with the strategic arms reduction agreement [START], it should be tied to a conventional arms agreement.

Mr. President, the Soviets have nearly a 10-to-1 advantage in chemical weapons in Europe. Some have said that we should modernize our forces in Europe—that is, spend more money and upgrade them to the Soviets' level. But in view of the budgetary deficit and in view of the fact that we are already spending \$150 billion or more on defense in Europe, the American people are more in a mood to reduce our forces there. Many Americans wish to see a greater burden-sharing effort by our European allies and Japan.

So, if there are negotiations regarding a START agreement, I hope they are tied to conventional arms reduction talks. The Soviets should be willing to reduce their 3-to-1 conventional advantage in Europe to a 1-to-1 balance. If the Soviets have a 10-to-1 advantage in chemical arms in Europe, they should be willing to reduce to a 1-to-1 parity.

The Soviet Union has combat-ready divisions in Czechoslovakia, East Germany, Hungary, and Poland, as well as, of course, the Soviet Union. These Soviet forces face very little threat from the West. They are offensive forces, and they are a threat to Western Europe because of their vast numerical superiority.

The United States and its allies have spent a great deal of money maintaining credible military deterrent force. Indeed, the United States spends an enormous amount of money in Europe, more than any other region, in helping with the defense of Europe.

So I hope that the White House staff and our negotiators insist on a conventional arms linkage. I have long hoped we could have a conventional

arms parity treaty. Unfortunately, the conventional arms talks in Vienna have been stalled for many years. On the other hand, it is encouraging to note that the Atlantic to the Urals Conventional forces talks begin this month.

Mr. President, I hope that any future START agreement also will be closely tied to Soviet compliance with the Helsinki accords. Although there appears to be movement toward glasnost in Eastern Europe and the Soviet Union and the appearance of a thawing of relationships, the Soviets continue to behave aggressively in regional conflicts around the world.

For example, in Vietnam, which I recently visited, the Soviets are building up their forces at Cam Ranh Bay, as well as in other areas of that country. The first things you see upon arriving in Nicaragua are Soviet combat helicopters at the airport.

So the Soviet Union will not change just overnight. They may be withdrawing troops from Afghanistan, but that is a matter of force, rather than a matter of choice, and I would not read too much into the glasnost policy, as some do, until we see greater evidence of a change in Soviet behavior at home and abroad.

Also, the Soviets' behavior toward some of their own minorities, including the Armenian minority, indicates they are still violating the Helsinki Accords.

Mr. President, in conclusion, my point is that a START agreement could be a good thing if it were verifiable, if it were tied to conventional arms reductions, especially by the Soviets in Europe, and if it were tied to parity on chemical weapons, or the verifiable elimination of such weapons.

We also need to think more about how to achieve a higher level of burden-sharing by some of our allies. Japan spends only about 1 percent of its gross national product on defense. We spend far, far more than that. Our European allies spend less than we do on defense and foreign aid combined. We are the country that takes the most refugees from around the world.

In the upcoming Presidential campaign I hope we hear a debate on defense burden-sharing. Indeed, I have offered amendments in this Chamber and voted for amendments that would force our European allies to pay more of the cost of NATO and that would make European leaders more aware of how strongly our taxpayers feel about fairer burden-sharing in this time of huge budget deficits.

Mr. President, my State of South Dakota is very interested in this issue. We have a major military base at Ellsworth Air Force Base. We have long-range nuclear missiles in our State. We have a naval training installation in our State. We have the South

Dakota National Guard. We also have other military facilities in our State. We are a major part of the national defense effort. We would be affected by a START agreement in a real and immediate way. So I will watch the START negotiations particularly closely. Whatever occurs, I would like the next nuclear arms reduction treaty to be tied to conventional arms reduction.

(Mr. SHELBY assumed the chair.)

INTERNATIONAL AGRICULTURAL AGREEMENT

Mr. PRESSLER. Mr. President, on another subject, we need to look into the possibility of an international agricultural agreement affecting production, food aid, land setasides and subsidies. There is much talk about subsidies and reducing them over a 10-year period, but our allies seems to be doing very little.

Indeed, in the Canada-United States trade agreement, we are told that the Canadians will not subsidize exports to the United States. But at a recent Senate Commerce Transportation Subcommittee hearing we heard that the Canadians subsidize the transportation of agricultural products. This is essentially an export subsidy which our farmers do not have. Different countries have different subsidies, even though they may not be in the form of a direct payment.

Our deficiency payment program is really not an export subsidy. Our export enhancement program is an export subsidy. But the fact of the matter is that our deficiency payment system is an internal program and does not affect the international price of the product. That is unlike most other countries that have an export subsidy which directly affects the world market.

I have introduced legislation which calls for the administration to begin negotiating a treaty on the land setaside issue. In our farm bill, we set aside a certain amount of cropland, either in annual land setaside or conservation reserve programs. This essentially subsidizes our competitors—Argentina, Australia, Canada, and other countries which export food.

If we have land setasides while other countries do not, we are effectively giving them a subsidy. This is something that should be taken into consideration at the GATT negotiations and it should be taken into consideration in figuring subsidies.

Also, Mr. President, I think it is well for us to have a coordinated food aid effort worldwide. This is something that countries can work together on for the betterment of mankind. Such an agreement might develop ground rules for food aid programs. For example, where there is a genuine need for food aid and it is provided freely, it

would not be counted as an export subsidy. These issues need to be worked out if we are to eliminate agricultural subsidies.

Mr. President, our taxpayers are paying several billion dollars a year for these subsidies, as are the taxpayers of Europe and other countries. There is a growing clamor to reduce them. But if the United States should reduce them without other countries doing so, our farmers would be left with a very low price.

It is my belief that if international trade rules are fair, the price to our farmers will be fair. That is not currently the case, so the subsidy system is necessary. I hope negotiations on a long-term international agricultural agreement defining food aid would be included in the current GATT talks. When is food aid really the dumping of surpluses in the international market? When are land setasides a subsidy? When are lower transportation rates for agricultural products, such as those used in Canada, a subsidy? These questions need to be answered through international trade negotiations.

Presently, the United States takes a bum rap regarding subsidies compared to other countries.

Recently I was in Geneva with our minority leader and met with GATT officials regarding soybeans. We found in the Common Market it cost \$15 to buy a bushel of soybeans, whereas our selling price is about \$6 or \$7. We cannot sell soybeans to Portugal, which would like to buy them, because of Common Market import restrictions.

Our subsidies pale in comparison to some of these European programs. We should have a long-term goal, a 10-year goal, of reducing these subsidies. This will require reaching an international agricultural agreement. That will be hard to do, but it is something we should initiate.

Mr. President, I ask unanimous consent that a copy of my amendment on this subject be printed in the RECORD.

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

PRESSLER AMENDMENT TO THE OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1988

(Purpose: Expressing the sense of the Congress regarding the need for the negotiation of an international agricultural conservation reserve agreement)

At the appropriate place in the bill, insert the following:

A. The Congress finds that,

1. Worldwide grain supplies are at a record level of 350 million metric tons—almost two years worth of world grain imports;

2. World food production historically has increased at an annual rate of 2.5 percent and world food production during the 1980s has increased at a rate of over 3 percent annually;

3. Approximately one fifth of the world's cropland is experiencing an intolerable rate of soil erosion;

4. The cost of farm programs is at record levels in many nations;

5. Agricultural export markets are declining due to increased productivity in food importing nations;

6. Other grain producing nations have expressed a need to limit agricultural production; and

B. It is the sense of the Congress that,

1. The President should initiate multilateral negotiations with all major agricultural commodity exporting nations to establish an international agricultural conservation reserve to reduce worldwide grain surpluses and control soil erosion.

2. Such an international agricultural conservation reserve should be based on the following principles:

(a) All signatory nations should agree not to bring virgin land into crop production and should agree to return a certain percentage of cropland to its natural state and keep it out of production for a minimum of 10 years. The amount of land to be taken out of production should be large enough to bring grain supplies in line with demand while still maintaining an adequate emergency food reserve.

(b) Sound conservation practices should be implemented to control soil erosion on cropland taken out of production; however, land taken out of production need not be classified as highly erodible.

(c) Emergency provisions should allow a portion of the land of all signatory nations to be put back into production if stocks fell below the level established for an emergency food reserve.

(d) Individual nations could be permitted to return a portion of their reserve land to production if their production did not meet domestic consumption demand.

(e) An international food aid program could be included as an adjunct to the conservation reserve.

RECESS UNTIL 1 P.M.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 1 p.m. today.

There being no objection, the Senate, at 12:07 p.m., recessed until 1 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. SHELBY].

ALLOCATIONS UNDER THE BUDGET ACT

Mr. CHILES. Mr. President, pursuant to the order previously entered, I send to the desk the estimated allocations—based on the budget in the conference report on House Concurrent Resolution 268—of the appropriate levels of total budget outlays, total new budget authority, and new credit authority among the committees of the Senate, pursuant to section 302(a)(2) of the Congressional Budget Act.

The allocations to the Appropriations Committee reflect the amounts set in the summit agreement on deficit reduction between the President and the joint leadership of Congress.

The allocations to the authorizing committees reflect the amounts called for by current policy except for specific policy changes and credit scorekeeping adjustments noted in the conference report on the budget resolution. While these credit scorekeeping adjustments appear to be increases over the baseline, they reflect only mandatory increases and are not increases in spending authority.

The estimated allocations follow:

SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS PURSUANT TO SEC. 302 OF THE CONGRESSIONAL BUDGET ACT FOR 1989

Committees	[In millions of dollars]			
	Direct spending jurisdiction		Entitlements funded in annual appropriations	
Budget authority	Outlays	Budget authority	Outlays	
Appropriations	611,401	625,083	.....	.....
Agriculture, Nutrition, and Forestry	22,823	21,216	17,961	18,021
Armed Services	46,700	31,027	0	8
Banking, Housing, and Urban Affairs	8,504	6,279	.....	.....
Commerce, Science, and Transportation	2,145	201	382	381
Energy and Natural Resources	1,333	931	33	33
Environment and Public Works	15,156	1,335	.....	.....
Finance	680,628	604,977	61,941	62,255
Foreign Relations	7,810	8,674	.....	.....
Governmental Affairs	64,444	40,943	0	0
Judiciary	1,350	1,283	109	109
Labor and Human Resources	3,476	2,826	5,087	5,082
Rules and Administration	48	15	.....	.....
Small Business	0	0	.....	.....
Veterans' Affairs	1,632	1,360	15,533	15,502
Select Indian Affairs	398	392	.....	.....
Not allocated to committees	(239,148)	(246,842)	.....	.....
Total	1,228,700	1,099,700	101,046	101,391

SENATE COMMITTEE CREDIT AUTHORITY PURSUANT TO SEC. 302 OF THE CONGRESSIONAL BUDGET ACT FOR 1989

Committees	[In millions of dollars]	
	Direct loans	Loan guarantees
Appropriations	12,605	76,328
Agriculture, Nutrition and Forestry	14,424	3,943
Armed Services	79	329
Banking, Housing, and Urban Affairs	5	0
Commerce, Science, and Transportation	249	0
Energy and Natural Resources	2	.....
Environment and Public Works	10,750	.....
Finance	936	19,600
Foreign Relations	.....	.....
Governmental Affairs	.....	.....
Judiciary	.....	.....
Labor and Human Resources	.....	.....
Rules and Administration	.....	.....
Small Business	.....	.....
Veterans' Affairs	28,300	110,950
Select Indian Affairs	.....	.....
Total	.....	.....

CONCURRENT RESOLUTION ON THE BUDGET—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the hour of 1 p.m. having arrived, the Senate will proceed to the consideration of the conference report on House Concurrent Resolution 268. The clerk will report the conference report.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the

amendment of the Senate to the concurrent resolution (H. Con. Res. 268) setting forth the congressional budget for the United States Government for the fiscal years 1989, 1990, and 1991, 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 Senate proceeded to consider the conference report.

(The conference report is printed in the House proceedings of the RECORD of May 26, 1988.)

The PRESIDING OFFICER. Time of debate on the conference report will be limited to 2 hours, with 1 hour under the control of the majority leader or his designee, 30 minutes under the control of the Republican leader or his designee, and 30 minutes under the control of the Senator from Colorado, Mr. ARMSTRONG.

The majority leader.

Mr. BYRD. Mr. President, I will designate as the Senator who controls time on this side Mr. CHILES.

I ask unanimous consent that the time for a quorum call which I shall suggest be charged equally against both sides, and I suggest the absence of a quorum.

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

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Florida has 52 minutes.

Mr. CHILES. Mr. President, today I bring, with the distinguished Senator from New Mexico, before the Senate, a conference agreement on the budget resolution for fiscal year 1989. This agreement is the culmination of a process that began on October 19, 1987, Black Monday. I remember standing on the Senate floor the morning after the stock market plunged. We seemed to be on the edge of an abyss whose depths we could not see.

On that Tuesday morning I offered a resolution calling for a bipartisan budget and economic summit of congressional, administrative and private sector leaders. To his great credit, President Reagan stepped forward with a proposal for a summit to address our deficit problem.

I know that he did not do that just because I called for it. I think he did that, perhaps somewhat on the urging of the Senator from New Mexico and the Senator from Kansas and some others; the Secretary of the Treasury and a number of other advisors that were speaking to the President.

The warning shot sent by Black Monday has been too strong too ignore. The markets had lost confi-

dence on an economy based on borrowing. We all understood that the United States would have to begin putting its fiscal house in order.

For a month administration and congressional leaders met in the Capitol. In the end the summit agreement achieved less than I had hoped but it did get us a plan to reduce the deficit \$76 billion over 2 years.

This budget resolution more than fulfills the pledges undertaken at the economic summit. The reconciliation bill and continuing resolution that were passed at the end of last year produced savings of \$73.6 billion. Spending and revenue targets in this resolution will achieve another \$8.1 billion of savings for a total 2-year deficit reduction of \$81.7 billion.

This agreement should allow us to avoid a sequester under Gramm-Rudman-Hollings law. Using current OMB economic and technical assumptions, the 1989 deficit is projected to be \$135.3 billion; below the target of \$136 billion.

If we ignore the savings from the asset sales contained in this resolution, as OMB will do later this year when it calculates whether a sequester will take place, the deficit would be \$141.8 billion. That is well below the \$146 billion that would trigger a sequester.

Let us be clear. A sequester could take place if new administration economic assumptions or administrative action to deal with increased bank and savings and loan failures push the deficit above the \$146 billion mark. But this would not result from new policies or spending assumed in the congressional budget resolution.

This resolution, under current OMB assumptions, allows us to avoid sequester.

This is a bipartisan agreement. I certainly want to thank my good friend, Senator DOMENICI, for all his help and support on this budget. Together, we have offered a budget plan in the committee that passed by a vote of 18 to 3. On the floor of the Senate, that plan received nearly 70 votes.

Throughout this conference, we worked together to bring back an agreement that the Senate can endorse.

This resolution meets the commitments made at the summit with regard to spending priorities: National defense, international programs, and domestic discretionary programs.

The conference agreement adheres to the caps for discretionary spending. Under those tight caps, we were forced to make hard choices. Maybe the easy way would have been an across-the-board approach, but that would have been a denial of our basic responsibility—to set priorities for the Federal Government and the Nation.

This conference agreement does set important priorities:

It says that America must invest in its future. We must have the best-educated, best-trained workforce in the world.

It says we must pursue scientific and technological breakthroughs if we want to keep our No. 1 standing in the world economy.

It says that to a large degree, our future is what we make it—that if we want to outproduce, outcompete, and just plain outsmart our trading partners, we better “out-invest” them.

Let me sketch some of the highlights:

SCIENCE AND SPACE

The conference agreement allows a 21-percent increase in science, space, and technology programs. Although this is less than was contained in the Senate-passed resolution, it is a significant increase. We urge the Appropriations Committee to follow our lead and support the Nation's future through increased funding for science and space programs.

EDUCATION

This budget resolution provides for major increases in education, so that our students and workers will have the knowledge and skills necessary to compete in the new century. The key to our economic future is the American people. A commitment to their education is a commitment to our individual and collective prosperity. This resolution contains an increase of more than \$1 billion for the Department of Education. If today we pledge our commitment to improved education and employment training activities, those priorities ought to be realized in the Appropriations Committee.

LOW-INCOME PROGRAMS

We have met our responsibilities to the needy. The budget provides small but significant increases in areas of continuing national needs. One of the major initiatives is for nutrition assistance. The commodity supplies which are disbursed to the poor and homeless under the Temporary Emergency Food Assistance Program will soon be exhausted. This agreement provides approximately \$1.7 billion to replace those dwindling supplies and continue funding for distribution—so that the most needy in America have continued access to nutritious food.

This budget also allows for Medicaid improvements agreed to in the conference on the catastrophic health insurance bill and in reported welfare reform legislation.

Under discretionary programs, the budget would allow for an increase in the number of participants in the Women, Infants and Children Supplemental Feeding Program. It also assumes increases for several low-income health programs, including maternal and child health, and community health centers.

FUNDING FOR THE ANTIDRUG INITIATIVE

The conference agreement provides more than \$4 billion in funding for the war on drugs. Enough money has been provided to fully fund the President's proposed increases for antidrug activities. In addition, the resolution fully funds grants to State and local governments to enhance their own antidrug law enforcement efforts.

A mechanism has also been created for an even larger antidrug effort using language similar to what was included in the Senate-passed resolution. I personally believe that dealing with the drug problem has to be a top priority. If the President agrees with us that a sufficiently dire state of emergency exists, then spending levels greater than those agreed to in the summit would be allowed. With that proviso and a requirement that any initiative be deficit neutral, Congress can further expand the war on drugs this year.

VETERANS

The House receded to the Senate's provision for an increase of \$300 million in veterans medical services. That amount is \$100 million above the President's budget request. The budget will allow for continuation of veterans' medical care at current service levels.

The House also receded to the Senate's provision for an expansion of veterans' compensation to cover victims of radiation exposure.

FEDERAL PAY

The conference agreement assumes pay raises for Federal civilian, and for military personnel, of up to 4 percent each. However, this year the budgetary situation regarding pay raises is unique because of the defense and domestic discretionary caps set in place by last year's summit agreement. Funds provided for pay raises must be traded off against funds for other discretionary programs or needs under each cap.

No point of order will lie against any pay raise legislated this year as long as the caps are not breached. Thus, if legislation is initiated which provides for a pay raise other than 4 percent, it would not conflict with the budget resolution as long as the caps were adhered to.

For Federal civilian personnel, the pay raise will be equal to the proposal submitted by the President in August, unless altered by the enactment of subsequent legislation.

For military personnel, the House and Senate have each passed Defense Department authorization bills containing approximately a 4 percent pay increase. The final outcome will depend on the conference agreement, any other legislation, and Presidential signature.

AIR SAFETY

The conference agreement provides adequate resources for an increase of 19 percent over 1988 funding levels for key aviation safety programs, exceeding the President's 1989 request by 5 percent. This increase allows continued improvement of the air transport system through the hiring of an additional 900 air traffic controllers; continued modernization of the air traffic control system; and additional airport improvements.

COAST GUARD

The agreement provides adequate room to fund the Coast Guard at levels requested by the President. This provides sufficient resources for the Coast Guard to continue and significantly increase its drug interdiction efforts.

The Senate also continues its assumption of the transfer of resources from the Department of Defense to the Coast Guard at levels at least consistent with the Senate-passed resolution. This transfer is intended to cover certain defense-preparedness and other military-related activities of the Coast Guard.

HOUSING AND THE HOMELESS

The conference agreement allows us to attack the serious problem of homelessness. We assume sufficient levels to adequately fund homeless housing programs at levels consistent with the McKinney Act.

POSTAL SERVICE

The resolution provides sufficient resources for postal subsidies to continue at the current program level.

Mr. President, this resolution is the child of the summit agreement. Those who think the summit should have done more will find the same fault with this agreement. I personally wanted the summit to accomplish more. We had a window of opportunity that opened wide, and I wish we could have pulled more through it.

Ultimately, we achieved as much as political reality would permit. We all favor deficit reduction in the abstract, but tend to shrink from the spending cuts and revenue increases that would bring about the reality.

The next Congress and the next administration will face difficult choices. When you remove the veil of the Social Security surpluses, our deficit problem is over \$200 billion a year as far as the eye can see. Sooner, rather than later, we will be forced to decide on what the Government must provide, and the means to pay for it.

In my years in the Senate, I have done my best to put our Nation on a path toward fiscal responsibility. We have taken some steps in the right direction, but I am afraid there are miles to go before we sleep.

Mr. President, I ask unanimous consent to include more detailed materials

and tables describing the budget resolution.

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

CONFERENCE AGREEMENT ON THE BUDGET EDUCATION

Education is one area in which there is a strong consensus for increased federal investment. This conference agreement reflects those desires.

It assumes Department of Education budget authority will increase by more than one billion dollars. This is a significant boost when viewed in terms of our fiscal constraints this year. It is a critical investment, however, if Congress intends to deliver on promises made. More importantly, the earmarked money is a necessary expenditure if this country is to bolster its ability to compete in the global, economic market and offer a quality education to its young, and to students continuing their education.

This report also recognizes that our labor pool is undergoing dramatic change. Throughout the remainder of this century, workers of all demographic profiles will need training and retraining in order to perform technology-based functions. We agree with the House and the Administration that underemployed, displaced, and otherwise discouraged workers need new and flexible training to help meet the vocational challenges confronting America. If this report is adopted, Congress will have assumed increased allocations for these purposes.

Some will say we have not accomplished enough; that we have not sufficiently laid the foundation for a smarter, better-trained labor force. Others will contend that we have disproportionately set aside money for programs which are best left to the domain of state and local government. We cannot control such criticism. If we approve this agreement, however, each of us can travel to our home states and know that we supported funding for programs vital to the future of this country.

Mr. President, throughout all stages of this year's budget process, both bodies of Congress have voted to provide more funds to education in 1989 than we did for 1988. If today we avow our commitment to improved education and employment training activities on a funding level consistent with need, those priorities ought be realized. We would be less than forthright with the American people if we were to twice vote for increased human resource investments only to see the money spent on other projects.

IMPROVEMENTS IN ENTITLEMENT PROGRAMS

The conference agreement provides \$0.4 billion in 1989, \$0.85 billion in 1990, and about \$0.9 billion in 1991 for improvements in high-priority entitlement programs serving the poor.

For fiscal year 1989, \$275 million is provided for in Function 600 to continue nutrition aid to the homeless and other low-income individuals after the Temporary Emergency Food Assistance Program expires. This aid is assumed to consist of purchases of commodities to be given to low-income households, and of improvements in the Food Stamp program. An additional \$50 million is included in the 1989 discretionary allocation to cover administrative costs for commodity distribution. Furthermore, an additional \$525 million for nutrition assistance is set aside in 1990, and \$575 million in 1991.

In addition, the conference agreement provides for \$0.1 billion in 1989, \$0.3 billion in 1990, and \$0.4 billion in 1991 in Function

950 to be used for unspecified priority entitlement increases.

Mr. President, the conference agreement would allow the funds in Function 950 to be allocated to several different entitlement programs. This is an agreement we reached with the House after some discussion, and it leaves each of us with some flexibility in ultimately deciding program priorities.

I want to make it clear, however, that the Senate is allocating \$75 million in 1989 to the Agriculture Committee to supplement the \$275 million already in Function 600 for nutrition assistance. That will bring the total entitlement authority for nutrition assistance to \$350 million in 1989, compared to the \$450 million provided for in the Senate-passed budget resolution. In 1990, \$50 million will be allocated to the Agriculture Committee providing a total of \$575 million for nutrition entitlement aid. In 1991, \$19 million will be allocated to that Committee for total nutrition entitlement aid of \$594 million. In the Senate-passed resolution, \$750 million was assumed in both 1990 and 1991 for this purpose.

Finally, the remaining amounts of funds for new entitlement authority in function 950 are being allocated to the Finance Committee to be used for Medicaid improvements in the catastrophic health insurance bill. Sufficient room is provided in the overall budget resolution conference agreement to allow full funding of the Medicaid initiatives in the conference agreement in the catastrophic bill. These improvements will expand coverage for low-income pregnant women and children, protect families during a period of transition from welfare to work, and protect low-income elderly against spousal impoverishment and high Medicare cost-sharing amounts.

CHANGES IN ENTITLEMENT SPENDING IN THE 1989 BUDGET RESOLUTION CONFERENCE REPORT

[Dollars in billions]

	1989	1990	1991
Function 600: Continuation of Nutrition aid:			
Budget Authority	0.275	0.525	0.575
Outlays	275	525	575
Function 950:			
Medicaid improvements:			
Budget Authority	.050	.275	.331
Outlays	.050	.275	.331
Continuation of nutrition aid:			
Budget Authority	.075	.050	.019
Outlays	.075	.050	.019
Total changes in entitlements:			
Budget Authority	.400	.850	.925
Outlays	.400	.850	.925
Crosswalk:			
Agriculture Committee:			
Budget Authority	.350	.575	.594
Outlays	.350	.575	.594
Finance Committee:			
Budget Authority	.050	.275	.331
Outlays	.050	.275	.331

FUNCTION 150

Discretionary funding levels for function 150 meet the levels agreed to in last year's budget Summit. This will allow for modest growth in the foreign assistance and State Department operating programs.

As previously agreed to with Senator Inouye, Chairman of the Foreign Operations Subcommittee, the Budget Committee will score \$270 million in 1989 budget authority against the Foreign Operations Subcommittee for a debt reform measure included as an advance appropriation in last year's continuing resolution.

Furthermore, the foreign military sales guarantee reserve fund will be considered a mandatory program. As such, this program is not contained within the discretionary levels assumed in the Summit agreement. As a mandatory program, increasing demands against the guarantee reserve fund should not be traded-off against discretionary programs within the Summit limits.

FEDERAL PAY

This year is unique regarding the effect of Federal pay on the budget. As a result of the Budget Summit Agreement, the total amount spent on domestic discretionary programs, including Federal civilian pay increases, is capped. Similarly the total amount spent on defense programs, including military and civilian defense personnel pay increases, is also capped. Therefore, monies spent on pay increases must be traded off against spending on other programs. If a large pay raise for Federal civilian workers is legislated, then other domestic programs will receive less funds. Conversely, if a small pay increase is mandated, then more money is available for domestic programs. In similar fashion, pay raises for military personnel or for civilian defense personnel must be traded off against costs for other defense programs. The overall Federal budget deficit is virtually unaffected by the choices made for Federal pay raises, but defense and domestic discretionary programs are heavily affected by those choices.

The Budget Resolution assumes that federal civilian personnel, and military personnel, can receive pay raises up to 4 percent. However, given the unique situation this year described above, the choice of a 4 percent limit is not particularly meaningful. Indeed, as long as the caps are adhered to, no point of order will lie against any legislation that mandates a particular pay raise. If legislation were initiated that made military and civilian pay raises equal to a figure that is different from 4 percent, a point of order would not lie against it as long as the caps were not breached.

The actual civilian pay raise will be equal to the civilian pay raise proposed by the President in August unless subsequent to the submission of this proposal, the Congress passes legislation containing a different pay raise. However, this change to the President's proposal only becomes effective if the President signs the legislation.

For military personnel, the Senate-passed legislation on the Defense Department authorization contains a 4.3 percent pay increase while the House-passed version assumes 4 percent. Final action on this pay raise will depend on the conference agreement, and subsequent legislation, and signature of the President.

NUTRITION ASSISTANCE

The Conference agreement provides for a significant increase in funding for nutrition assistance to cope with the exhaustion of cheese and other surplus commodities that have been provided to low-income households over the last few years. These commodities have been provided through the TEFAP program (Temporary Emergency Food Assistance Program). With cheese and certain other commodities about to be depleted, the Senate Agriculture Committee is working on legislation to deal with this situation.

The Conference Report on the Budget Resolution provides for \$275 million dollars in Function 600 in 1989 for the continuation of nutrition assistance when TEFAP com-

modities run out. The Conference Report also provides for additional funding for new entitlement initiatives in Function 950. In the Senate, \$75 million of the new funds in Function 950 will be crosswalked to the Senate Agriculture Committee for continuation of nutrition aid. (The remaining amount will be crosswalked to the Finance Committee for improvements to the Medicaid program). Thus, a total of \$350 million will be available for continuing nutrition aid in 1989. In addition, the Resolution assumes that \$50 million from the discretionary funds under the control of the Appropriations Committee will be used to continue funding for administrative costs for the TEFAP program. This \$50 million is in addition to the \$350 million in new entitlement funds made available to the Senate Agriculture Committee.

In function 600, the conference report on the budget resolution provides for \$525 million in 1990 for additional nutrition assistance. Of the unspecified new entitlement authority available in the resolution in function 950 in 1990, \$50 million will be crosswalked in the Senate to the Senate Agriculture Committee. (The remainder of the 1990 unspecified funds will be used for improvements to the Medicaid program.) Thus, in 1990, a total of \$575 million of new entitlement authority will be available for improved nutrition assistance. In 1991, in function 600, the conference report assumes \$575 million for additional nutrition assistance. Of the unspecified new entitlement authority in function 950, \$19 million is to be crosswalked to the Senate Agriculture Committee. (The remainder is to be used for improvements in the Medicaid program). Thus, in 1991, a total of \$594 million of new entitlement authority will be available for improved nutrition assistance.

The additional funds in each year can be used for purchasing cheese and other commodities for distribution to low-income families and individuals. The current TEFAP program serves many low-income people, including the homeless, who are not covered by food stamps. In many cases the distribution of commodities through TEFAP is the only way to reach this population with food assistance. Moreover, some of the new entitlement funds assumed in the Budget Resolution can be used to increase food stamp benefits and make other improvements in the Food Stamp and other nutrition assistance programs.

ECONOMIC ASSUMPTIONS AND SCOREKEEPING

As required by law, the budget resolution must set forth amounts and levels based on a single set of economic and technical assumptions. In determining the budget deficit under its recommended budget resolution, the Committee chose to use the same economic and technical assumptions that the President used in his budget submission to the Congress and that the House of Representatives used in the budget it adopted.

By choosing to use the Administration's economic assumptions to measure the deficit, the Committee is following the same rules that will be used later this year to determine whether sequestration is required. Under the Gramm-Rudman-Hollings law, the Office of Management and Budget, using its own economic projections, will determine whether the 1989 deficit target has been met. If the deficit target is exceeded by more than \$10 billion, across-the-board spending cuts will take place.

As has been its practice over the years, in the exercise of its scorekeeping duties, the Senate Budget Committee will continue to

use CBO estimates and analysis to prepare its reports to the Senate regarding the status of particular bills and amendments. The Committee will then determine the aggregate levels of new budget authority, budget outlays, new spending authority, and revenues for a fiscal year on the basis of standard, consistent, defined adjustments to the CBO estimates in a fashion consistent with the adjustments underlying this budget resolution.

TREATMENT OF ADVANCED APPROPRIATIONS

One of the more significant scorekeeping differences between the Senate and the House concerns the treatment of certain advance appropriations made in the 1988 Continuing Resolution. The C.R. included a \$525 million advance for the Clean Coal technology program, a \$20 million advance for construction of a prison in the District of Columbia and a \$270 million advance for interest rate reductions on existing foreign military sales loans. Although the Senate assumed these items were discretionary and included them under the cap, the House classified them as mandatory. The conference agreement adopts the Senate position—treating the advances as discretionary.

The main reason for inclusion of advance appropriations under the caps set in the Summit Agreement is relatively straightforward. In brief, the summit caps for 1988 and 1989 were in place when these advance appropriations were made. It would be contrary to the spirit of the two-year agreement to ignore a discretionary appropriation made in 1988 simply because the spending was advanced to 1989. Because the Summit Agreement made no provision for this additional spending outside of the caps, reclassifying these advances as mandatory would increase the 1989 deficit by amount of the outlays associated with the advances.

The issue of treatment of advance appropriations has already been addressed in the protocol established in the Budget Summit. The CBO and OMB scorekeeping rules for the summit—which were circulated for both the Budget and Appropriations Committees for review—contained a rule regarding advance appropriations. The rule stated that “advance appropriations of budget authority will be counted as new budget authority for the fiscal year in which they become newly available.” Based on this agreement, both CBO and the Administration included the full amount of advance appropriations in their estimates of spending under the summit cap on discretionary programs for 1989.

Another reason that the Senate treatment has been adopted has to do with preserving budgetary control. If advance appropriations are treated as mandatory items, then there will be a trend toward making as many advance appropriations as possible. The more appropriations made in advance, the more spending outside the discretionary spending limits set in the Budget Resolutions—and the higher the deficit. By allowing advance appropriations outside these limits, Congress would be severely weakening the limits' effectiveness—thus further eroding budgetary control.

The scoring of advance appropriations within the domestic discretionary caps is not a new issue for the Senate. In fact, this topic was the subject of a colloquy between myself and Senator Inouye, Chairman of the Foreign Operations Subcommittee. In that colloquy, Senator Inouye and I agreed that advance appropriations made in 1988 for 1989 would be scored as discretionary

items and included under the cap. As the Senate and House adopt this budget resolution, incorporating the Senate position on this issue, the question of scoring advance appropriations should now be completely resolved.

REIMBURSEMENTS FOR NET REALIZED LOSSES

The Farmers Home Administration (FmHA), the Federal Housing Administration (FHA) and the Rural Electrification Administration receive annual appropriations which provide for the reimbursement of past losses. These amounts are based upon the most recently available audits of the funds, which constitute estimates of the funds' activities two years ago. These losses do not follow a consistent pattern, but rather fluctuate widely from year to year based upon loan defaults, interest losses, prepayments and loan asset sales. If insufficient appropriations are enacted, these programs have access to permanent borrowing authority.

Last fall, when the budget summit established the 1989 discretionary spending caps, these programs were estimated to require \$7.3 billion in budget authority and \$0.2 billion in outlays. However, when CBO reestimated its 1989 baseline in February, the requirements of these programs increased by \$2.2 billion in budget authority and \$0.3 billion in outlays. Since the Appropriations Committee has no control over these increased expenditures, a decision was made in the Senate Resolution to hold the Appropriations Committee harmless for baseline increases over the 1989 cap. However, if insufficient funds are appropriated, the Appropriation bills will be charged with additional amounts up to the levels assumed in the Budget Resolution.

The House Resolution contained amounts for these programs which were \$1.7 billion below the Senate. The Conference agreement adopts the Senate position with a slight modification for FHA programs.

For purposes of determining compliance with the discretionary cap, appropriations to reimburse losses for the FmHA funds—the agricultural credit insurance fund, the rural housing insurance fund, the rural electrification fund and the rural development insurance fund—will be scored at the level estimated by CBO when the cap was calculated. Appropriations to reimburse losses for the FHA fund will be scored at the CBO baseline level, which is lower than the amount estimated when the caps were calculated. The Conferencee urge the Appropriation Committees to fully fund these reimbursements since they are necessary to replenish the funds and Appropriations will not be penalized for additional expenditures beyond those estimated in the development of the cap.

CONSERVATION RESERVE

The Conservation Reserve is also a dual-funded program which is financed through both appropriations and Payment-in-Kind (PIK) certificates. At the time the discretionary caps were created, the budget estimate for this program was \$0.6 billion in budget authority and outlays. Even at this point, however, it was widely recognized that the program would result in additional outlays in 1989. Due in part to these revised estimates and anticipated increases in other programs, an overall outlay adjustment of \$2.7 billion was made to the 1989 discretionary cap.

The Conference agreement assumes that \$0.6 in budget authority and \$1.1 billion in outlays will be appropriated under the dis-

cretionary cap. Additional amounts up to the President's request of \$1.9 billion in budget authority and \$2.0 billion in outlays will be treated as mandatory for purposes of scoring appropriation bills under the Budget Act.

Maximum appropriation levels are assumed in the Budget Resolution because cash payments are more efficient than PIK certificates. CBO estimates that PIK certificates carry an 11 percent premium relative to cash payments as the result of higher transaction costs.

MEETING THE 1989 DEFICIT TARGET CONFERENCE AGREEMENT

[In billions of dollars]

	Deficit	Revenues	Outlays
GRH Baseline deficit (CBO)	177.057	954.250	1,131.307
Deficit reduction policies:			
Discretionary spending caps: (Relative to CBO):			
Defense	—1.376		—1.376
International affairs	—399		—399
Domestic discretionary	—1.176		—1.176
Subtotal, discretionary savings..	—2.951		—2.951
1989 Asset sales and prepayments	—4.200		—4.200
1989 Asset sales enacted in 1988	—2.300		—2.300
Entitlement spending:			
Nutrition assistance and medicare	.400		.400
VA	.008		.008
Revenues	.350	—0.350	
Technical offsets	1.113		1.113
Debt service	—.187		—.187
Total, deficit reduction	—7.767	—350	—8.117
Differences between CBO and OMB baselines economic and technical	—33.990	10.500	—23.490
Budget resolution deficit	135.300	964.400	1,099.700
GRH target deficit	136.00		
GRH sequestration deficit	141.800		
GRH sequestration threshold	146.00		

BUDGET RESOLUTION CONFERENCE FUNCTION TOTALS

[In billions of dollars]

	House	Senate	Final compromise
FUNCTION 050			
Total:			
Budget authority	299.500	299.500	299.500
Outlays	294.000	294.000	294.000
Budget authority	0.000	0.000	0.000
Outlays	0.000	0.000	0.000
Budget authority	0.000	0.000	0.000
Outlays	0.000	0.000	0.000
Budget authority	299.500	299.500	299.500
Outlays	294.000	294.000	294.000
FUNCTION 150			
Discretionary:			
Budget authority	18.147	18.142	18.142
Outlays	16.105	16.131	16.131
Net losses:			
Budget authority	0.000	0.000	0.000
Outlays	0.000	0.000	0.000
Mandatory:			
Budget authority	—1.547	—1.542	—1.542
Outlays	0.093	0.069	0.069
Total:			
Budget authority	16.600	16.600	16.600
Outlays	16.200	16.200	16.200
FUNCTION 250			
Discretionary:			
Budget authority	12.434	13.353	13.000
Outlays	12.184	12.955	12.600
Net losses:			
Budget authority	0.000	0.000	0.000
Outlays	0.000	0.000	0.000
Mandatory:			
Budget authority	0.016	0.047	0.000
Outlays	0.016	0.045	0.000
FUNCTION 350			
Discretionary:			
Budget authority	2.268	2.151	2.149
Outlays	2.264	2.278	2.278
Net losses:			
Budget authority	2.487	3.423	3.423
Outlays	0.000	0.000	0.000
Mandatory:			
Budget authority	21.645	21.426	19.928
Outlays	20.136	20.922	19.322
Total:			
Budget authority	26.400	27.000	25.500
Outlays	22.400	23.200	21.600
FUNCTION 370			
Discretionary:			
Budget authority	2.954	2.602	2.700
Outlays	3.025	2.674	2.893
Net losses:			
Budget authority	2.334	3.175	2.805
Outlays	0.189	0.206	0.206
Mandatory:			
Budget authority	8.462	7.723	8.095
Outlays	6.186	6.220	6.201
Total:			
Budget authority	13.750	13.500	13.600
Outlays	9.400	9.100	9.300
FUNCTION 400			
Discretionary:			
Budget authority	11.498	11.376	11.139
Outlays	27.448	27.833	27.361
Net losses:			
Budget authority	0.000	0.000	0.000
Outlays	0.000	0.000	0.000
Mandatory:			
Budget authority	17.452	17.024	17.461
Outlays	0.502	0.067	0.539
Total:			
Budget authority	28.950	28.400	28.600
Outlays	27.950	27.900	27.900
FUNCTION 450			
Discretionary:			
Budget authority	5.415	4.979	5.150
Outlays	5.831	5.686	5.809
Net losses:			
Budget authority	0.578	0.689	0.689
Outlays	0.000	0.000	0.000
Mandatory:			
Budget authority	1.557	1.432	1.461
Outlays	0.769	0.814	0.791
Total:			
Budget authority	7.550	7.100	7.300
Outlays	6.600	6.500	6.600
FUNCTION 500			
Discretionary:			
Budget authority	27.689	26.655	27.276

BUDGET RESOLUTION CONFERENCE FUNCTION TOTALS—

Continued

[In billions of dollars]

	House	Senate	Final compromise
FUNCTION 270			
Total:			
Budget authority	12,450	13,400	13,000
Outlays	12,200	13,000	12,600
FUNCTION 270			
Discretionary:			
Budget authority	5,271	5,851	5,705
Outlays	6,080	5,903	6,100
Net losses:			
Budget authority	0.341	0.022	0.022
Outlays	0.341	0.022	0.022
Mandatory:			
Budget authority	—0.812	—0.973	—0.927
Outlays	—2,071	—1,725	—1,722
Total:			
Budget authority	4,800	4,900	4,800
Outlays	4,350	4,200	4,400
FUNCTION 300			
Discretionary:			
Budget authority	16,044	15,876	15,785
Outlays	16,508	16,270	16,270
Net losses:			
Budget authority	1,129	0.572	0.572
Outlays	1,253	0.572	1,086
Mandatory:			
Budget authority	—2,123	—1,848	—0.557
Outlays	—2,161	—1,942	—1,056
Total:			
Budget authority	15,050	14,600	15,800
Outlays	15,600	14,900	16,300
FUNCTION 350			
Discretionary:			
Budget authority	2,268	2,151	2,149
Outlays	2,264	2,278	2,278
Net losses:			
Budget authority	2,487	3,423	3,423
Outlays	0.000	0.000	0.000
Mandatory:			
Budget authority	21,645	21,426	19,928
Outlays	20,136	20,922	19,322
Total:			
Budget authority	26,400	27,000	25,500
Outlays	22,400	23,200	21,600
FUNCTION 370			
Discretionary:			
Budget authority	2.954	2.602	2.700
Outlays	3.025	2.674	2.893
Net losses:			
Budget authority	2.334	3.175	2.805
Outlays	0.189	0.206	0.206
Mandatory:			
Budget authority	8,462	7,723	8,095
Outlays	6,186	6,220	6,201
Total:			
Budget authority	13,750	13,500	13,600
Outlays	9,400	9,100	9,300
FUNCTION 400			
Discretionary:			
Budget authority	11,498	11,376	11,139
Outlays	27,448	27,833	27,361
Net losses:			
Budget authority	0.000	0.000	0.000
Outlays	0.000	0.000	0.000
Mandatory:			
Budget authority	17,452	17,024	17,461
Outlays	0.502	0.067	0.539
Total:			
Budget authority	28,950	28,400	28,600
Outlays	27,950	27,900	27,900
FUNCTION 450			
Discretionary:			
Budget authority	5,415	4,979	5,150
Outlays	5,831	5,686	5,809
Net losses:			
Budget authority	0.578	0.689	0.689
Outlays	0.000	0.000	0.000
Mandatory:			
Budget authority	1,557	1,432	1,461
Outlays	0.769	0.814	0.791
Total:			
Budget authority	7,550	7,100	7,300
Outlays	6,600	6,500	6,600
FUNCTION 500			
Discretionary:			
Budget authority	27,689	26,655	27,276

BUDGET RESOLUTION CONFERENCE FUNCTION TOTALS—

Continued

[In billions of dollars]

	House	Senate	Final compro- mise
Past Outlays.....	26.554	26.454	26.500
losses:			
Budget authority.....	0.000	0.000	0.000
Outlays.....	0.000	0.000	0.000
Mandatory:			
Budget authority.....	9.861	9.945	9.924
Outlays.....	8.896	8.846	8.900
Total:			
Budget authority.....	37.550	36.600	37.200
Outlays.....	35.450	35.300	35.400

FUNCTION 550

	House	Senate	Final compro- mise
Discretionary:			
Budget authority.....	13.492	13.552	13.447
Outlays.....	13.107	13.159	13.147
Past losses:			
Budget authority.....	0.000	0.000	0.000
Outlays.....	0.000	0.000	0.000
Mandatory:			
Budget authority.....	36.158	36.348	36.353
Outlays.....	35.593	35.741	35.753
Total:			
Budget authority.....	49.650	49.900	49.800
Outlays.....	48.700	48.900	48.900

FUNCTION 570

	House	Senate	Final compro- mise
Discretionary:			
Budget authority.....	0.023	0.000	0.000
Outlays.....	2.109	2.122	2.115
Past losses:			
Budget authority.....	0.000	0.000	0.000
Outlays.....	0.000	0.000	0.000
Mandatory:			
Budget authority.....	103.727	103.700	103.700
Outlays.....	84.741	84.778	84.785
Total:			
Budget authority.....	103.750	103.700	103.700
Outlays.....	86.850	86.900	86.900

FUNCTION 600

	House	Senate	Final compro- mise
Discretionary:			
Budget authority.....	14.964	14.112	14.605
Outlays.....	20.887	21.006	21.006
Past losses:			
Budget authority.....	0.000	0.000	0.000
Outlays.....	0.000	0.000	0.000
Mandatory:			
Budget authority.....	161.636	162.088	161.895
Outlays.....	116.813	117.294	117.094
Entitlement increases:			
Budget authority.....	0.000	0.500	0.275
Outlays.....	0.000	0.500	0.275
Total:			
Budget authority.....	176.600	176.200	176.500
Outlays.....	137.700	138.300	138.100

FUNCTION 650

	House	Senate	Final compro- mise
Discretionary:			
Budget authority.....	-0.013	0.000	0.000
Outlays.....	2.040	2.158	2.158
Past losses:			
Budget authority.....	0.000	0.000	0.000
Outlays.....	0.000	0.000	0.000
Mandatory:			
Budget authority.....	278.113	278.100	278.100
Outlays.....	231.360	231.342	231.342
Total:			
Budget authority.....	278.100	278.100	278.100
Outlays.....	233.400	233.500	233.500

FUNCTION 700

	House	Senate	Final compro- mise
Discretionary:			
Budget authority.....	12.006	12.091	12.091
Outlays.....	12.004	12.130	12.130
Past losses:			
Budget authority.....	0.000	0.000	0.000
Outlays.....	0.000	0.000	0.000
Mandatory:			
Budget authority.....	16.694	16.709	16.709
Outlays.....	16.246	16.270	16.270
Entitlement increases:			
Budget authority.....	0.000	0.008	0.008
Outlays.....	0.000	0.008	0.008
Total:			
Budget authority.....	28.700	28.800	28.800
Outlays.....	28.250	28.400	28.400

FUNCTION 750

	House	Senate	Final compro- mise
Discretionary:			
Budget authority.....	9.279	9.409	9.326
Outlays.....	8.990	9.414	9.161

BUDGET RESOLUTION CONFERENCE FUNCTION TOTALS—

Continued

[In billions of dollars]

	House	Senate	Final compro- mise
Past losses:			
Budget authority.....	0.000	0.000	0.000
Outlays.....	0.000	0.000	0.000
Mandatory:			
Budget authority.....	-0.429	-0.409	-0.426
Outlays.....	-0.440	-0.414	-0.461
Total:			
Budget authority.....	8.850	9.000	8.900
Outlays.....	8.550	9.000	8.700

FUNCTION 800

	House	Senate	Final compro- mise
Discretionary:			
Budget authority.....	8.379	8.325	8.216
Outlays.....	8.259	8.451	8.358
Past losses:			
Budget authority.....	0.000	0.000	0.000
Outlays.....	0.000	0.000	0.000
Mandatory:			
Budget authority.....	1.271	1.200	1.284
Outlays.....	1.091	0.974	1.042
Total:			
Budget authority.....	9.650	9.525	9.500
Outlays.....	9.350	9.425	9.400

FUNCTION 900

	House	Senate	Final compro- mise
Discretionary:			
Budget authority.....	0.000	0.000	0.000
Outlays.....	0.000	0.000	0.000
Past losses:			
Budget authority.....	0.000	0.000	0.000
Outlays.....	0.000	0.000	0.000
Mandatory:			
Budget authority.....	151.950	151.900	152.000
Outlays.....	151.950	151.900	152.000
Total:			
Budget authority.....	151.950	151.900	152.000
Outlays.....	151.950	151.900	152.000

FUNCTION 920

	House	Senate	Final compro- mise
Discretionary:			
Budget authority.....	0.000	-0.125	0.000
Outlays.....	0.000	-0.125	0.000
Past losses:			
Budget authority.....	0.000	0.000	0.000
Outlays.....	0.000	0.000	0.000
Mandatory:			
Budget authority.....	-37.300	-37.600	-37.500
Outlays.....	-50.700	-49.900	-50.500
Entitlement increases:			
Budget authority.....	0.100	0.000	0.125
Outlays.....	0.100	0.000	0.125
Asset sales:			
Budget authority.....	0.000	0.000	0.000
Outlays.....	-4.600	-3.500	-4.200
Total:			
Budget authority.....	-37.750	-37.600	-37.500
Outlays.....	-50.700	-49.900	-50.500

TOTALS

	House	Senate	Final compro- mise
Discretionary:			
Budget authority.....	458.900	457.849	458.231
Outlays.....	477.395	478.499	478.017
Past losses:			
Budget authority.....	6.869	7.881	7.511
Outlays.....	1.783	0.800	1.314
Mandatory:			
Budget authority.....	766.331	765.270	765.958
Outlays.....	618.115	621.301	620.369
Total:			
Budget authority.....	1232.100	1231.000	1231.700
Outlays.....	1098.200	1100.600	1099.700
DOMESTIC DISCRETIONARY			
Discretionary:			
Budget authority.....	141.253	140.207	140.589
Outlays.....	167.290	168.368	167.886

BUDGET RESOLUTION CONFERENCE FUNCTION TOTALS—

Continued

[In billions of dollars]

	House	Senate	Final compro- mise
Past losses:			
Budget authority.....	6.869	7.881	7.511
Outlays.....	1.783	0.800	1.314
Total:			
Budget authority.....	148.122	148.088	148.100
Outlays.....	169.073	169.168	169.200

Discretionary caps:

Budget authority.....

Outlays.....

Difference:

Budget authority.....

Outlays.....

Prepared by Senate Budget Committee Staff.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, how much time does the Senator from New Mexico have?

The PRESIDING OFFICER.

Twenty-six minutes.

Mr. DOMENICI. I thank the Chair and yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 10 minutes.

Mr. DOMENICI. Mr. President, first, I want to congratulate Chairman CHILES for bringing this resolution to completion. I do not think I need to compliment him again here on the floor because I did so when we agreed to this resolution. I believe he and the Senate already know of my great admiration and respect and love for him. But, frankly, I want to do it just one more time. He will be leaving the Senate.

Senator CHILES has indicated that he has been concerned over the past years about the impact of the deficit on the future of the United States and has indicated to us today that he was genuinely concerned about the continuing chasm between the administration and the Congress. He stated his participation in trying to get the administration and the Congress to work together in a meaningful way, and I think he has understated his involvement. I think he had a great impact on causing that to happen.

All of that clearly, from this Senator's standpoint, inures to his enduring legacy here in the U.S. Senate and, once again, I compliment him as a friend of fiscal responsibility and of the budget process.

Mr. President, this resolution was dictated by events that preceded it months ago, namely:

Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987, better known as Gramm-Rudman-Hollings II, as amended last September. This legislation set the target for fiscal year 1989 at \$136 billion, and for all practical purposes, made the administration's economic

forecasts the operative ones for congressional deliberations.

Bipartisan budget agreement, as outlined by the bicameral leadership and the President last November.

And the Omnibus Budget Reconciliation Act of 1987, that we adopted in late December that: First, set in statute the 1989 spending caps of the bipartisan budget agreement; second, put in place a supermajority point of order against this budget resolution if it did not comply with these defense and domestic spending caps, and; third, committed Congress to pass legislation sufficient to achieve the budget summit agreement of \$3.5 billion of asset sales in fiscal year 1989.

Those who have and will criticize this budget resolution conference agreement, would be well advised to rethink the focus of their concerns, away from the events of this spring to these other events of last fall and winter.

As an active participant in all the activities of last fall and winter, I can assure you, Mr. President and my fellow Senators, I would have preferred more in the way of deficit reduction than we were able to achieve from those endless deliberations. I, therefore, would have preferred more in the way of deficit reduction than is specified in this conference agreement.

But this is what is before the Senate today, and I can equally assure my fellow Senators that the opportunity for doing more in the way of deficit reduction will be before us another day, not too far in the future.

In this resolution, spending will increase by zero real rate. Before that day rolls around again we possibly can take some small solace in the fact that this resolution, if fully implemented and adhered to in this an election year, will translate into an annual spending increase of less than 4 percent, almost identical to the projected increase in inflation, therefore a zero real rate of increase. Putting this figure in perspective, when this administration came into office nearly 8 years ago now, spending was increasing at a remarkable 17 percent annual rate, and a real increase of nearly 8 percent.

The job now before the Congress and the administration is to get on with the appropriations bills and implement this general blueprint in a timely fashion.

In this resolution allocations will be set by appropriations process. As it relates to the appropriations process, implied within this resolution is a mix of spending priorities for the domestic discretionary accounts. In the end that decision lies within the jurisdiction of the Appropriations Committees, and indeed the Senate Appropriations Committee has already acted on how it would distribute that pot of money, and the House has already passed four

appropriations bills and reported eight other bills.

This resolution has a different ideal on how that domestic discretionary money should be distributed from what the appropriators have already decided.

The adoption of this resolution today is more a statement of the aggregate figures for defense, international affairs, and domestic discretionary spending that it is about the particulars of how the Appropriations Committee should fund specific programs.

The day may come when the specific assumptions of the budget resolution are binding on the Appropriations Committees, and in 1986 the Appropriations Committee chose to adopt the budget resolutions assumptions, but quite frankly that is a major decision that cannot be made lightly and would in the end, I believe, require a fundamental rethinking of not only the budget process but the other two participants in setting fiscal policy on Capitol Hill—the appropriators and authorizers.

Mr. President, there is a lesson to be learned in this resolution with respect to the funding of discretionary programs. Had it not been for the specific spending limits placed on defense and international affairs in the summit agreement of last fall, the pressure on all of us to spend more money for popular domestic programs would surely have resulted in another round of taking it away from defense and foreign affairs programs to fund domestic programs.

Since that opportunity did not exist this year, most of the substantive debate centered around the arcane subject of "scorekeeping." Translated to say, how can I spend more money than the spending caps say is allowed without counting that money toward those caps.

In the end, we may have ended up assuming nearly \$1.6 billion more in spending than the President's scorecard would have permitted to be counted toward the summit agreement's domestic discretionary caps.

Maybe there was no way, with the complexities of special accounts in the budget, that this scorekeeping debate could have been avoided, but my sense is that it would have been easier to have taken \$1.6 billion in outlays out of defense and international affairs, as we have done in the past.

The lesson to be learned is the real need to establish separate binding allocations for defense, foreign assistance and nondefense discretionary programs in any future budget resolutions.

This is not just a technical budget issue, it is a critical policy issue. A statement from the Johns Hopkins Foreign Policy Institute issued last week, endorsed by no less than Felix

Rohatyn, James Schlesinger, Paul Volcker, Alice Rivlin, among others, stated:

Despite its intrinsic unpopularity, foreign assistance is in the national security interest of the United States. While such programs should be no less rigorously scrutinized than any other program, the lack of domestic constituency for almost all of them imposes a special obligation on the President and the Congress to ensure that they receive sufficient funding.

WILL THIS RESOLUTION LEAD TO A SEQUESTER?

Finally, some will say that this resolution does not reduce the deficit enough, and therefore will result in a sequester this fall.

Let me remind the Senate that this resolution was based on identical economic assumptions used in the President's budget he submitted last February to the Congress. Those assumptions do not look nearly as bad as some claimed at the time the President made them. In fact, it can even be argued that they were too pessimistic as they related to employment and growth. Interest rates may be slightly higher at this point than was projected in February, but the net effect of these variables on the deficit projection will have to wait the President's midsession report due in the middle of July.

So this resolution will not produce a sequester anymore than would the President's budget on the basis of his same economic assumptions. If the economic assumptions change, the numbers may change. But that is entirely within the power of the administration to determine since it is their forecasts that will be used to determine if a sequester is in order.

There may be other unanticipated spending increases that might be projected to take place next year that were not assumed in either this resolution or the President's budget submission, such as the concern being expressed over draw downs from the insurance funds for the thrifts and banks of this country.

But again, that is not a new policy assumed in this resolution and it merely follows administration's projections of last winter.

And here again, this is a very uncertain spending estimate and a policy that the administration has some discretion over, albeit not totally discretionary. The administration will determine if this spending is required, and therefore whether it will contribute to a sequester.

Finally, where there is increased spending assumed in this resolution for food and hunger assistance to the tune of about \$300 million next year, Congress must enact this legislation and by the time the legislation is ready for conference, I am confident that we will know if its enactment will tip the scales toward a sequester, in which case we can find ways to make

it deficit neutral or the administration would probably be forced into vetoing the legislation.

All other major legislation assumed in this blueprint, whether it be for the catastrophic health care bill we will shortly consider, welfare reform, or additional funding for antidrug activities, will be required to be deficit neutral; therefore, not adding to the sequester estimate this August.

As I review the situation, there is one possibility of a sequester estimate in August, and that stems not from congressional action but, rather, from congressional inaction. And that is that if we do not enact and have signed into law the appropriations bills following the spending caps of the summit and this resolution, then there is a possibility that the failure to achieve the same \$3 billion in savings that would come from that inaction, could tip the scales into the sequester column on August 15. But then that will just intensify our need to complete the final bills when we return after Labor Day.

So I conclude that a sequester could be in the cards, but not because of what is in this resolution. It will be as a result of our failure to get on with the business at hand and adopt individual appropriation bills the President can sign, or because of events almost completely within the administration's control.

In summary, Mr. President, this resolution, as my friend, the chairman, has indicated, was dictated by prior events. I believe some tend to forget how important those prior events were and how significant a precedent was achieved in the economic summit. While we both, the chairman and I as the minority ranking member, would probably join in an echo, we would be speaking exactly the same language in saying we wish it would have yielded much more. The truth of the matter is the economic summit conference was a historic event in American politics. The President sent three representatives in an ad hoc way to negotiate with the Congress. The Senate sent Members with no authority—no power other than their leadership roles in this institution. The House did likewise. Then however many days later we reached an agreement and that agreement again carried no legislative weight at that point. It had none of the committees of jurisdiction signing on to it by way of voting. Yet from it came declarations of commitment at the White House and both institutions. That declaration found itself encapsulated in an omnibus reconciliation bill last year which set the budget policies for fiscal 1988 and set forth for this year three very important numbers.

First, this agreement set forth the total amount of budget authority and outlays to be spent on defense. This

was a binding number which required that if you did not spend money there, you could not spend it anywhere else. Essentially the levels of defense budget authority and outlays became both a floor and a ceiling.

The second important number was the total amount of budget authority and outlays for foreign assistance. There again the same stipulation found itself recorded in a law signed by the President. This stipulation required that if you were going to breach those levels, a supermajority in the House of Representatives and Senate would be required to change those levels.

The third number was the cumulative total of budget authority and outlays for the discretionary appropriated accounts for 1989.

Let me say as an aside, in spite of that, there remains some very difficult scorekeeping issues. These issues have caused us to remain outside of this Chamber in conference for what may have seemed to some to be an inordinately long period of time. Nonetheless, whoever voted in this Senate for the Senate budget resolution, I believe, should vote for this resolution now because it does anticipate for the year 1989 as much as \$900 million less in outlays than might have been spent in the resolution that passed in the Senate.

So I think, this resolution is quite an achievement when you realize that the entire growth in the total of expenditures for your National Government in an election year will be zero in real terms. Yes, we will essentially increase the total accounts of our Government, including defense, foreign assistance, and all of domestic by an amount just about equal to inflation. I might remind Senators that while that might not seem like any significant achievement, we can go back just 8 years to the first budget when President Reagan took office and the nominal growth was 17 percent and the real growth was 8. When you are down to zero as compared to 8 percent real growth, I believe you are on a new path. You have at least begun to recognize that, as difficult as it is even in an election year, you can put a responsible fiscal plan before the Congress if as a matter of fact the leadership sets the goals and the targets in advance.

That is what I envisioned the budget process as having achieved in the past. This year the novelty, which I think everyone ought to seriously consider in the future, is that we established three firm categories of expenditures that took on their own kind of life and remain contained within themselves: defense, foreign assistance, and domestic discretionary spending. In fact, it may be a glimpse of how the budget process may work in the future. Of course, there is less detail because the appropriators have the final decision

as to how to shift funding among priorities. This year they have already performed that role. Everyone should know that they already have allocated the money in the domestic accounts. They are going to reach the totals that we set, but they clearly have followed in a number of instances different priority paths from both the President and this budget resolution in terms of how much of this total pot of domestic they are going to spend in each of the domestic functions, be it energy and water, be it labor, health and human services, be it transportation, be it justice, and others.

One last comment. When the President submitted his budget and indicated that it would meet the Gramm-Rudman-Hollings targets for 1989, we went through at least a couple of weeks of the usual discussion of whether that budget was realistic or not. Most of that discussion was based upon whether economic assumptions have been too optimistic. We chose, after long deliberations, as did the House, to accept the President's economic assumptions rather than those of the Congressional Budget Office.

I might report to the Senate that I believe the Congressional Budget Office, as I said in the early hearings, was extremely pessimistic based upon Black Monday, which my good friend, the chairman, has alluded to as the event which precipitated the economic summit conference. I believe there was great pessimism around as to how pervasive that series of events on Wall Street would be on this year's economic growth. It turns out, at least this Senator believes, that we were justified in accepting more optimistic economic assumptions, those submitted to us by the President rather than those submitted to us by the Congressional Budget Office.

If in no other areas other than growth in our GNP, the real growth in the first quarter, CBO had estimated at 0.3, three-tenths of a percent. It turns out that it is actually 3.9 percent. The first budget resolution assumed 2.5 percent, for the first quarter.

I ask unanimous consent to have printed in the RECORD a comparison of the Congressional Budget Office recommendations, the President's and those that we assumed in this budget. I believe the assumptions we adopted in this budget are realistic. I can say I believe that unless there are untoward circumstances not contemplated by most at this point in time either by way of economic downturns or by way of mandatory expenditures—we will reach the Gramm-Rudman-Hollings totals and avoid a sequester come August if the appropriated bills meet the targets laid out in this budget when they finally come out of confer-

ence and before they are presented to the President.

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

1988

	Calendar year		
	CBO	FBR	Actual
Real growth.....	2.3	2.9	3 to 3.5
Unemployment rate.....	6.2	5.9	5.6 (June)
Interest rates:			
3 mo.....	6.2	5.3	6.2 (current)
10 yr.....	9.3	8.0	9.1 (current)

Mr. DOMENICI. Having said that, there are a few other things I believe we should know. For those who are interested in supplemental programs on drugs and drug prevention in these United States, we have left room, using the Senate's approach, for a trust fund off budget awaiting adequate financing. If financed such that it turns out to be budget neutral, we will make the adjustments in the resolution to accommodate to the omnibus drug provisions that were contained in the Senate-passed resolution. Whether we do that or not will obviously be up to a further accommodation between the Congress and the President of the United States.

Again, Mr. President, I compliment and thank my good friend, the chairman of the committee, for his work.

Last, let me suggest that the economic summit conference, for all of the negatives that came out of it, was an extremely positive event in our economic history not only because of the precedent that it sets but also because it gave us a glimpse of how we might budget in the future. We might well learn from that session a few lessons. First, perhaps we need less detail in budget resolutions. Second, the lesson may be that we ought to establish some firm categories of expenditures such as defense, foreign assistance, and domestic appropriated accounts. Maybe we ought to increase that to five different categories but firmly set those in a binding manner in the budget resolutions of the future.

That obviously is a very different approach than anything we have done in the past. I believe it has really worked this year and may well point the way to budgeting, appropriating, and authorizing in the future.

Mr. President, I ask unanimous consent that the Washington Post editorial with reference to this resolution be made a part of the RECORD.

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

[From the Washington Post, May 31, 1988]

THE BUDGET RESOLUTION

Finally, there is a congressional budget. House-Senate conferees, having taken six weeks to do what they should have done in about two days, agreed on a budget resolu-

tion for fiscal 1989. The House promptly passed it 201 to 181, the Republicans hanging back; their main goal as to current fiscal policy continues to be to keep their fingerprints off it. The Senate is to vote on the resolution next week.

The budget committees' problem this year was not that they had too much to do but in a way too little. Their principal function of drawing up a broad budget outline had already been performed in the summit agreement between the president and leadership of both parties last November. They were left with smaller decisions to make—how much for the various functions of space or housing or education—which have always verged on the territory of the appropriations committees anyway. The appropriators began to go ahead without them. Instead of leading, the budget process lagged.

The disenchantment with it has been all the greater because almost everyone agrees the budget estimates are phony—not just fluffed up a little in the way you might expect in an election year, but downright false. Congress wittingly adopted White House economic and other budget assumptions that make the deficit billions of dollars lower on paper than most people think it will be in fact. Now budget director James Miller, who concocted the assumptions, has begun to play what amounts to a game with the game. Interest rates and bailout costs for failed financial institutions may both be higher than earlier anticipated, he has recently been heard to say. Anticipated by whom? If the interest and bailout estimates are raised this summer, Congress will be in a position of having either to confess to a higher deficit or to make further budget cuts that the earlier estimates allowed Mr. Miller to evade. Pretty nifty, huh?

Everyone is put off by this; some would junk the budget process. They say it has become a joke and muddies the water it was meant to clear. We don't think so; we remember a day when the entire congressional budget was a few numbers on the back of an envelope in the appropriations chairman's pocket, when neither Congress nor anyone else had any idea what it was doing to fiscal policy from year to year. But the process, to work, needs to be adhered to. We say again: the failures in this and other recent years were not a matter of procedure, but of leadership, discipline and political will.

Mr. DOMENICI. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum and ask that the time be charged equally.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. ARMSTRONG. Mr. President, I have just returned from a week at home, where I have had the opportunity to meet with a number of my constituents and to enjoy a time of arduous physical activity, but a time to be refreshed by being gone from the Capitol and to look at the great affairs of

state from a distance, and to look up at the mountains and be out under the blue skies.

Now I come back, and, honest to Pete, we are right back where we started, with this concurrent resolution on the budget.

It is hard to get back into the spirit; hard to sum up, after a wonderful week at home, the tone of alarm which is so amply justified by the substance of this. I came back to work feeling good, with a charitable spirit toward my fellow man, with a sense of friendship for my colleagues, and the first darn thing I find on my desk is the conference report on the budget, which is enough to turn anybody's disposition in the wrong direction, even the indefatigably cheerful Senator from New Mexico, my friend PETE DOMENICI, who is on the floor, and who is about to make an observation of some significance, I judge.

Mr. DOMENICI. I was going to ask my friend, with his great ability to coin expressions, whether he could find an expression other than "honest to Pete." He might think about that, in deference to our friendship.

Mr. ARMSTRONG. Mr. President, the Senator's point is well taken, and I shall reflect on that matter.

Seriously, Mr. President, there is much about this budget resolution which I do find profoundly disappointing, not the least of which is the realization that it has been brought to us under the management of two of the most capable Members of the Senate, two men I have worked with closely and admire greatly—the Senator from Florida and the Senator from New Mexico. While we have not always agreed on the spending priorities reflected in the budget resolution, I am confident and have no doubt whatsoever that both men, who are leaders of the party in this Chamber, are as completely devoted as I am to getting Federal spending to match up with revenues. There might be some difference of opinion among the three of us about how to do so, but there is no doubt in my mind that that is their earnest desire.

The fact that that is the case redoubles my concern at the outset; because if this is the best we can do, with a conservative, hardnosed, budget-balancing President of the United States, with dedicated leadership on the Budget Committee, to come up, in the final analysis, with a product like this, it is a source of very great concern.

I am not quite sure what I want to say about this. I have a few specifics I want to raise, but I would like to be on guard against crying "Wolf!" too loud; because I have stood in this Chamber every year for the last 7 or 8 years about this time, when the concurrent resolution on the budget has come up for approval, and have cried "Wolf!"

and I think events have proved in general that my concern is correct, and yet the sky has not fallen.

There is still a healthy economy out there. Unemployment, though it has gone up a little, is not as bad as a few years ago. Still, the worst fears many of us have expressed have not yet occurred. Is this a sign that it does not matter what the size of the budget deficit is? I do not think so. I think it is easy to look back to the recent economic history of our country and see why we have been able to maintain massive deficits.

What worries me is that we are not only realizing these enormous deficits under budget balancing leadership in the Senate and in the White House but also at a time of unparalleled prosperity. In traditional theory, the budget deficit should occur in that part of the economic cycle when things are soft, when business is slowing down, when tax collections are falling, when unemployment is rising. We have had massive deficits during 6 years of the longest peacetime economic expansion which has ever been experienced in this country. In two centuries, we have never had in peacetime an economic expansion such as the one we have just been through.

That is the context in which I have read the report of the concurrent budget resolution; and I do find it, even though I am reluctantly to say so, an object of concern and alarm. Here is what we are doing: We are just putting the whole problem off until after the election.

We do not know who will be in the White House next year, whether it will be GEORGE BUSH or Mike Dukakis. Whoever it is, the morning after the election, he will wake up to the realization that we have left him a surprise package of unpleasant consequences.

Here is where we are so far the budget report is concerned. First, we assume a starting budget deficit of \$141 billion. We get to \$141 billion instead of the higher figure we started out the year with by taking the OMB assumptions about the future of the economy rather than the CBO assumptions. It may turn out that OMB will be correct; but, year after year, we have steadfastly used the CBO economic assumptions, until it became convenient on this occasion to switch to the OMB assumptions. Maybe it will turn out to be right; maybe it will not; but, in any case, it is certainly a convenient coincidence.

Second, this concurrent budget resolution conference report assumes implementation of the second year of the budget summit agreement, and that is the main justification advanced to say why this is all right to do. It is like saying a person meets the sobriety test of the town drunk.

That budget summit conference, in my opinion, was the greatest shell game I have ever seen in the 10 years I have been in the Senate. We went into that summit conference last fall with the notion that we could not permit the automatic reductions under Gramm-Rudman-Hollings, reductions which the Senate had overwhelmingly voted to make if we failed to meet the agreed-upon budget targets. But instead of implementing those budget cuts, the summit conference did nothing to implement it but made cosmetic changes.

Mr. President, I should like to speak briefly to the details of this budget conference report and make the following points.

First, the conference report proposes no appreciable deficit reduction. It starts by making assumptions to reduce the proposed amount of the deficit.

Second, there is, once again, not a new feature in this year's budget but a continuation of a reprehensible tradition in this body of the magic asterisk, or what someone has called the golden gimmick. That is where we just do something even though it does not have the real effect it purports to have, and we know it does not, but is scored that way.

In this case, there is a \$4.2 billion asterisk for the sale of assets. By any commonsense, reasonable definition, that is not a reduction in Federal spending but is scored that way under the unique processes of the Federal budget. Having sold assets and made some friendly assumptions about the economic trends and how they will play out in terms of interest rates and demands on our entitlement programs, even so, we do not take into account proposed spending for some new and popular programs which have been enacted this year.

There are three major spending initiatives which are on the verge of approval by Congress which are not even contained in this budget resolution. One is the so-called Medicare catastrophic insurance bill, a \$31 billion item; welfare reform, as it is called, \$3 billion; and the new antidrug initiative for \$1.4 billion.

Now, I do not know what the fate of these bills will finally be, but Senators will recall that they were exempted, in effect, from the budget process by the device of appropriating out of reserve funds; that is to say, when the time comes, they will be made budget neutral. Now that is simply an initiation to a tax increase of some kind to be attached to each of those items.

So that is the overall approach, Mr. President. First, make rosy assumptions about the economy, assumptions which may prove to be accurate. Honestly, I do not think they will be, but I recognize that it could happen, that OMB will approve \$35 billion closer to

the mark than does the CBO. Second, sell off some assets; and, third, fund new initiatives by the simple expedient of saying they will be made deficit neutral by adding to them the appropriate revenue measure.

Speaking of revenues, Mr. President, the conference report projects a revenue increase of some \$55 billion next year, from \$909 billion in fiscal year 1988 to \$964 billion in fiscal year 1989. Over 3 years, there is a projected increase of \$214 billion in tax revenues.

Now, during this same period of time, we are talking about a deficit reduction of \$8.7 billion. So somebody might wonder what has happened to the \$200 billion difference; how come, if revenues are going up \$214 billion and we are only getting an \$8 billion deficit reduction, what happen to the other \$200 billion? And the answer is obvious. That is the estimated value, the projected value, of increased spending over the next 3 years.

So this bill will set a new record for spending in every year into the future. It does not really solve the budget deficit, in my opinion, unless one assumes extraordinarily optimistic assumptions about the future of the economy and unless one is prepared to believe that asset sales are a proper way of funding budget deficit reduction. And then, even having done all that, if all of that comes true and if the economy continues to hold up, if we go into the 7th year and the 8th year of economic expansion—which could happen, it is not impossible, but I do not know too many people that think it is likely to go indefinitely—but under all the most optimistic assumptions, after taking advantage of all the golden gimmicks, all the mirrors, asset sales and so on, we still end up with a budget deficit of a very large amount.

So, Mr. President, this does not seem to me like we are really fulfilling our intended purpose. And so with regret, I am going to vote against the conference report on the budget resolution.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I assume that the chairman of the committee will return to the floor and might want to use some additional time.

The PRESIDING OFFICER. The Senator from New Mexico has a little over 9 minutes remaining.

(Mr. HARKIN assumed the chair.)

Mr. DOMENICI. Mr. President, I would like to use my 9 minutes and when the chairman returns discuss with him whether he wants to use all of his time or whether he wants to yield some of it back. But it is my understanding that some of our Senators expect us to use all of the time and, therefore, we would not be asking for a vote on this side hopefully until 3 o'clock, so that those who expected

the entire 2 hours to be used would not miss the vote.

Mr. President, my good friend from Colorado has, in his typical manner, very succinctly stated his views. I certainly do not want to take the time here now to refute the points that he has made.

But, suffice it to say, if anyone in this body assumed that the budget resolution that we are going to produce here today and hopefully pass would have reduced the deficit dramatically as compared with the economic summit conference they will be disappointed. That agreement set the standards for this year—which we voted in in an omnibus reconciliation bill. At that time, we said, "That is what we will do; we will reach the Graham-Rudman-Hollings targets for 1989." If anyone assumes we are going to do substantially more, then they ought to vote against this budget resolution and they should have voted against the Senate resolution that the Senate passed. And some did. Some Senators voted against it for whatever reason. Perhaps they thought we should do more than the summiteers had voted and that we had agreed to do, both the House and Senate and the President, in which event we failed. But I believe quite to the contrary.

I have stated my basic assumptions here that this is a good budget, that it continues a very significant downward trend in the deficit.

My friend from Colorado has alluded to asset sales as some kind of gimmick. Let me again tell the Senate, the summiteers agreed there would be asset sales. We have provided for asset sales. But we do not expect the asset sales to help us reach the Gramm-Rudman-Hollings targets because they are precluded in the accounting from helping us achieve that total. So we will reach the Gramm-Rudman-Hollings targets without those asset sales that were agreed upon.

The second point that the Senator from Colorado makes is that there is a reserve setup for a major add-on to our drug prevention program in this country. He is absolutely correct. It is a reserve. We will not spend more than is allocated in this primary budget document unless we find either offsets on the expenditure side or revenues to pay for the spending increases. Only in the event that such spending would be budget neutral would the money be allocated for expenditures in a new and enhanced drug prevention program.

That will be left up to not only the Congress but the President of the United States. Clearly, if the President does not want us to do this he can prevent us. For now, one approach to funding such a program would be by way of revenue enhancement through enforcement, by the IRS and other

agencies to collect moneys due to them from various activities in the United States. If such a revenue measure or other offset is not adopted, we will not have an enhanced drug prevention program. In other words, it will either be budget neutral or we will not do it.

With reference to growth in this budget, the Senator alludes to catastrophic health insurance. He is absolutely wrong on that issue. We have provided for the funding required for catastrophic health insurance. As a matter of fact, the bill that came out of conference provides in the first year, the year we are concerned with in this budget, for funding for that program, that yields some revenues in addition to the funding costs. That will reduce the deficit in 1989 slightly and, when it occurs, we will account for it. And the deficit will be some \$200 million less because in the first year catastrophic health bill yields more revenues than it spends.

I agree with him that in the outyears it may indeed cost more and indeed it may build on the deficit. But we do not have a budget process that in any way permits us to control that kind of expenditure in the outyears, that is in years beyond 1989. That will have to be taken care of as priorities are established in those years.

The same is true for the welfare reform provisions. We will either pass them consistent with the numbers in this budget resolution for the year 1989 or the bill would be subject to a point of order for exceeding the limits provided for here.

Yes, if we wanted in this year, an election year, in 1989, if we wanted to proceed substantially beyond the economic summit in deficit reduction, we could have. Neither Congress nor the President of the United States chose to do so. We made dramatic reductions in the long-term spending plans of the Defense Department. That required the total overhaul of the Defense Department in 90 short days so they could meet the targets set in the economic summit conference; not a small achievement and something that will indeed have an impact for many years to come, an impact on the side of reducing defense expenditures and reducing the expected outyear deficits attributable to that.

Some of us are concerned that such reductions might be too dramatic. But it was agreed upon in the summit and it was complied with here and will be complied with by the authorizers and appropriators, who are expert with reference to the defense authorization and expenditures.

So, overall when you conclude, we have permitted an increase of 1989 over 1988, the same as the President of the United States. Different priorities will be established, except in defense and foreign affairs where we are both

bound to exactly the same size program.

In domestic, we will have different priorities, but I repeat 1989 increases will be exactly the same as laid out in the summit agreement. And I repeat, using inflation as a guideline, this will be a zero-growth budget. We will hardly grow as much as inflation.

We may have to do better in the years to come if it is our choice to more precipitously reduce the deficit without increasing taxes. Nonetheless, this has been accomplished and this is no little achievement in this Senator's opinion.

The Senator from Colorado also referred to the automatic tax increases that are because of the American economy's continued growth. But I would also add that everyone should know that over half of the tax increases or revenue increases that my friend from Colorado alluded to are attributable to Social Security and Medicare. These are automatic increases that occur because the work force is increasing and because we have increased the taxes on the working men and women and their employers and the self employed, to pay for Social Security. So it is obvious that they are going up, almost half of the total cited. These revenues flow directly into a trust fund to pay for the increasing costs of Social Security and Medicare, which everyone knows are automatic, driven by entitlement laws and by demographics and by the cases in Medicare that we must take care of under the law.

Finally, let me suggest that the economic assumptions, contrary to what my friend from Colorado is saying, are prudent. Most indicators we are looking at in these early months seem to support our assumptions about the economy. Consequently, we think the economic assumptions are right; as right as they can be this early and this much in advance of the actual year.

Certainly they are far more correct than had we used CBO's. The Congressional Budget Office has already modified theirs because they were extremely pessimistic, as I indicated in my earlier remarks.

Having said this, let me say to the Senate, if this budget resolution is implemented and if the appropriations process can produce freestanding bills that meet these targets, and if defense and foreign assistance can be enacted at these levels, I believe we will have achieved a substantial, sound, economic package for this year.

I yield the floor.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CHILES. Mr. President, I will be happy to yield as much time as the majority leader might need.

The PRESIDING OFFICER. The majority leader.

Mr. BYRD. Mr. President, the budget conference report before the Senate is the result of several months of effort in determining the fiscal priorities for this country next year. That is never an easy task, given the many challenges that face us. It is made more difficult by the overall spending and revenue limits imposed by last year's budget summit agreement between the Congress and the President.

These limits will constrain our ability to respond to all needs that should be addressed. Those limits also put a premium on selecting those areas that should receive priority attention in funding. The conference report on the budget properly puts the focus on those programs that are essential for America's future competitiveness—education, research, health, and training.

Education is the real hope for this country. The People of West Virginia, for instance, place education at the top of their list of priorities, right after jobs. The budget resolution's emphasis on education is not only right for now, it is right for the future. Similarly, the focus in the budget on funding for scientific and health research is a proper priority, even in times of tight budgets.

Mr. President, the budget resolution sets these priorities within the framework of the budget summit agreement. It also achieves the deficit target of \$136 billion for fiscal year 1989. I commend the work of the chairman of the Budget Committee, Mr. CHILES, and the ranking Republican, Mr. DOMENICI, and indeed all the conferees for their perseverance and determination to reach this conference agreement.

It would have been easy to abandon the sometimes arduous conference and simply let matters take their own course. They did not and their efforts are a testament to their concern for the budget process. With the adoption of this conference report, the way is clear for the Senate to begin work on the regular appropriations bills. It is my sincere desire that the Senate complete action on the 13 appropriations bills in a timely fashion so that they can be presented to the President. Chairman STENNIS has laid out a schedule for the committee's actions that could have the first appropriations bills being reported from Committee on Appropriations within the next few days; perhaps even later this week.

Mr. President, this budget resolution also marks the last budget presided over by my friend from Florida and distinguished colleague, LAWTON CHILES. During his service on the committee, the last 2 years as chairman, he has devoted an enormous amount of effort to the task of reducing the budget deficit. His work, thankless though it may have seemed at times,

has always been deeply appreciated by me and all of his other colleagues on both sides of the aisle.

I again thank Senator CHILES for a good job well done. I also thank Senator DOMENICI. I am pleased to support this budget conference report.

Mr. President, I am informed that this request has been cleared with Mr. DOLE and it is joined in by the two managers, Mr. CHILES and Mr. DOMENICI.

I ask unanimous consent that the vote on the adoption of the budget report, budget conference report, occur today at 3 p.m.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

Mr. CHILES. Mr. President, I suggest the absence of a quorum with the time to be equally divided.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. DOMENICI. I wanted to clarify the effect that the catastrophic conference report will have on the budget.

There has been talk of whether the budget resolution includes funds sufficient to finance the Medicaid expansions in catastrophic. It does. There has been much less talk about the effect of the Medicare portion of catastrophic on the budget resolution.

Mr. CHILES. A little background may be helpful. The conference agreement on the budget resolution was completed before the conference agreement on catastrophic health care. To provide flexibility for a catastrophic bill that was incomplete, the budget resolution states that if the catastrophic conference report was deficit neutral—other than the funds made available in the resolution for increases in Medicaid spending—in fiscal year 1988 and fiscal year 1989, as well as deficit neutral over the fiscal years 1988-91 period, the chairman of the Budget Committee could revise the Finance Committee's allocations to reflect changes in Medicare budget authority, outlays and revenues that are expected as a result of the enactment of catastrophic health insurance. This would avoid the catastrophic bill being subject to Budget Act points of order, and is similar to the procedure provided for in last year's budget resolution to accommodate the then yet-to-be-reported Senate catastrophic bill.

This year, after we reached agreement with the House on the budget resolution, the catastrophic conference report was completed. I commend the Finance Committee and the conferees for meeting the deficit neutral

criteria included in the budget resolution.

After we adopt this budget resolution, it will be time to revise the Finance Committee's allocation to accommodate the changes in Medicare budget authority, outlays, and revenues in the completed catastrophic bill.

It is important to note that the budget resolution conference report before us today provides sufficient funds for the important Medicaid improvements for low-income women and children and for the elderly which are part of the catastrophic health insurance bill conference report. While the catastrophic bill has the effect of increasing revenues to help finance expanded Medicare catastrophic benefits, none of these revenues will be needed to pay for these Medicaid expansions. The revenues collected from the income-related premiums will, in the first years of the new catastrophic benefits, contribute to a buildup of a contingency reserve to provide a solid footing for future payments of Medicare catastrophic benefits.

Mr. DOMENICI. The catastrophic bill has been carefully crafted to assure that no general fund financing will be necessary. No one can be sure that costs will not be much greater than expected, but as the chairman of the Budget Committee noted, the conferees have taken care to include several protections including development of contingency funds. A contingency fund is set aside in case costs are higher than anticipated or revenues lower than anticipated.

This contingency fund consists of revenues that are not expected to be expended. From a budgetary standpoint, this reduces the deficit. It is my understanding that when we revise the 302(a) allocation and aggregate revenue totals they will reflect the reduction in the deficit, largely accounted for by the contingency fund set-aside. Senator CHILES, is that correct?

Mr. CHILES. Yes, it is. The current CBO estimates for the catastrophic bill would mean that I would expect to revise the Finance Committee's allocation to reflect the following, subject to any costing changes by CBO, prior to our consideration of the catastrophic conference report in the Senate:

Fiscal year 1989 (millions)	
Total catastrophic revenues (increase committee revenue target)	\$315
Catastrophic Medicare outlays not subject to appropriation (increase committee outlay allowance)	101
Deficit effect excluding amounts subject to appropriation	-214

The reason we have to revise the committee allocations for the bill, even though it is deficit neutral, is because the committee's spending ceiling and revenue floor would apply to the

bill during floor consideration, and without this change it could be subject to a point of order. This will protect the bill from a 302 point of order.

Mr. DOMENICI. Thank you, Senator CHILES.

I think one word of caution is necessary. The Congress should not necessarily assume that these reductions help provide a cushion against a sequester this fall. The administration's cost estimates for catastrophic are the key to this bill's relative effect on sequestration.

I am not aware that the administration has yet completed their estimate, but I know they have differed from CBO in the past with regard to the catastrophic bill.

I have no additional time. Will the Senator yield me 30 seconds?

Mr. CHILES. I will yield the Senator 30 seconds.

Mr. DOMENICI. The Senator from Colorado indicated we have "steadfastly" used the CBO forecast in the budget.

I ask that a history of what we actually have used by way of forecasting for budget resolutions be made a part of the RECORD. Suffice it to say, we have not always used them. Quite to the contrary. We have used sometimes our own, sometimes OMB's, and sometimes none. I would like a history of that put in the RECORD.

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

In 1981, we used OMB assumptions but we changed the interest rates.

In 1983, we used a hybrid forecast—as part of the Gang of 17 effort to reach a budget agreement.

In 1985, we use OMB all the way.

In the intervening years, we used CBO assumptions, often with changes as current data or assumptions about the effects of policy.

In the first year of the budget process, we didn't use economic assumption at all.

Mr. CHILES. Mr. President, I am prepared to yield back any time that I have remaining on this budget resolution.

Mr. DOMENICI. I have no additional time.

Mr. CHILES. I yield back my time. My understanding is the vote has been ordered for 3 o'clock.

Mr. SIMON. Mr. President, I join in support of the conference on the budget. My hope is that this body can follow the guidelines of the budget in the field of education. The reality is that if this country is going to move ahead, we are going to have to pay more attention to education. It has to become a much greater priority. I could bombard you with statistics, but it is a simple reality. My hope is that what is provided in this budget for education will be followed by the Appropriations Committee.

Let me also take this opportunity, while speaking on the budget, to pay

tribute to our colleague who is serving as chairman of the Budget Committee. In this business of politics, when you frequently pay tribute to people, sometimes they get to be awfully superficial tributes, but LAWTON CHILES has done a solid, substantial job. Being chairman of the Budget Committee is not a place where you do a lot of favors for people. He has taken a look at what is in the best interests of our country and has tried to fashion under very adverse circumstances budgets that serve this Nation well. I am very proud to have served in this body with LAWTON CHILES, and I know I speak for all of my colleagues who serve on the Budget Committee of both political parties when I say he has been an uncommonly fine public servant.

Mr. SASSER. It is my understanding that the conference report on Senate Concurrent Resolution 113 has included funds to enable passage of several important new Medicaid initiatives, including coverage for women and children, for spousal impoverishment, and for welfare reform.

It is also my understanding, however, that the conference agreement drops a provision in the original House-passed budget resolution. The proposal called for the Department of Health and Human Services to issue regulations cutting the Medicaid Program by \$200 million a year. The regulatory savings would be effected by changes in the so-called voluntary contributions rule.

I am deeply concerned about any attempts to restrict State use of private contributions as a share of the Medicaid match. In States such as Tennessee, the use of voluntary contributions provided a powerful incentive for the expansion of Medicaid coverage to those who need it most—namely, low income women and children.

I understand the concerns which motivated my House colleagues to adopt this regulatory savings proposal. Medicaid reforms in the areas of infant mortality, spousal impoverishment, and welfare to work transition are long overdue. And I share the concerns of my House colleagues that these proposals be funded on a deficit neutral basis.

However, this attempt to limit State use of voluntary contributions as a means of raising additional revenue for the Medicaid Program is counterproductive. In Tennessee, funds donated by nonprofit hospitals have enabled the State to:

Extend Medicaid coverage to low income pregnant women and infants with incomes up to 100 percent of the poverty line.

Increase the scope of inpatient hospital benefits for all Medicaid eligible from 14 to 20 days.

Provide payment adjustments for disproportionate share hospitals.

Clearly, the use of voluntary contributions from private donors has greatly enhanced the delivery of Medicaid services within the State of Tennessee. Moreover, the use of voluntary contributions by Tennessee and other States serves only to further the basic objective of the Medicaid Program—to make quality health care available to the poor and less fortunate. Any attempts to eliminate the use of voluntary contributions would thus directly impact those individuals—many of whom are elderly citizens of diminished means who are among those least able to pay for basic health care.

It is imperative that these individuals not be denied access to the health care that Congress intended to provide to them through the Medicaid Program.

Given these concerns about the Medicaid cuts envisaged by the original House proposal, I wonder if the distinguished chairman of the Budget Committee can confirm that such Medicaid cuts are not included in this conference report?

Mr. CHILES. The Senator from Tennessee is correct. While the original House-passed budget resolution called for Medicaid savings of \$200 million per year in function 550 from anticipated administration regulatory actions, the conferees agreed to delete these reductions in the final conference report. The agreement before us does not include any such Medicaid regulatory savings.

The conference report does include funds in function 950, however, to strengthen high-priority entitlement programs for the poor. It is our intention in the Senate to use most of these funds for new Medicaid initiatives in the areas of infant mortality, spousal impoverishment, and welfare reform.

Mr. SASSER. Thank you, Senator CHILES.

Mr. RIEGLE. Mr. President, I would like to inquire further of the distinguished chairman about assumptions affecting Medicaid. Many Senators, including the chairman, have indicated strong support for several initiatives in the catastrophic health care bill and in welfare reform proposals currently under consideration.

These initiatives would broaden Medicaid coverage for low-income pregnant women and children, protect low income elderly against spousal impoverishment, and from Medicare cost-sharing requirements, and help families during a period of transition from welfare to work. A number of Senators addressed these issues at length during the initial floor debate on the budget resolution and expressed a desire to provide funding for these initiatives.

It is my understanding that this agreement contains \$125 million in function 950 for new entitlement

spending. Can the chairman give any assurances that this money will be directed to the Finance Committee to fund these much-needed improvements in the Medicaid Program?

Mr. CHILES. Under the terms of the 302 allocations to authorizing committees, the Finance Committee will receive \$50 million of the total \$125 million in function 950 for fiscal year 1989. This amount will fully cover the Medicaid provisions now pending in the conference agreement in the catastrophic health insurance bill. These provisions include expanded Medicaid coverage for pregnant women and small children, for elderly spousal impoverishment, and for Medicaid coverage for Medicare cost-sharing amounts for low-income elderly. The budget resolution further provides for full funding of these initiatives throughout the 3-year budget period.

RURAL ELECTRIFICATION ADMINISTRATION

Mr. EXON. Mr. President, I would like to congratulate the chairman on reaching an agreement on the budget. I believe that we have come to an acceptable compromise. There are, however, a few issues which I would like to clarify for the record.

With regard to reconciliation instructions—the compromise does not include specific reconciliation instructions to committees as did the Senate budget. As the chairman knows, I have authored legislation to permit Rural Electrification Administration [REA] borrowers to prepay their high interest rate loans held by the Federal financing bank. This legislation, if enacted, could reduce the deficit by over \$5 billion in 1989. Is there anything in the conference agreement which would prejudice passage of this legislation?

Mr. CHILES. I would like to thank the Senator for his valuable assistance during the conference on the budget. As the Senator is aware, the conference agreement contains an assumption that the deficit will be reduced by \$4.2 billion as the result of loan asset sales or prepayments. Certainly, the Senator's legislation is consistent with this assumption and nothing in the conference agreement would preclude the Congress from enacting the Senator's legislation. Savings resulting from prepayments, would not be available to offset new spending and would only be available for deficit reduction.

Mr. EXON. I appreciate the Senator's statement for the record. As to scorekeeping rules, the conference agreement assumes \$22 million in reimbursement to the REA revolving fund to pay for past losses. As the chairman is aware, actual losses are far in excess of this level. Would the chairman state for the record the effect of additional appropriations beyond those assumed in the conference agreement?

Mr. CHILES. I thank the Senator for raising this issue. The Appropriations Committee will be held harmless for any additional appropriations for REA reimbursements up to the level assumed in the CBO baseline for fiscal year 1989 for total budget program authority. In other words, amounts above \$22 million up to \$341 million would not be charged against the discretionary cap and would be considered mandatory expenditures.

Mr. EXON. My final concern deals with the pay raise assumptions of the budget conference agreement. As the chairman knows, the Senate Armed Services Committee is seeking a 4.3-percent pay increase for our men and women in uniform. Would the conference agreement accommodate that increase regardless of the pay assumptions for civilian employees?

Mr. CHILES. The pay increase assumed by the Armed Services Committee can be accommodated by the conference agreement.

Mr. GARN. Mr. President, this conference agreement on the budget resolution for fiscal year 1989 is over 7 weeks late. Moreover, it is late in a year where it should have been adopted with virtually no dispute over the broad aggregates for defense, international affairs and for nondefense domestic discretionary spending because of the summit budget agreement of last November which established caps on these levels.

But the resolution was nearly killed because of substantial differences between the House and the Senate in certain nondefense functional categories, and in particular, the emphasis in the Senate version on science, space and technology—function 250.

What is so ironic about that impasse is the fact that this dispute has almost no relevance to actual funding decisions for fiscal year 1989. In a very real sense, while the Budget Committees debated their differences in conference, the Appropriations Committees were busily carving up the predetermined pot of money available for non-defense discretionary programs under the summit agreement.

Mr. President, it is clear that the Appropriations Committee is fully within its authority to ignore the functional aggregates of the budget resolution. No where in the Budget Act is there any limitation on exceeding a budget resolution functional total, and certainly none for any program level assumption within the functional total.

I mention this because too many people still labor under the erroneous perception that the long difficult conference on the budget resolution, indeed, the substance of the measure we are debating today, necessarily has any meaning or effect on what will be actually appropriated for the upcoming fiscal year.

It concerns me when I am asked: "Well, how much is there in the resolution for NASA?" or whether the space station is funded in the budget resolution. The plain fact of the matter is that no program has ever been funded in a budget resolution. Not a single dollar has ever been drawn from the Treasury as a consequence of a budget resolution assumption. But it is especially galling when I know that actions taken by the Appropriations Committee will wholly frustrate and reverse broad policy choices and votes taken by the Senate and the Congress as a whole.

Mr. President, such is the case with function 250, and in particular, the increases assumed for both NASA and the National Science Foundation. On May 13, the Committee on Appropriations adopted a tentative subcommittee allocation by a vote of 13 to 10. This allocation for the HUD and Independent Agencies Subcommittee will make impossible substantial increases for either agency, and, in my opinion, will mean that the Space Station Program will have to be terminated. I am committed to changing this allocation. Our Nation cannot and must not falter in making the urgently needed investments in these critical programs which are so vital to our future.

It is sometimes said that the budget resolution is a congressional blueprint for the budgetary decisions. Unfortunately, that is simply not the case. In years past, the Committee on Appropriations did follow the broad policy assumptions of the previously adopted budget resolution to the extent that the subcommittee-by-subcommittee totals were largely the basis of the committee's allocation. Of course, individual program levels, within these subcommittee totals, were determined independent of the assumptions of the budget resolution. In the last 2 years, however, the committee has taken the approach of bypassing even the subcommittee aggregates of the budget resolution. In essence, the budget resolution is totally ignored, except for the overall spending total which binds all committees.

Mr. President, the real problem is that while the Nation confronts an array of new and urgent needs, the composition and structure of the Committee on Appropriations make such priority shifts exceedingly difficult, and impossible if they involve major funding changes. In other words, the more significant and costly these new program requirements are, the more impossible they are to have reflected in the committee's allocation and in its bills.

While resistance to making changes in programs isn't unusual, what makes the committee's actions so troubling is the fact that upon adoption of the allocation, all priority setting and fund-

ing shifts are restricted to only those activities under each subcommittee's jurisdiction, with virtually no recourse for the Senate or the Congress as a whole to determine that activities in any other subcommittee should be sacrificed or reduced rather than to make further reductions in those activities which happen to fall in the jurisdiction of the measure before it.

It is simply a matter of circumstance and bears no relationship to what the Senate or the Congress may have previously expressed in the consideration of the budget resolution. This far more critical budgetary blueprint, the Appropriations Committee's section 302(b) allocation, furthermore is never presented to the floor for debate and consideration. It is merely reported and is binding upon being reported. Moreover, it is enforceable with a supermajority point of order.

Mr. President, clearly the reason I am so concerned over this aberration in the budget process is my distress over the prospect of being unable to recommend to the Senate an appropriations bill for HUD and independent agencies which adequately funds NASA and the National Science Foundation. Our inability to provide these needed funding levels is not because of the gross dollar amount of the funding necessary, but rather it is based on my assessment of the impossibility of trying to squeeze further savings from other programs in the subcommittee's jurisdiction.

These other programs include housing, community and economic development, veterans, and environmental protection. Over the past several years these programs have been constrained or cut back. Last year, again because of an unfairly restrictive allocation, they were disproportionately hit. Frankly, in the face of continuing concern over the problems of homelessness in America, the aging veterans population, and growing awareness of widespread environmental hazards, it simply is not feasible to shift significant amounts to even the most urgently held new priority, including the critical requirement to augment our science, space, and technology efforts.

Mr. President, that is why it is so critical that the Committee on Appropriations reconsider its actions in adopting its tentative allocation, and when the committee meets to mark up its formal section 302(b) subcommittee allocation, that it carefully weigh the merits of program requirements between subcommittee jurisdictions, and not merely gloss over their substance and varying priority.

Mr. President, I ask unanimous consent that a letter that I wrote to my colleagues on the Appropriations Committee on the section 302(b) allocation be printed in the RECORD at this point, along with letters from Dr. James Fletcher and Mr. Erich Block, which

discuss the impact of the tentative allocation on NASA and the National Science Foundation.

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

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, DC, May 20, 1988.
Hon. JOHN C. STENNIS,
Chairman, Committee on Appropriations,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to express my dismay and distress with the action of the Committee in adopting its "tentative" 302(b) allocation on May 13. Not only did we ignore the President's new initiatives in his FY 1989 budget, but also the broad policy guidance of the Senate-passed budget resolution. Furthermore, our action was taken amid extreme confusion over significant "scorekeeping" adjustments and without regard to the ground rules of the summit budget agreement.

As ranking minority member of the Appropriations Subcommittee on HUD and Independent Agencies, I am responsible for recommending funding levels for national efforts in housing, the environment, veterans, science and space, plus a collection of other activities ranging from disaster relief to consumer protection.

I cannot conscience making recommendations for this diverse array of important activities within the allocation provided us by the Full Appropriations Committee, knowing the incredible disparity in balance and relative constraint reflected within the jurisdiction of other Subcommittees.

In the last seven years we have cut the Federal assisted housing programs by over 60%. Similarly, HUD community and economic development assistance have been reduced by 40% from their 1980 levels, and the Revenue Sharing program was killed.

The Federal flood insurance program is now operated on an actuarially sound basis and we have pared back on training activities for firefighting. Veterans medical care has been held to current service levels, along with the enactment of copayment and income eligibility limitations in the face of truly awesome projected increases in program need and demand.

With respect to environmental programs, we have only been partially successful in responding to the continual tightening of Federal requirements on clean air, clean water and toxic wastes, while addressing a panoply of more recently identified concerns over asbestos, radon, lead poisoning, acid rain, not to mention global climate change and stratospheric ozone depletion.

Frankly, the only bright spot in my tenure on the Subcommittee has been what we have also accomplished with respect to NASA and the National Science Foundation. Following the lead of this Administration, we have pulled our space program out of the doldrums of the post-Apollo era, and have set our sights on a real Space Station to prepare our Nation for further exploration of our universe. Through the diverse and challenging array of competitively awarded basic research activities of the National Science Foundation we are renewing and replenishing that critical base of technological excellence needed to assure our children and grandchildren as bright a future as we inherited from our parents.

Well, the allocation voted on by our Committee last Friday makes this impossible. And I cannot accept the devastating conse-

quences of this action. I feel so strongly that I am prepared to force delays in the consideration of any appropriations bill in the Senate until we reconsider the implications of our tentative allocation.

For your consideration I am enclosing letters from Dr. James Fletcher, Administrator of NASA and Mr. Erich Block, Director of the National Science Foundation on the impact of the Senate Appropriations Committee "tentative" allocation on programs and activities within their agencies.

Sincerely,

JAKE GARN.

NATIONAL AERONAUTICS AND
SPACE ADMINISTRATION,

Washington, DC, May 18, 1988.

HON. JAKE GARN,
Ranking Minority Member, Subcommittee
on HUD and Independent Agencies,
Committee on Appropriations, U.S.
Senate, Washington, DC.

DEAR SENATOR GARN: This responds to your request that I provide my personal assessment of the implications of the recent Senate 302(b) allocation to the HUD-Independent Agencies Subcommittee for a NASA FY 1989 funding level below that included in the recent House Subcommittee mark.

Frankly, I view with alarm the outcome of the Senate Appropriations Committee 302(b) allocation among Subcommittees agreed upon on May 13, 1988, and the severe implications it portends for the Space program. It is my understanding that the allocation to the HUD-Independent Agencies Subcommittee is approximately \$1 billion in budget authority and \$230 million in outlays below the tentative allocation currently assumed by the House Subcommittee on HUD-Independent Agencies.

The House Subcommittee, working under their allocation, has recommended FY 1989 budget authority of \$10.7 billion for NASA programs. While the House Subcommittee markup would allow us to proceed with development of the Space Station, it imposes severe reductions in other program areas vital to our current and future space programs—particularly the Shuttle, Expendable Launch Vehicles, Tracking and Data Acquisition and the Pathfinder technology initiative. If the final appropriation for NASA for FY 1989 is significantly below the recommendation of the House Subcommittee, it would be necessary to recommend termination of the development effort on the Space Station as currently planned. This action would defer indefinitely this key element of the U.S. space program for the 1990's, set back planning by the U.S. science and industrial community to use the Station, and force the U.S. to renege on commitments made over the past four years to our international partners. It would take several years to get the U.S. space program back on track.

I am all the more concerned that the allocation level for the Senate HUD-Independent Agencies Subcommittee was apparently understood by some as a level which would support adequately the Space Station development effort. This is not the case. At the level of the House Subcommittee recommendation, NASA activities other than Space Station—in the Space Shuttle Program, Space Science and Applications activities, and Space Technology programs such as the Civil Space Technology Initiative and Pathfinder—have been reduced to such an extent that no further reductions could be made in the overall level for those pro-

grams. In fact, some increases or internal adjustments may be necessary to restore acceptable funding levels in certain specific areas. Therefore, if the final Senate action makes a further reduction in the NASA total, it will be necessary to take essentially all of it in the Space Station area. If this reduction is significant in amount, Space Station development could not proceed in a meaningful way in FY 1989.

This is a real crisis for the space program. I seek your assistance in finding a way to permit progress in restoring and revitalizing the Nation's space program, and, in particular, to proceed as planned with the development of the Space Station.

Sincerely,

JAMES C. FLETCHER,
Administrator.

NATIONAL SCIENCE FOUNDATION,
Washington, DC, May 20, 1988.

Hon. JAKE GARN,
U.S. Senate, Washington, DC.

DEAR SENATOR GARN: This letter is in response to your request for our assessment of how the tentative 302(b) allocations provided to the Senate Appropriations Subcommittee would affect NSF's research and education programs.

It is my understanding that the Senate's HUD-Independent Agencies Appropriations Subcommittee has received an allocation that is at least \$1 billion in budget authority and \$250 million in outlays less than your counterpart subcommittee in the House. This could clearly result in a serious shortfall in the Foundation's appropriation.

As I testified before the subcommittee earlier this year, FY 1988 was the fourth year in a row in which the Foundation has had essentially a level research budget. This has forced the Foundation to curtail new initiatives and also cut back support for a variety of existing activities. For example:

We have closed four university-based materials research labs and are currently reviewing our astronomy centers with the intent of closing some of these.

We have terminated support for the Cajon Pass continental drilling project.

We have been unable to start the new Science and Technology Centers program and have curtailed growth in the Engineering Research Centers program.

We have been unable to upgrade the National Supercomputer Centers to keep them at the state of the art.

We have had to curtail the growth proposed for undergraduate science and engineering education.

We have been unable to start a program to provide educational instrumentation for research universities.

We have been unable to increase the average award size to the level needed to efficiently conduct basic research. While the cost of scientific research has increased markedly, the real value of the average NSF research award has declined nearly 50 percent in the past two decades.

We have had to reduce the number of new Presidential Young Investigator awards—a program designed to encourage today's most promising young researchers to remain in academic research careers.

Last week the House Appropriations Subcommittee on HUD-Independent Agencies reduced the NSF budget by a total of \$165 million. These reductions could once again impede the start of the new Science and Technology Centers program. They will also reduce operational support in the U.S. Antarctic Program, thereby reducing the Na-

tion's ability to maintain an active and influential presence in the Antarctic.

If the current Senate subcommittee allocation results in the Foundation's being reduced below the current House recommendation, the situations outlined above would be further exacerbated. We would probably have to eliminate altogether the new Science and Technology Centers program, reduce or eliminate new Engineering Research Centers, close a number of NSF centers in astronomy, supercomputing, or materials research; and perhaps reduce support of people and instrumentation in areas such as superconductivity, biotechnology, crucial engineering disciplines, and undergraduate science and engineering.

All of these activities are important to the economic health of our Nation. Our strength in international economic competition is technology: to succeed we must create a steady flow of new products and processes, manufacture them efficiently, and market them aggressively. Basic research in the universities and science and engineering education at all levels are fundamental to this process, for education and research are the source of new ideas and the people to put them to work.

Our national interest makes it imperative that the Senate reconsider the current situation and forestall these undesirable consequences.

Sincerely,

ERICH BLOCH,
Director.

MR. LEAHY. Mr. President, I rise today in support of the conference report on the fiscal year 1989 budget resolution. I wish to congratulate the Senator from Florida, the chairman of the Budget Committee, for all of his work on this, his last budget, and for his leadership through the years on economic matters.

I am especially grateful to Senator CHILES for working with me to improve and expand Federal nutrition programs in this year's budget.

Mr. President, the budget conference report complies with the 2-year budget summit plan agreed upon last year by the President and the Congress. That plan will reduce the Federal budget deficit by more than \$76 billion.

I am concerned, however, that this year's budget does not go beyond the budget summit agreement and will not reduce the deficit further. According to the Congressional Budget Office, the Federal deficit will be more than \$159 billion next year—more than \$24 billion over the Gramm-Rudman-Hollings target level.

Mr. President, we will have a new President next year. Whether that President is GEORGE BUSH, Michael Dukakis, or Jessie Jackson, every American wants him to succeed. That task will be made all the more difficult by the failure of this year's budget to take more decisive action against the deficit. In effect, the President and Congress put off the tough choices until after the election. Upon taking office, the next President will very likely face yet another budget crisis.

This is unfortunate and should have been avoided.

I am also concerned that once again the budget conferees decided to base the budget on the rosy economics of the Office of Management and Budget. As I have said in the past, Vermonters are not afraid of the truth. They want the President and Congress to get the facts straight and reduce the budget deficit. Vermonters and all Americans are entitled to a fair accounting of our national finances. In the past, OMB's economics have masked the true size of the deficit and have allowed the President and Congress to put off making tough budget choices.

Finally, Mr. President, I am disturbed that the final conference agreement counts the sale of Federal assets as a means of reducing the deficit. Asset sales, when they are limited and managed properly, can be an effective form of public policy and can even reduce the deficit. Congress and the President, however, have increasingly relied on asset sales as a means of reducing the deficit painlessly, without making real reductions in spending or adjusting revenues. I hope that under the new administration these kinds of budgetary tricks will be put to rest.

Mr. President, having expressed these reservations, I urge my colleagues to support the conference report on the fiscal year 1989 budget resolution.

MR. ROTH. Mr. President, as the Congress considers the conference report on the budget resolution, I would like to reiterate some of the comments I made when the Senate first considered the resolution in mid-April. This conference report is very similar to the Senate-passed bill, and like the Senate version, I believe this report fails to aggressively attack one of the most pressing challenges facing our country—reducing the Federal deficit. The Congress simply cannot afford to ignore the growing debt of our Nation.

As I've often said, borrowing the words of Mark Twain, the deficit is like the weather: everybody's talking about it, but nobody seems to be doing much to change it—especially when it comes to our management of the Federal budget. While there is some restraint on the spending side, clearly there is not enough. Without a reconciliation bill, I foresee little additional action on the deficit by the current Congress. And frankly, this concerns me.

The implication of a continued large deficit is alarming. The growing debt has very negative implications for the future of our economy, for the future of our international competitiveness, and for the future prosperity of our children and our children's children.

The overall spending in this resolution exceeds \$1.1 billion—\$45 billion more than last year, despite the budget summit agreement.

Reiterating what I said only 2 months ago: We in the Congress should consider ourselves fortunate to be deliberating the budget in a growing economy. This month we entered the 67th month of the longest peace-time business expansion in U.S. history. The economy is creating millions and millions of new jobs and generating more income for the American worker.

While this recovery is healthy for America, it is not the panacea for the dangerous deficit. We must be ever-vigilant in our responsibility to control the budget, and this we are not doing. In 1981, the Federal Government collected \$603 billion in revenues. This resolution projects revenues of \$964 billion, more than a \$350 billion increase. But Congress cannot seem to contain the spending side of the ledger. In 1981, the Government spent \$660 billion. Today that figure is \$1,100 billion. Spending has so outpaced revenues that the deficit continues to exist. This does not have to be the case.

As I've said before, on the spending side, there are tremendous opportunities to reduce the deficit. We should hold the line on discretionary and defense spending. We must examine the amount of funds spent on unnecessary highways, dams, and river projects. We must address this deficit with long-term solutions. The Congress should gradually phase out agricultural subsidies. We must examine the necessity of military bases that have outlasted their security missions. We must consider the plan for an early retirement window for Federal employees. All of these programs can save billions of dollars over the next 5 years. If we are going to remain competitive in the global economy, we must do more in the long-term perspective to reduce the deficit.

On the revenue side, we must utilize the favorable economic conditions that exist. In this area alone, the economic expansion can help us alleviate the pressure that has come to bear on the deficit. According to CBO estimates, the Federal Government will collect more than \$70 billion more per year, on average, for each of the next 5 years. If Congress would hold the rise in spending to one-half the revenue increase in each of the next 5 years, the deficit would be eliminated by 1993. Unfortunately, this conference report does not lead us to accomplish this goal.

Mr. DOLE. Mr. President, I support the fiscal 1989 budget conference agreement. The numbers contained in this budget reflect the consensus achieved at the budget summit. And while they do not translate into the

kind of dramatic deficit reduction I would have personally favored, they do reflect a continuing, gradual effort to lessen the deficit—one in keeping with the Gramm-Rudman-Hollings targets. This was managed, I might add, without any tax increase.

In addition, if Congress follows the dictates of this budget, and the economy remains on track we will escape any threat of a sequester. But, and this is a big "but," Congress must stick to the numbers.

We have come a long, long way in the battle of the budget. But the fact that with this budget, with a healthy economy, we will still have a deficit of \$136 billion—and a interest payments of \$152 billion—shows that we still have miles to go. I hope that by the time Congress gets to the 1990 budget, we might find greater willingness to make the tough choices.

Mr. President, finally, I want to express my appreciation to the two men in the Senate most responsible for arriving at this budget accord—on the Republican side, PETE DOMENICI—and Budget Committee chairman, LAWTON CHILES, who is shepherding his last budget through the Senate before retiring. LAWTON has done yeoman's service as both the ranking Democrat and chairman of the committee, during some difficult budget negotiations. His calmness and expertise will surely be missed.

Mr. KERRY. Mr. President, I am going to vote for this conference report today, just as I voted last December for the budget summit agreement and this April for the budget resolution. But I do so, Mr. President, with some regret. The regret is that we were not able, on the heels of the devastating October collapse of the stock market, to move even further than we have. The budget summit conference, fell short of what most of us hoped could be accomplished. That opportunity lost will surely haunt us as we struggle in a new Congress and a new administration to continue massive deficit reduction.

That failure has also forced us to live within serious spending caps for domestic discretionary spending. Those constraints have meant and will continue to mean difficult program reductions in critical areas. There is no way to avoid the reality that for many, the basic human needs of adequate food, housing, health care and education are not being met. These short-term savings cause suffering and lost opportunity today. They will also cost us money in the future.

However, Mr. President, this is an historic \$1.1 trillion budget conference report. It meets the Gramm-Rudman-Hollings targets. Under this agreement, the deficit would be \$135.3 billion, below the GRH target of \$136 billion and the sequester trigger of \$146 billion.

Some difficult issues have been addressed in this resolution, Mr. President, including some scorekeeping decisions. They will mean great sacrifices for a number of programs. Let me note here that I do not agree with all of the scorekeeping in the report, but they highlight the hard choices forced upon us by the administration's budget policies and priorities. It is tough medicine, but control of the deficit is still a top priority in this budget process and it is imperative that we meet our targets. This conference report accomplishes that difficult task.

It is also important that this report is consistent with the budget summit agreement reached last year. In complying with that agreement the budget allows a \$148.1 billion in new spending authority and \$169.2 billion in outlays for domestic discretionary programs. These increases barely meet basic needs in countless domestic programs.

While this is a concurrent resolution without the force of law, it is my hope that the spending priorities expressed by the Congress here will be followed in appropriations.

Mr. President, I especially welcome the conference adoption of a set-aside of \$2.6 billion for a major antidrug initiative if offsetting revenues are found to pay for it. I am also pleased that the report language calls on, and I quote:

All authorizing and Appropriations Committees and subcommittees are urged to examine programs within their jurisdiction to enhance their participation in the anti-drug effort and to give top priority to this effort in allocating their share of the funds available under this budget resolution.

In conclusion, Mr. President, this is a painful budget, but it strikes a necessary balance and moves us forward in the task of reducing the deficit.

Mr. LEVIN. Mr. President, when the budget resolution was initially before the Senate earlier this year, I voted against it because, based on the best information available at the time, it did not appear that it would meet the Gramm-Rudman deficit target of \$136 billion for fiscal year 1989. According to the Congressional Budget Office, implementation of that budget resolution would have led to a budget deficit that was \$30 billion off the mark.

We are now presented with the conference agreement with the House on the budget resolution for fiscal year 1989. From all reports, this agreement was the product of tough negotiations. It deserves careful consideration. In addition, it appears that the economic prospects for fiscal year 1989 have improved somewhat compared with the projections made by the Congressional Budget Office earlier this year.

However, based on the best information available at this time, implementation of this conference report would still miss the Gramm-Rudman target

by a significant amount. True, instead of missing by \$30 billion, it may miss by \$20 billion. But, it would still represent, at best, treading water and, at worst, more likely, taking a step backward in what should be a continuing aggressive struggle to reduce the budget deficit. For this reason, I will vote against the conference report on the budget resolution for fiscal year 1989.

Mr. CONRAD. Mr. President, we are asked today to vote on a budget resolution for fiscal year 1989 that will increase the budget deficit by CBO estimates. In my view, this is not an adequate guideline for Federal spending. We must make significant progress on reducing the deficit before our national economy can return to health, and we must do it with a focus on the future of America.

It is informative to look at our recent budget history in terms of the gross national product. In the past 35 years the budget deficit has averaged 1.3 percent of GNP. In 1981, when this administration took office, receipts were 15.7 percent of GNP and outlays were 18.2 percent, creating a gap of 2.5 percent of GNP. Since 1981, however, we have seen the administration's policy at work. By 1986, receipts had declined to 13.6 percent and outlays have grown to 19.2 percent leaving the budget deficit at 5.7 percent of GNP. The last time the deficit was that large was during World War II when the resources of the Nation were paying for the war effort. Under OMB's optimistic assumptions, the deficit is projected to decline to 3.5 percent of GNP in fiscal year 1989, still one full percentage point above the level it was when the administration took office.

This "you-can-have-it-all" policy of combining lower taxes with higher spending has brought us a tower of debt that has grown from \$914 million to \$2.8 trillion since 1980. The interest on the debt has grown to be the third largest spending category in the entire Federal budget—after military spending and Social Security. In April of 1988, we paid nearly \$15 billion in interest on the public debt. That is over twice as much as this budget proposes for an entire fiscal year's spending in community and regional development.

Mr. President, we must make the tough decisions that would reduce the deficit. Unfortunately, the President and Members of Congress feel tied to the summit agreement which fails to make significant progress toward reducing the deficit on a year-to-year basis.

I do not accept the conclusion that nearly \$300 billion is the appropriate funding level for defense given the current dimensions of the deficit. The levels of peacetime defense spending, under President Reagan, after inflation, have been higher in the 1980's

than ever before in U.S. history. Since 1981, defense funding has risen over 41 percent in real terms after inflation. In addition, the gap between the costs of completing the military programs started during the Reagan years and the money likely to be available to pay for them is estimated to be greater than \$250 billion over the next 5 years.

Mr. President, I have been a vocal proponent of greater Allied burden-sharing among the United States and its allies. For years after the end of World War II, America can no longer afford to provide the \$150 billion defense umbrella for our allies in Japan and Western Europe and borrow the money from them to do it. It is time for the United States to insist they pay for their fair share of the common defense. My amendment to the 1988 State Department authorization bill has prompted some discussion among our allies about increasing their share of the burden, but we must go further. I will continue to press for actions to insist our allies assume a more fair share of the common defense burden, and hope that the next administration will move quickly to advance these efforts.

However, our national security lies fundamentally in our economic strength. In my view, our biggest threat is our economic vulnerability. We must turn our attention to the well-being of the people of our Nation, our competitiveness and future growth. Programs to help the people who have been neglected under current policy must be the focus of our attention—education programs, health programs, nutrition programs, and research and development programs. This budget lays out a first step toward adjusting our national priorities, but we must go further.

Mr. President, I believe we should engage in policy that focuses programs on people who need them, but collect the taxes from those who can pay. We should collect taxes from those who are not paying their fair share. The Federal tax gap is currently \$85 billion, and is projected to exceed \$110 billion by 1992. Much of this revenue is collectible. According to a study released by the California Institute of Technology last year, Federal revenues would have been \$47 billion higher in 1985 if the IRS had maintained the same audit rates that it had in 1977.

Mr. President, continued easing of monetary policy is what we need—but we won't get it without convincing action to reduce the budget deficit. Instead, under current policy, we're experiencing rising interest rates which hinders economic growth and increases the budget deficit.

We should not surrender to the summit agreement. We should stand up and make the tough decisions that

will get this economy back on track. I remain hopeful as we look to next year, that we will find the political courage to make the difficult choices that must be made.

Mr. BYRD. Mr. President, I ask unanimous consent that the vote which has been set for 3 p.m. today on the adoption of the budget conference report be set instead for 3:15 p.m. today.

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

Does the Chair understand that the distinguished Senator from Florida has yielded back his remaining time?

Mr. CHILES. I did not realize the Senator from Colorado had time.

The PRESIDING OFFICER. The Senator from Colorado still has 10 minutes.

Mr. CHILES. I am prepared to yield back my time.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. DOMENICI. I yield back any remaining time that the distinguished Senator from Colorado has. I sought his advice, and he gives me such assurances.

Mr. CHILES. I yield back my time.

The PRESIDING OFFICER. All time has been yielded back. A vote will occur on the conference report at 3:15 p.m.

Mr. DOMENICI. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AUTHORIZATION FOR CONTINUED USE OF U.S. ARMED FORCES IN THE PERSIAN GULF

Mr. BYRD. Mr. President, I ask unanimous consent, notwithstanding the vote which is set for 3:15 p.m. today on the adoption of the budget conference report, the Senate now proceed to the consideration of Senate Joint Resolution 305, the War Powers Resolution.

Mr. DOMENICI. Will the distinguished majority leader yield?

Mr. BYRD. Yes; I yield.

Mr. DOMENICI. One of our Senators, Senator BOSCHWIRZ, was en route when we were yielding back our time. I wonder if the Senator would have objection to his having 10 minutes prior to 3:15 to speak on the budget resolution.

Mr. BYRD. Not at all, and I make that request.

THE PRESIDING OFFICER. Without objection, the Senator from Minnesota will have 10 minutes.

Mr. BYRD. Beginning at 3:05?

Mr. BOSCHWITZ. I should be ready quite a bit sooner than that, or does the majority leader have some intervening business? I will be happy to come at 3:05.

Mr. BYRD. Beginning at 3 p.m. for Mr. BOSCHWITZ.

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

Mr. DOMENICI. I thank the leader.

Mr. BYRD. Not to exceed 15 minutes.

THE PRESIDING OFFICER. The joint resolution will be stated by title.

The bill clerk read as follows:

The joint resolution (S.J. Res. 305) providing specific authorization under the War Powers Resolution for the continued use of United States Armed Forces in the Persian Gulf, consistent with the foreign policy objectives and national security interests of the United States.

Mr. BYRD. Mr. President, I suggest the absence of a quorum. I ask that the time be charged equally against both sides.

THE PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

POINT OF ORDER

Mr. BYRD. Mr. President, I make a point of order that the pending measure is not a privileged measure under the War Powers Resolution, Public Law 93-148.

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

THE PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Under the order of December 4, 1987, the point of order is submitted to the Senate, and the point of order is available for 4 hours of debate. The point of order must be submitted to the Senate, and when submitted there are 4 hours of debate equally divided and controlled by the two leaders or their designees.

RECESS UNTIL 3:01 P.M.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 15 minutes.

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

Thereupon, at 2:46 p.m., the Senate recessed until 3:01 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. REID].

CONCURRENT RESOLUTION ON THE BUDGET—CONFERENCE REPORT

The Senate continued with the consideration of the conference report.

THE PRESIDING OFFICER. Under the previous order, the Senator from Minnesota is recognized.

Mr. BOSCHWITZ. Mr. President, let me begin by expressing my appreciation to the Senator from Florida for the fine work that he has done as chairman of the Budget Committee. We have worked together on many budgets and I, for one, will miss his presence on the panel in the coming years.

The budget conference report that we will vote on today is a close copy of the budget the Senate adopted 2 months ago and then sent over to the conference committee. Spending on defense and international affairs is identical to the Senate version. There are some changes in the domestic programs—slightly more for community programs, for instance, and slightly less for science and technology. I am sorry that those particular changes were made, but they are slight. This conference report's broad outlines are very close to the budget we approved in April.

The reason, of course, is that the script for this budget was written in last year's budget summit. And in an election year, we have stuck to that script, as one would reasonably expect.

I have never hidden my disappointment with the budget summit agreement, Mr. President. In it, we allowed the rate of spending to increase this year by almost 6 percent; we kept many programs off the table; and we relied too much on gimmicks like asset sales. That's why the budget summit, in my judgment, will never be remembered as a great act of political courage.

In addition, I don't think the President showed strong leadership during those negotiations. We had an opportunity, particularly after October 19 and the crash of the market. There might have been the will here in the Senate to pass some aggressive measures to move toward a balanced budget, but the leadership was lacking. As I said, the budget summit was not characterized by great political courage.

To take dramatic action on the deficit, we must review this conference report as the beginning of our work, not the ending. In the time that I have served on the Budget Committee—the entire time I have been in the Senate—there have only been a hand-

ful of times when we have had the opportunity to take dramatic action on the deficit. I believe that next year, with a new President, we will once again have such an opportunity. It is important that we do not squander it.

Reducing the deficit is a formidable task. It requires a balance of policy, politics, and process. Those three elements—policy, politics, and process. When all three are in line, as they could be, once again, next year, we could—with a little political courage and some luck—break out of the budgetary gridlock that has existed the past 6 years.

First, let me talk about politics. It is a fact of life in Washington that the politics have to be right to take dramatic action on the budget. Next year, we will have a new administration and a new Congress. The National Economic Commission will submit recommendations outlined by a blue ribbon, nonpartisan panel. Hopefully, they will give us strong recommendations. And, if you can believe the polls, the new President will carry a message from the voters: Do something about the deficit. There will be a window of political opportunity to reduce the deficit, but we in this body must be prepared to exploit that opportunity. And I will be prepared to do so, Mr. President, though my own election will be in the offing in that 2-year cycle.

Even if the politics allow it, we also need wise policy to reduce the deficit, and we need a budget process which can efficiently implement that policy.

The second element, of course, is policy. Since I came to the Senate, I have argued for a "fair play" budget. It is based on two simple principles. First, deficit reduction must be across the board. Nothing must be eliminated from an across-the-board approach to deficit reduction. Second, if we can just limit the increase—not even cut, but just limit the increase—in entitlement programs and all other programs, we can balance the budget through the national growth in revenues. History suggests that we have a revenue growth of 8 or 9 percent a year. If we can keep spending down to perhaps as low as 1.5 percent, as we did last year, then we could balance the budget quite readily and quite rapidly. Everybody would get an increase. They just would not get as big an increase as they might have expected.

Many policy prescriptions, I am sure, will be debated over the next year, many ideas will be considered. But we have to keep in mind the need to implement an approach based on broad and fair deficit reduction.

The third element, aside from politics and policy, is process. The best budget plan is useless if it gets caught up in the kinds of congressional logjams we have often seen around here.

Having witnessed the frustration of the budget process for many years, I recognize the need for reform of the budget process. In this area, the budget summit has given us a very important precedent, certainly a valuable precedent, by allowing for a 2-year budget.

By following the plan of the budget summit, we have shown that Congress can agree to and implement a 2-year budget plan. That, indeed, was a great victory for the summit. This budget holds to the caps established in last year's agreement. The next step we need to consider is a 2-year appropriations cycle. If the Budget Committee can establish and enforce spending caps on a 2-year basis, it will be a dramatic step toward bringing order back to the spending process. As I have said, the budget summit has given us an important precedent and an important victory in that area.

Next year, it could all line up: politics, policy, and process could combine to break us out of our budgetary gridlock. As Members of this body, we can affect all three, and our work begins today, as we approve the budget for fiscal year 1989.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD. Mr. President, I have discussed with Mr. ADAMS the reduction of the 4 hours for discussion of the point of order. Is he agreeable to reducing that to 2 hours?

Mr. ADAMS. Two hours, equally divided?

Mr. BYRD. Yes.

Mr. ADAMS. That would be acceptable to me. I would like to ask, Mr. President, how would the time be designated? As of now, it is designated between the two leaders.

Mr. BYRD. If it is all right with Mr. DOLE, Mr. ADAMS can have half the time; and would Mr. DOLE like to control the other half?

Mr. DOLE. Yes, I can control the other half. I have cleared this with Senators WEICKER, HATFIELD, WARNER, MURKOWSKI, HELMS, ROTH, and SPECTER.

Mr. BYRD. Mr. President, I ask unanimous consent that the time be reduced to 2 hours; that it be controlled accordingly; that the rollcall vote occur at 5:30 p.m. today; and that the time start running at the conclusion of the disposition of the rollcall vote on the budget conference report.

The PRESIDING OFFICER. The Senate has heard the request of the

majority leader. Is there objection? Hearing no objection, it is so ordered.

Mr. BYRD. Mr. President, I thank Mr. DOLE and I thank Mr. ADAMS. I thank all Senators.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. BYRD. Mr. President, I ask unanimous consent that it be in order to order the yeas and nays on the point of order.

The PRESIDING OFFICER. Is there objection? Hearing none, that will be the order.

Mr. BYRD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

CONCURRENT RESOLUTION ON THE BUDGET—CONFERENCE REPORT

The Senate continued with the consideration of the conference report.

The PRESIDING OFFICER. The hour of 3:15 having arrived, under the previous order of the Senate, the question now occurs on agreeing to the concurrent resolution on the conference report for the fiscal years 1989, 1990, and 1991, the conference report to accompany House Concurrent Resolution 268.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. BYRD. I announce that the Senator from Texas [Mr. BENTSEN], the Senator from New Mexico [Mr. BINGAMAN], the Senator from New Jersey [Mr. BRADLEY], the Senator from California [Mr. CRANSTON], the Senator from Arizona [Mr. DECONCINI], the Senator from Nebraska [Mr. EXON], and the Senator from Hawaii [Mr. INOUYE] are necessarily absent.

I also announce that the Senator from Delaware [Mr. BIDEN] is absent because of illness.

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

Mr. DOLE. I announce that the Senator from Missouri [Mr. DANFORTH], the Senator from Nebraska [Mr. KARNES], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Wyoming [Mr. SIMPSON], and the Senator from California [Mr. WILSON] are necessarily absent.

I further announce that, if present and voting, the Senator from Nebraska [Mr. KARNES] would vote "nay."

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

The result was announced—yeas 58, nays 29, as follows:

[Rollcall Vote No. 167 Leg.]

YEAS—58

Adams	Graham	Packwood
Boren	Grassley	Pell
Boschwitz	Harkin	Quayle
Breaux	Hatfield	Riegle
Bumpers	Heinz	Rockefeller
Byrd	Johnston	Rudman
Chafee	Kasseebaum	Sanford
Chiles	Kennedy	Sarbanes
Cohen	Kerry	Sasser
D'Amato	Lautenberg	Shelby
Daschle	Leahy	Simon
Dixon	Lugar	Specter
Dodd	Matsunaga	Stafford
Dole	McCain	Stennis
Domenici	Metzenbaum	Thurmond
Evans	Mikulski	Weicker
Ford	Mitchell	Wirth
Fowler	Moynihan	
Glenn	Nunn	
Gore		

NAYS—29

Armstrong	Hecht	Pressler
Baucus	Heflin	Proxmire
Bond	Helms	Pryor
Burdick	Hollings	Reid
Cochran	Humphrey	Roth
Conrad	Kasten	Symms
Durenberger	Levin	Tribble
Garn	McClure	Wallop
Gramm	McConnell	Warner
Hatch	Nickles	

NOT VOTING—13

Bentsen	Danforth	Murkowski
Biden	DeConcini	Simpson
Bingaman	Exon	Wilson
Bradley	Inouye	
Cranston	Karnes	

So the conference report was agreed to.

AUTHORIZATION FOR CONTINUED USE OF U.S. ARMED FORCES IN THE PERSIAN GULF

The Senate continued with the consideration of the joint resolution.

The PRESIDING OFFICER. Under the previous order, a point of order against the status of Senate Joint Resolution 305 as privileged under the War Powers Resolution has been submitted to the Senate and a vote will occur on the point of order at 5:30 o'clock p.m. this day. The Senate will come to order.

Mr. ADAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. DOLE. Mr. President, will the Senator from Washington yield.

Mr. ADAMS. Yes, I yield.

Mr. DOLE. Mr. President, I want to designate the Senator from Virginia [Mr. WARNER] to be in charge of the time in opposition on this side.

The PRESIDING OFFICER. The Senator has that right. That will be the order. The Senator from Washington is recognized.

Mr. ADAMS. Thank you, Mr. President.

Mr. President, the point of order now before us involves a simple question of fact. As the debate proceeds and as my colleagues prepare to vote, there is one simple narrow issue:

Have U.S. Armed Forces been introduced "into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances?"

The need to ask that question and the answer to it are clear.

We need to ask the question because the law requires it. The War Powers Resolution, a law which we passed over a Presidential veto, tells us that if and when American forces are involved in hostilities or are subject to imminent involvement in hostilities for more than a 48-hour period, the Congress of the United States must authorize their continued deployment. I did not create that requirement. The law did. I am not asking the Senate to address this issue; the law requires the Senate address it.

If we ask that question honestly, Mr. President, there can be only one answer. American troops are "into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances."

Just look at the chronology of the last 16 months. The facts lead to an inescapable conclusion: Our troops have been involved in hostilities and the situation in which they continue to operate makes it evident that further imminent involvement in hostilities is clearly indicated by the circumstances.

Since January of 1987, the United States has steadily increased its direct military involvement in the Persian Gulf. It began when President Reagan increased the U.S. presence in the Persian Gulf to evacuate Americans from Lebanon. It increased further when plans were implemented to provide U.S. naval escorts for 11 Kuwaiti tankers transiting the gulf.

Now the President has made a commitment to defend all neutral shipping against attack by belligerents in the gulf.

Hostilities have not only been "imminent" throughout that period—and remain so today—hostilities have actually occurred on eight separate occasions. The evidence on that point is depressingly clear.

American military personnel have been killed and wounded—some by missiles—some by mines—and others while engaged in direct military

action. Most recently helicopter personnel died during offensive United States actions against the Iranian fleet.

The debate on this point of order, then, revolves around this very simple issue.

If you agree that armed conflict and the occurrence of U.S. casualties constitutes hostilities, then your vote is to reject this point of order.

If, however, you believe that death and these type military operations do not define the term "hostilities," then you should vote to uphold this point of order.

I believe the facts are clear. And there is a factual argument. It revolves around whether there are hostilities or imminent involvement in hostilities.

Indeed, based on precedent, the Senate Parliamentarian has already made a threshold determination that hostilities exist in the Persian Gulf. He did so by recognizing that Senate Joint Resolution 305 is a joint resolution which was introduced pursuant to the War Powers Resolution section 4.

Now that I have described for you what the debate on this point of order is all about, and it is only the point of order—I would like to state what this debate is not about. It is not a debate about whether or not the War Powers Resolution needs to be amended. That is a debate for another day and another point in time.

Like it or not, the War Powers Resolution is the law of the land and the responsibility of the U.S. Senate. And the law says that when U.S. forces are introduced into hostile situations or into situations where imminent involvement in hostilities is clearly indicated by the circumstances, then the President must secure congressional authorization to utilize U.S. troops in that manner for any period longer than 60 days.

I recognize that Senator BYRD, Senator NUNN, Senator WARNER, and Senator MITCHELL have introduced legislation to amend the War Powers Resolution. Their bill is worth serious consideration. Some form of it may ultimately be adopted. But it is just a bill—it is not the law.

We cannot evade the obligations created by the law just by introducing legislation designed to fix it. The law is the law—and we took a sacred vow to uphold it.

Last week, when we were debating the Biden-Byrd amendments to the INF Treaty, we heard, and I believed and supported the very moving speeches about the Senate's constitutional role in the treatymaking process. All of the points made in those speeches apply to this situation. We have a constitutional role in the war-making process. The War Powers Resolution recognized that reality. The resolution now before us acts on that reality.

Of course, it is more desirable to exercise our obligation to make peace than to discharge our duty to make war. But the Constitution and the law do not allow us to pick and choose which duties we wish to carry out and which we wish to avoid. So the question is simple: Are we going to recognize the facts and vote to uphold the law—or are we going to continue to give away our constitutional responsibility? This is the question before us today.

The second fundamental point is that in voting on this point of order, you will not be voting for the contents of Senate Joint Resolution 305. Nor will you be voting to terminate United States involvement in the Persian Gulf. The law provides for 3 additional days of debate on Senate Joint Resolution 305, during which time the resolution is amendable. Any Senator is free to offer any amendment to this resolution.

I have not in any way attempted to close off the amending tree. In fact, should we get that point I will encourage amendments particularly by those who have had great involvement in the hostilities that are occurring in the Persian Gulf. I want to see us develop a true national policy and a Persian Gulf policy consensus.

I want every Member to understand why I have persisted in this effort over so many months.

First, it is a matter of following the law. The President should already have sent a 4(a)(1) report and invoked the War Powers Resolution. The fact that he has chosen to ignore the law does not justify our doing so.

Second, is the implication of our continued reluctance to follow the law. Many times in the past, you have all heard me describe my fear of another Vietnam. After all, it was the Vietnam experiences which lead to the enactment of the War Powers Resolution. As I have done this, I have had some tell me that that analogy is misplaced. But, if you do not want to look at Vietnam, then look at our experience in Lebanon where United States troops were committed abroad to carry out a policy which initially was never sanctioned by the Congress.

Now here is the crucial point: I am not going to defend our policy in Lebanon and I certainly am not going to defend our failure to have invoked the War Powers Resolution, in Lebanon long before we did. Perhaps if we had acted in a timely fashion, our troops would have had a clear mission. But the point is that that War Powers Act was invoked. And when disaster struck, a resolution was in effect. American soldiers were killed. There was no doubt about the fact that their deaths served a nationally agreed upon policy.

No question about the validity of their sacrifice. The mothers and fathers of those servicemen did not have to wonder if their sons had died in vain or in an unsanctioned military action. They had their answer even before the question could be asked.

If we are going to ask our men and women to lay their lives on the line, then we ought to be willing to vote for the policy we ask them to defend. It is just that simple—and just that fair.

I want to make one more point about the Lebanon experience with the War Powers Resolution. In the aftermath of the disaster, there were no political repercussions, no debate about the foreign policy objectives we had asked those soldiers to secure. That debate had already taken place. We were all on the record—there was no room for political finger pointing. The Nation—not just the President—had made a decision.

Thus far, we have not yet lost 244 Americans in a single action. But this may not be the case tomorrow or the next day. If we wake up tomorrow and hear that more Americans have been casualties, the U.S. Congress should already have sanctioned the policy for which those Americans have suffered. There must be a national consensus so Americans do not suffer wounds or die in vain.

It is clearly easier for the Senate to continue to sidestep this issue and take credit if it is a success and blame the President if it is a failure. That is not the way we should do things. But the truth is the Congress is principally responsible under our constitutional system for use of the war-making power.

I urge you all to join with me to reject this point of order, and instead step up to our part of the constitutional responsibility to articulate a policy and to govern the use of our Armed Forces in the sustained hostilities in the Persian Gulf. We will be a stronger institution if we do so for this is what our forefathers intended. We will have a strong balance of power between the Executive and the Congress as set forth in the Constitution of the United States in article 1, of section 8. We will also have a stronger and more effective foreign policy because of it.

Mr. President, I deeply believe that this is a time and an opportunity when we as Members of the U.S. Senate face our responsibility to join with the executive branch in creating a national policy in a portion of this Earth in which we have been involved for a long time and will be for a long time in the future. This is an action far longer than 48 hours. It is an action that we have been in for over a year. It is an action we will probably continue to be in. That is why the underlying resolution authorizes the deployment of ships in the gulf. What it prohibits is a continuation beyond September 18 of

the reflagging operation and convoy. It may be that Members of this body will want to establish a different set of guidelines.

I have based mine upon the clear votes of the U.S. Senate in the past on procedural questions, where the vote was clearly that we did not like or approve of the reflagging operation. We never reached the substantive vote because of the procedural problems.

I express my appreciation to the majority leader for last December having agreed with me and with others in this body on a procedural method of presenting the factual issue with respect to the hostilities and the War Powers Act. We are now about to vote on that.

I hope that all Senators listening to and watching this debate understand that the clear and simple issue is, are we involved in hostilities or are our troops in circumstances where they will imminently be involved in hostilities. If they are, Senators should vote against the point of order. Then we will proceed with an orderly, short, 3-day debate on Senate Joint Resolution 305, which will be subject to amendment, and at the end of that time we will vote on it and send it to the House of Representatives, and they will vote on it, and we will establish a policy in the Persian Gulf for the United States of America.

Mr. President, I reserve the remainder of my time, and I make a parliamentary inquiry: How much time do I have remaining?

The PRESIDING OFFICER. Forty-one minutes.

Mr. ADAMS. I thank the Chair.

Mr. BYRD. Mr. President, will the distinguished Senator from Virginia yield me time?

Mr. WARNER. I yield such time as the distinguished majority leader requires.

Mr. BYRD. I thank my friend.

Mr. President, I have made the point of order that the joint resolution before the Senate, offered by the distinguished Senator from Washington [Mr. ADAMS], was not privileged under the War Powers Resolution. This is not to take anything away from the very substantial energies that the Senator from Washington has exhibited in pursuing the application of the War Powers Resolution to the situation in the gulf.

No one can seriously question the proposition that there are dangers of imminent involvement and hostilities to our forces in the Persian Gulf. The events of this past April demonstrated that reality anew. The fact is that the Senate has already concluded that the circumstances in the Persian Gulf meet the conditions established in section 4(a)(1) of the War Powers Resolution. This proposition has already been addressed by the Senate on September 30, 1987, when an amendment to the Department of Defense authori-

zation bill that was fashioned by Senator WARNER, Senator ADAMS, and other Senators, and myself, failed to be tabled. This was followed by the passage of a freestanding resolution, (S.J. Res. 194), on October 21, 1987, which essentially reached the same conclusions and required a comprehensive report by the President on the situation in the gulf, and expedited action is triggered in Congress 60 days after the report was delivered or should have been delivered. Senate Joint Resolution 194 was passed in the Senate by a vote of 54 to 44 and is before the other body for action. The House of Representatives has not acted yet.

The purpose of the point of order I am raising, Mr. President, stems from the generic problem we face in the gulf. I have never supported the administration policy in the gulf. I was opposed to the escorting and convoying of Kuwaiti ships under the American flag from the beginning, and I remain opposed to that policy. But they are there; our ships are there. To take action now to remove those ships, I think, would create a bad perception around the world, and I believe it would be a mistake at this point.

Every time an incident occurs, one could rightly consume the energies of this body with the same ground that we have covered before. We could be on this resolution for the next 3 days, and on each succeeding resolution for 72 hours—more than 3 days, unless we run the Senate around the clock—and our debate would shed no more light on the problem.

I compliment the Senator from Washington. The War Powers Resolution is the law of the land. It is on the books. But it is an unworkable law. I have long ago come to that conclusion. It requires no action by Congress. As a matter of fact, if Congress just sits back and does nothing, then troops that have been placed into a situation by a President of the United States would automatically be withdrawn from such a situation; and it might, indeed, be in the best interest of this country that they not be withdrawn.

So the present law allows no predictability. It robs the President of the United States, under any administration, of credibility. He has no credibility. He can give no country any assurances whatsoever that American troops can be counted on in a situation which might very well be in the best interests of our country. Yet, a simple filibuster in the Senate would prevent Congress from taking action to authorize the further deployment of those troops in that situation which might be of vital importance to our own country. So a minority in the Senate can act in such a given situation as to undermine the authority of the President.

As I say, the country has no credibility when it can make no assurance to any country, in any such given situation: put the troops in the maximum number of days they may be retained, and in such circumstances it would be 60 days, with an additional 30 days, if authorized by Congress, for the purpose only of removing those forces which had been placed in those circumstances. To me, that is an untenable situation for any President to be placed in.

This situation raises fundamental weaknesses of the War Powers Resolution. These weaknesses, to which I have referred, need correction. The Foreign Relations Committee has formed a special panel to review the resolution and to recommend changes. I have introduced legislation, together with Senators Nunn, Warner, and Mitchell, which recommends such changes. That legislation is now before the Foreign Relations Committee, and I understand that the committee will begin hearings on the matter this month. The sooner we correct the situation, the better off the Nation will be. I hope that we will be able to enact this legislation and have a law on the books that is workable, one that will lend credibility to the actions and decisions of the Commander in Chief of the United States, one on which our allies and we may be able to depend, one which gives predictability to what a Commander in Chief may do and what other nations may count upon, and what the American people, themselves, may be able to rely upon.

Despite the unquestioned right of the able Senator from Washington to pursue this matter, it places the Senate in the awkward position of either having the War Powers Resolution invoked by the Parliamentarian or of disposing of an important policy question through a procedural device. Although neither of these options is very appealing, under the circumstances, I feel the latter course of action is preferable, pending revisions of the basic statute to make it workable.

Mr. President, I close by commanding the distinguished Senator from Washington. He is following the dictates of his own conscience, and I admire him for that. I share his views with respect to the policy we are following in the gulf. I am not saying, and he is not saying, that we should take all our forces out of there. I would never say that. We intend to remain in the Persian Gulf. That is where we should be. The policy of escorting and convoying Kuwaiti ships, in my judgment, is not a good one, but that is the policy we have been following.

I think it would be a mistake at this moment to take the action which would be recommended were it not for the point of order which I am about to

make and which has been made before, and which has been upheld by the Senate last December. In December 1987, the same point of order was sustained on a voice vote by the Senate. That followed the action of the Senate in passing a resolution which Mr. WARNER, Mr. NUNN, and I and others cosponsored and which, as I have already said, is presently resting at the other body.

So, with my apologies to my friend, I urge the Senate to sustain the point of order.

THE PRESIDING OFFICER. Who yields time?

Mr. WARNER. Mr. President, no Member of this Senate has taken a stronger leadership role in trying to work with the troublesome issues of the War Powers Act than the distinguished majority leader. I wonder if I might engage him in a brief colloquy here.

Mr. BYRD. Yes.

Mr. WARNER. As I listened to your opening comments—and I may not have gotten it accurate—but you indicated that you had not supported certain administration policies in the gulf. As I reflected back over the many debates that we had, really beginning a year ago and following into the fall, my recollection is that the distinguished leader was concerned about the policy of the reflagging but, in terms of the decision of the United States to go into that gulf region and take a strong stand, in the face of possible involvement by the Soviet Union, in providing freedom of navigation or preserving it in the straits, the stance by the United States to go in and indicate to the gulf states our willingness to try to support freedom of navigation and enable them to continue in the important conveying, not as the conveying, but the transporting of oil out of the gulf and particularly the stance of the United States to go in and see what we could do to end the Iran-Iraq war, I was not certain whether the leader had addressed a broader policy or a narrow one. I wonder if he could clarify that.

Mr. BYRD. I thought I had addressed the narrow one. This administration did not put us into the Persian Gulf. We have been there for 40 years and we intend to stay there. So I do not question that policy. I do not question our policy of keeping the navigation routes open.

I think I used the word "policy" not "policies" in referring to the administration policy of convoying and escorting Kuwaiti ships that were carrying the American flag. So it is a reflagging policy which involved the convoying and escorting of Kuwaiti ships. That is the policy that I have never supported. This policy of being in the Persian Gulf, I was very supportive of that.

I am also very supportive of taking a neutral position in respect to the Iran-

Iraqi War. I do not think we have exactly adhered to that neutral position. It would seem to me that we have tilted in that regard. But I do not have any reference of that in my remarks.

Mr. WARNER. Mr. President, I thank the distinguished leader, because we have enjoyed many hours here together on the same side of these issues, in most instances.

One last point. The Senator mentioned the legislation for which he provided the first initiative and then I joined with Senators Nunn and Mitchell and others and which is now before the Foreign Relations Committee. Really, we should look upon that as the vehicle to begin to untie the Gordian knot of the War Powers Act, an act which you, I believe, properly characterized—and I join you in that—as unworkable and untenable from the standpoint of any President trying to deploy the troops of our Nation in support of the foreign policy of our Nation.

As I examine this particular resolution, while we are here on a rather interesting and unique technical point, votes in support of our distinguished colleague from Washington would begin, if they would prevail, to reopen this whole issue right here before the Senate in the next 3 days.

It occurs to me that this is a very inopportune time for this issue to be reopened, in terms of what we are trying to do in the gulf. That situation seems to be becoming more stable at the moment. Second, until such time as the Foreign Relations Committee has issued their report on the legislation of the majority leader and others, I believe there is still time for the Senate to begin to go back and reexamine the whole issue of the War Powers Act.

Mr. BYRD. I hope so. I hope that the Foreign Relations Committee would be able to expedite the action so that the Senate and, indeed, the House might be able to act upon this legislation this year.

Mr. WARNER. Mr. President, the word "expedite" I believe is quite important. I hope the leader will have the opportunity, if he has not already done so, to discuss this with the chairman of the Foreign Relations Committee and others, recognizing the urgency for the Senate to address this piece of legislation.

Mr. BYRD. I have spoken with the chairman, and he is very much of a mind to expedite the action. He had, I believe, delegated this work to Senator BIDEN, the work of chairing the panel that would be made up of members of the Foreign Relations Committee. That would have been the assignment to be carried out by Mr. BIDEN, but, because of his illness, of course, we all know that that is being delayed. The chairman does want to move expedi-

tiously and I hope that he will be able to do that.

Mr. WARNER. Mr. President, I thank the distinguished leader.

Mr. President, momentarily I wish to yield the floor to the distinguished Senator from Arizona, but I believe, before this debate proceeds further, I would like to seek clarification from the distinguished Senator from the State of Washington, Mr. ADAMS.

In my notes, as I listened carefully to his remarks, it appeared to me that he said: "The President has made the decision to defend all neutral shipping in the gulf."

Could the Senator go back to his text and refer to that remark?

Mr. ADAMS. That is correct. That was a statement made by the Secretary of Defense, Secretary Carlucci, that the decision had been made to defend nonbelligerent shipping in the gulf.

Mr. WARNER. Mr. President, having worked with the distinguished majority leader and others in terms of the consultation between the Secretary of Defense and the leadership of the Congress, and then following carefully the limited pronouncements by the administration following its decision, I take disagreement with that. I disagree with my distinguished colleague.

What was done by the administration is to say that, henceforth, the Navy would not be totally restricted to the convoying of the Kuwaiti reflagged vessels, but, on an ad hoc basis, depending on the situation, could come to the assistance of other vessels, providing they were in certain areas. Then, if the U.S. naval vessels were likewise in those areas, on an optional basis, they could come to the assistance of the other vessels.

It was not, I assure my good friend from Washington, a statement which we would "defend all neutral shipping in the gulf." I am prepared to bring to the floor such documentation as is necessary to support my contention.

Mr. ADAMS. I would appreciate very much if the Senator would bring such documentation, because this statement was made by the Secretary of Defense that nonbelligerent shipping would be protected in the gulf and that this is now policy.

That brings up the very reason that we are here today, which is that the policy in the gulf is an unknown one to this body, other than what has been set forth in 305, which was 11 Kuwaiti ships reflagged and convoyed. These changes in the rules of engagement and in degree of involvement in hostilities change as statements are made rather than it being done on any kind of a policy basis.

What the Senator is pointing up is precisely the problem of why we should debate and pass this resolution. Factually, I think the Senator is incor-

rect. But whether he is correct or incorrect, it states very clearly that we are now involved in some fashion in protecting ships other than the 11 Kuwaiti vessels which we were convoying. And I am sure the Senator will agree with me that my statement on that is correct.

Mr. WARNER. Mr. President, we will return to this colloquy momentarily. The leader and the Senator from Arizona are waiting.

Let me say, my good friend, that policy is kept vague for a very important reason. We want to keep any belligerents guessing as to what we may or may not do in the event of a contingency. We do not want any assailant or belligerent or neutral shipping to know precisely what we are obligated to do. We want to keep them guessing and for that reason we just announced that henceforth the Navy would be limited just to the defense—by virtue of convoy and other naval actions—of those 11 ships. But they would have on an optional basis, depending on the decision of the individual ship commanders after consultation with higher authority, the ability to come to the assistance of other neutral ships.

Mr. ADAMS. I am sure the Senator will agree, as a former Secretary of the Navy, that is an incredibly dangerous policy when you are on the edge of a very dangerous and difficult war between Iraq and Iran with a whole series of activities going on in that gulf to allow individual commanders, even checking up, without a specific policy, if there is no policy of whether they are to be involved or not in each case. To have that happen can involve the United States in acts of war.

The problem, and I hope the Senator will join with me in going by this point of order and getting into debate, it has been stated by the man who has just been appointed by Khomeini as the head man in Iran, he has stated that Iran is at war with the United States.

Now, that appears in Jane's Defense Weekly. It is May 28, 1988. It is by Rafsanjani.

I think this is an incredibly dangerous situation for us to be in without the Nation clearly stating to its fighting personnel: This is what we are attempting to do. This is our policy.

If the President wants to come up and defend nonbelligerent shipping he should come to this body.

I think he would probably get the authority to do it.

Mr. WARNER. Mr. President, inquiry, the time that has just been used has been equally divided between the Senator from Washington and myself?

The PRESIDING OFFICER. The time is being charged as the distinguished Senator's from Virginia.

Mr. WARNER. Mr. President, time has elapsed. I now yield to the distin-

guished majority leader such time as he may require.

The PRESIDING OFFICER. The Senator from West Virginia, the majority leader.

Mr. BYRD. Mr. President, I thank Mr. WARNER.

Answer the question which he raised earlier in seeking to clarify a position which I had taken with respect to the administration's policy in the Persian Gulf dealing with the reflagging of vessels, the position that I expressed, at least tried to express, was the same position that was taken by the Senate when it passed Senate Joint Resolution 194, and which joint resolution was referred jointly to the Committees on Foreign Affairs and Rules in the House of Representatives on October 26, 1987.

Section 1(a) of that joint resolution is entitled "Findings."

In paragraph 2, the following words appear:

The Congress expresses support for a continued United States presence in the Persian Gulf region and the right of nonbelligerent shipping to free passage in this region.

Paragraph (3):

Congress continues to express reservations about the convoy and escort operations of United States naval vessels in connection with tankers reregistered under the United States flag.

That was my position precisely at the beginning. It was my position precisely at the time the Senate passed Senate Joint Resolution 194. And it remains precisely my position today.

Mr. WARNER. Mr. President, I thank the distinguished leader.

Mr. President, I yield such time as the Senator from Arizona may desire.

The PRESIDING OFFICER. The Senator from Arizona, Senator McCAIN.

Mr. McCAIN. I thank my friend from Virginia and I rise in support of the point of order made by the distinguished majority leader. I have no doubt that this point of order will be carried by a majority of this body, and rightfully so.

First of all, in keeping with the conversation and colloquy which just took place between my friend from Virginia and the distinguished majority leader, it is important to point out to my friend from the State of Washington that it is not an act of war to defend or come to the assistance of a nonbelligerent or neutral ship that comes under attack in international waters.

Let me repeat that to my friend. International law is clear: It is not an act of war to defend a neutral or nonbelligerent ship that comes under attack. In fact, it has been this Nation's policy for over 200 years to defend the freedom of the seas and the freedom of passage. We have done this, among other things, to suppress piracy but not as an entirely selfless

act. This Nation has been a maritime Nation from its beginning, and we depend on freedom of the seas for our own security.

I certainly hope that my distinguished friend and colleague from the State of Washington will recognize that to defend neutral shipping, which is nonbelligerent, which is not carrying contraband, and which is sailing in international waters is not an act of war.

To intimate that our service men and women are engaged in acts of war when they are defending the freedom of the seas, shows a serious lack of knowledge about what constitutes an act of war. I think this requires some self-education on the part of my friend from the State of Washington.

As for our policy in the gulf, that has been made completely clear. I would like to point out to my friend from the State of Washington that I read to him this policy as stated by Secretary Carlucci. I read it to him during the debate we had on this subject just a couple of weeks ago, when he raised it during the debate over the defense authorization bill.

If he thinks that the American service men and women over there are confused about that policy and their role, he is wrong. The men and women who are serving in the Persian Gulf today know very clearly what their mission and their role is. They know it is to defend the freedom of the seas and to preserve the right of navigation of neutral shipping.

They also are doing an outstanding job and the results of that job has been a sharp reduction in Iranian activity. If my colleague from Washington's resolution is passed, however, this situation will be dramatically reversed. His resolution is a signal of American weakness that will provide encouragement to the Iranians. It will give them a new license to continue their attacks. Further, this resolution is dangerously ambiguous. It states that—

The President is specifically authorized, for purposes of section 5(b) of the War Powers Resolution, to continue to deploy United States Armed Forces in the Persian Gulf, except that the use of United States Armed Forces to convoy or escort vessels owned by any government or national of a country bordering the Persian Gulf.

As written, this bill allows our forces to escort a French or even Soviet vessel, but they are not allowed to escort one flagged by a friendly state in or near the Persian Gulf. It could deny protection to states which have shown an enormous degree of cooperation with our forces—more than we had ever anticipated, and which have assisted us in preserving the free flow of oil through the part of the world that has over 50 percent of the world's oil reserves—

Mr. ADAMS. Will the Senator yield?

Mr. McCAIN. I will not yield to my friend from Washington. During the last debate I yielded to my friend from Washington and I, during the debate, sought to have him yield to me and he did not have the time to do so.

Mr. President, I believe I have the floor. I will be glad to yield to my friend from the State of Washington upon completion of my statement for any question or comments that he might have.

Now, let me turn back to what is happening in the Persian Gulf. As a result of the firm actions of the United States, we have seen a sharp drop in Iranian activity, although it is clear that there will be no guarantee such threats will end until the Iraq war ceases.

We will see sporadic bursts of attacks on shipping until we gain a cease-fire or negotiated settlement of that conflict. The Iraqis view such attacks as a way of ending the war. The Iranians obviously feel that such attacks are an important factor in their ability to gain leverage in a war where they have lost some advantage in recent months. Nevertheless, the chances of reaching a negotiated settlement are dependent, to some degree, on a continued show of steadfast and purposeful U.S. policy in the Persian Gulf. The alternative is to give both sides an open invitation to attack shipping and southern gulf ports. It is a license to escalate and threaten the free world's supply of oil.

In short, I am saying that our current policy in the Persian Gulf is working. Indeed, we have seen some recent improvements. But, we need to stay the course. Unfortunately, section 3 of this authorization would prevent us from doing this and would undermine our policy. It would say to "any government or national of a country bordering the Persian Gulf as of June 1, 1987," that we will not protect them after 3 months, nor will we use our Armed Forces to help friendly countries bordering on the Persian Gulf. I think the further inference and conclusion would be drawn that no other nation could count on our help and our assistance.

Let me also point out the unfortunate aspect of this issue being raised at this time. We have a clear commitment from the majority leader of this Senate, a clear commitment from the chairman of the Armed Services Committee, and a clear commitment from the ranking member, our distinguished colleague Senator WARNER, and others that they will seek to amend the War Powers Act to remove its onerous aspects. They have said they will bring the issue to the floor of the Senate this session if at all possible. This would allow us to remove the negative veto. The absolutely unworkable aspect of the War Powers Act which has led every President since its

enactment not to trigger it. We would drop the provisions that demand the automatic triggering a withdrawal of U.S. forces from whatever area of conflict within a certain number of days.

I am convinced that Senator BYRD, Senator DOLE, Senator NUNN, Senator WARNER, and others will succeed in arriving at a reasonable modification of the War Powers Act which will gain the support not only of the majority of this body but, hopefully, and I have some confidence that we will enjoy the confidence and support of the administration.

Mr. President, let me also remind this House that we are not talking about a part of the world that the United States is involved in a charitable enterprise. We are talking about a part of the world which has over 50 percent of the world's oil reserves. The United States is seeing its domestic oil supplies diminish for a variety of reasons, and will be increasingly dependent upon Middle Eastern oil in the years that lie ahead. We cannot ignore this reality or alienate all our friends in the region.

Further, even if the United States was not in any way dependent upon oil from the Persian Gulf, the free flow of such oil would be critical because so many of our allies are dependent on such oil. Our economies and demand for oil are so interdependent that there is no way that the United States economy can isolate itself if the economies of our Western European allies and Japan are damaged by the lack of this very important commodity.

Mr. President, I know my friend and colleague from the State of Washington wants to address the points that I have made. I also understand and appreciate his commitment to peace in the Persian Gulf. I understand his deep and abiding concern for the lives and safety of those men and women who serve in our Armed Forces.

I look forward to working with him as we try to come up with a War Powers Act which will meet the concerns of this body, as well as the executive branch. I look forward to the day this body can assume its rightful role, and exert the proper control over the course of policies which could bring into conflict and risk the sacrifice of young American lives.

In the interim, I urge my colleagues to support this point of order. Until we revise the War Powers Act, we must not send the wrong message at the wrong time to the wrong people.

I yield back to my friend from Virginia.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I thank my distinguished colleague from Arizona. He speaks with great authority on matters of national defense, and his views are highly respect-

ed. We appreciate his participation in the debate.

Mr. President, I see the distinguished Senator from Washington. Does he wish to enter into a colloquy with our colleague,

Mr. ADAMS. Yes, and I will do this, Mr. President, on the time that has been designated to me so that his time will not be used.

The PRESIDING OFFICER. Does the Senator from Virginia wish to yield the floor to the Senator from Washington?

Mr. WARNER. Mr. President, I wish to accommodate the Senator from Washington, and then I will seek recognition.

The PRESIDING OFFICER. The Senator from Washington.

Mr. ADAMS. I thank the Senator.

Mr. President, the Senator from Arizona mentioned and went into the question of nonbelligerent shipping. That is not the issue that is before us in this joint resolution, though I am happy to discuss that with him.

What is in this joint resolution is strictly in this case stopping at the end of 60 days, which would be September 18, the convoy of reflagged Kuwaiti vessels.

Kuwait is known to be an ally of Iraq, and those ships have been assaulted by Iran for that reason, regardless of which side you may favor, Iraq or Iran. I hope that we will not tilt toward either. I think we have, and I do not think we should. In this case, we are convoying oil from an ally of Iraq through the Persian Gulf subject to attacks by Iran.

Mr. President, the reason we are here on this date is that this is not a stable situation or a situation where policy has been established or a situation where we know what their policy will be.

For example, in the Washington Post on June 2, 1988, it is reported that—

Iran is expanding its complex of Silkworm missile launching pads along the Persian Gulf, but still have not deployed the missiles anywhere near the strategic Strait of Hormuz, administration officials said yesterday.

They are arming up that gulf. We are escorting.

I want to answer the Senator from Arizona directly on this because the bill is going to come due here to the United States. We are not escorting American oil out of that gulf. We receive less than 10 percent of our oil from the Persian Gulf region. The world is awash in oil at the present time. In Venezuela, in Mexico, in Nigeria, in Indonesia—all of these are in surplus capacities.

We are escorting oil for Japan and for our European allies, but we are carrying the cost of doing that in lives and in the Treasury. It is the responsibility of the U.S. Senate and the U.S.

House of Representatives to determine whether we are going to put the Treasury of the United States and the lives of our servicemen into that situation and continue them there.

I think there are certain things we will do in the gulf. I think there are certain changes we might be willing to do more for if, for example, the Japanese were to pay for the convoying of their oil which is coming out of the gulf because that is basically the largest group being supplied by Persian Gulf oil.

So this idea that we in some way are just doing a freedom of the seas operation is not the policy. The policy is to convoy Kuwaiti vessels, to convoy them with American ships and when anything happens to take offensive action.

We have sunk over one-third of the Iranian fleet. We did that because our ships in this lane doing this convoying, which is a setup by the Iranians—they know where we are going; they know what we are doing; they know why we are doing it and they are waiting there with mines. At that point, we then take offensive action.

Our action has caused us casualties. It caused us helicopter casualties in the last incident.

This is a long-term U.S. commitment to military action in a very hostile area. We are in hostilities. We face imminent hostilities. We are under the War Powers Act. I have indicated before I am very willing to discuss a future bill, but, Mr. President, we had to pass this War Powers Act over a Presidential veto. What says we are going to get any kind of new act through? I am willing to work on a new act, change expedited proceedings, have a group constantly working with the President on these matters, but those things are not going to happen. I do not remember there being a standing resolution that is pending in the House. That was to the defense authorization bill. It died in conference. It never came back.

We are talking about things that are not going to happen as opposed to what we have now before us, which is a law, and which, incidentally, as shown by the debate today, is workable. All that has to happen is today we vote the facts of what is existing in the world. The hostilities are occurring. We affirm that fact. Then we move to debate on the policy. And I am very willing to have 305 passed as it is, which says we stop the reflagging operation and the convoying under the reflagging operation.

So this talk about a War Powers Resolution being amended, or going to the Foreign Relations Committee is for another time and another place because that will only happen if a President signs another bill. It will only happen if it passes through this body and is not filibustered, and only if it

passes through the other body. We are dealing with a law that is here right now and that law can and will work.

That is what I am trying to say to the Senator from Arizona on his final point of whether or not in international law you defend nonbelligerent shipping. There is all kinds of variations in that. In that gulf, for example, there are declared war zones, there are declared nonwar zones. There is a question of which is nonbelligerent and which is belligerent. Are we going to, for example, protect ships that are carrying Japanese oil from Iran out through that gulf against an Iraqi attack? We have not defended against any Iraqi attack yet. But are we? They are not nonbelligerent shipping. If they call for assistance, do they get assistance? Protection for nonbelligerent shipping is very different from the policy we are pursuing. We are expanding out of a convoying operation, a convoying operation where we are convoying ships of one of the belligerents that we have reflagged.

Now, that is what under this resolution will be debated if we go by this point of order. I am very willing to work with the Members on this.

Mr. WARNER. I wonder if at this point on my time I might make an observation which I think will contribute to a clearer understanding of this issue as to what it is we are doing in the gulf today?

Mr. ADAMS. I would be happy to yield. The Senator from Arizona said he was affirming that we are going to protect nonbelligerent shipping. If the Senator from Virginia wishes to make clarification, I would be most happy if he would do so because this demonstrates precisely what I am concerned about—we do not know up here what our policy really is in terms of the use of our Armed Forces, and that is our responsibility. We are going to pay for it soon, and it will be up on the floor and there will be an amendment for us to pay some \$20 to \$30 million a month for this total operation. So I hope the Senator would tell me, are we or are we not defending nonbelligerent shipping?

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER (Mr. GORE). The Senator from Virginia.

Mr. WARNER. I seek recognition in my own right at this time.

The PRESIDING OFFICER. The Senator is recognized.

Mr. WARNER. Mr. President, I addressed the CONGRESSIONAL RECORD of the Senate dated May 12, 1988, in which there appears a Memorandum for Correspondents, April 29, 1988, statement by U.S. Secretary of Defense, Frank Carlucci. I now read from this Senate RECORD:

The President has decided to provide assistance under certain circumstances to ships in distress in the Persian Gulf and

Strait of Hormuz in keeping with longstanding, time honored Navy and Maritime tradition. Such aid will be provided to friendly, innocent neutral vessels flying a non-belligerent flag, outside declared war exclusion zones, that are not carrying contraband or resisting legitimate visit and search by a Persian Gulf belligerent. Following a request from the vessel under attack, assistance will be rendered by a U.S. warship or aircraft if this unit is in the vicinity and its mission permits rendering such assistance. With this assistance, we anticipate no increase in our current force levels.

We are not the policemen of the Gulf, nor do we wish to be. For over 200 years U.S. policy has been to help protect freedom of navigation in international waters. This assistance is a logical and humanitarian outgrowth of recent events in the Gulf which further strengthens our adherence to this principle. We cannot stand by and watch innocent people be killed or maimed by malicious, lawless actions when we have the means to assist, and perhaps prevent them. We do not intend to describe our specific rules of engagement or the methods we plan to use in rendering this assistance. We see no reason to give advantage to those who wish us ill.

With regard to mines, I have consulted with our allies who were attending the Nuclear Planning Group meeting in Brussels last week. We all agreed that we should provide each other mutual support and cooperation in the interest of keeping the international waterways free from this threat.

Finally, this policy should not be construed as a tilt in either direction in the war. Our policy has been and will continue to be one of strict neutrality. We, along with the rest of the civilized international community, want this war to end. In this respect we support strong implementation of U.N. Security Council Resolution 598 and passage of a second resolution imposing an arms embargo on that belligerent that does not accept 598 as means to reach a diplomatic settlement of this tragic war. We also want to see an end to the wanton waste of human life that has characterized this war. In that regard, we especially deplore the use of chemical warfare by either belligerent which has become one of the most regrettable developments in this protracted conflict.

This policy will go into effect once we have informed those free world, non-belligerent countries that maintain shipping interests in the Gulf.

Now, Mr. President, I earlier characterized, and I think this accurately supports my characterization, the present policy. We will under certain circumstances, when our missions allow us, permit a United States warship to come to the assistance of a ship other than a Kuwaiti-flagged vessel when that ship asks for our help. Now, to me that is as clear as we can under the circumstances make a policy. We do not want to publish the exact details of what each ship captain can or cannot do because then a belligerent—and in this particular instance the Senator recited the Iranian official, Rafsanjani—will not be kept guessing. And thus far, since the date of April 29, this policy seems to have worked and worked well. I think the President made a wise decision.

Let us hope that we can as a nation carefully and prudently use our military assets to try to promote freedom of navigation and to bring about a cessation of hostilities in that region.

Now, Mr. President, I should like to ask a question of my distinguished colleague from Washington. As I read his joint resolution, it presents a real catch-22 situation, to use that phrase. It requires first that The Congress determines that the requirements of section 4(a)(1) of the War Powers Resolution became effective on April 4, 1988, so the first action, if we were to support him, is to say the War Powers is invoked, the unworkable statute which the distinguished majority leader referred to earlier. Then in the second part, specific authorization, and I quote:

The President is specifically authorized, for purposes of section 5(b) of the War Powers Resolution, to continue to deploy United States armed forces in the Persian Gulf.

In other words, you give him really a blank ticket. He can utilize the armed forces any way he wishes in the gulf, considerably broader than the present policy as enunciated by the Secretary of Defense.

Now, if we were to as a body—

Mr. ADAMS. If the Senator will continue reading—

Mr. WARNER. There are certain caveats in it.

Mr. ADAMS. Of course. The caveat is that they may be deployed except that the use of armed forces to convoy or escort vessels owned by the government or national of a country bordering the Persian Gulf as of June 1, 1987, can only continue for the 60-day period. So it is specifically aimed at the Kuwaiti convoy. That is precisely what the Senate voted as a policy.

Mr. WARNER. Mr. President, what you are doing is just taking away the right to convoy certain ships but under the first phase of this sentence, the President could send in the Marines, he could send in all sorts of armed forces. This is really the beginning.

Mr. ADAMS. There is no question that this joint resolution allows the deployment of forces. We have had them there for 40 years. That is what I told the Senator, that we have authorized by this deployment into the gulf but prohibit convoying of the Kuwaiti vessels. That is the kind of policy decision that the U.S. Senate should have.

Mr. WARNER. Mr. President, under this could you not convoy Panamanian, Liberian—all the flags of convenience—you could convoy them all with the exception of the—

Mr. ADAMS. If this introduces our forces into hostilities then a further resolution may be adopted by this body. If the Senator does not want that to happen, he could amend this

joint resolution. But what this joint resolution says is no more convoying of the Kuwaiti vessels after September 18.

Mr. WARNER. Mr. President, that is clear. But let me go on to my point here.

First, we would trigger the War Powers Act. Second, we would give the broadest authority to the President for the implementation of the armed forces in the gulf, far broader than has been utilized to date, and described by the Secretary of Defense and others. Then the Senate goes on record, one body of the Congress, supporting the joint resolution of our distinguished colleague from Washington. Then it goes to the House and the House does nothing. The War Powers Act has been triggered, one body of the Congress has triggered it, or said it should be triggered. We have given the President the broadest authority to act in terms of the implementation of the armed forces and then the House sits and does nothing—nothing under the War Powers Act. And we set up a classic case for a court now to move in. Now the court might move in and the judicial branch of our Government will try to determine what our policy should or should not be under this most unworkable of statutes because the court might say one body of the Congress has taken an action.

To me, Mr. President, that is the worst of all situations when the judicial branch which has thus far very wisely decided not to get into this situation has told the Congress, you created this law; you go do your own laundry and clean it up. We are not going to touch it.

But if we were to follow the request of my good friend from Washington, some court might look upon the situation differently since one branch of the Congress will have acted, will have said the War Powers Act, in their judgment, was triggered. Then they give the President the broadest of authority to implement the use of our troops and then the other body does nothing. To me that would put us in the most serious of all situations we faced since the beginning of this issue in the Persian Gulf.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Washington has 33 minutes remaining.

Mr. BUMPERS. Will the Senator yield?

Mr. ADAMS. Mr. President, I yield the Senator from Illinois 3 minutes.

Mr. SIMON. I thank my colleague from Washington, Mr. President.

The reality is that the mechanisms we have for dealing with any kind of a confrontational situation anywhere in the world today are clumsy. We will never, in the lives of any one of us here, from the youngest Member here

on the floor right now, the Presiding Officer, see Congress again ever declare war, for example, in a formal way. I do not think it will happen. We have a War Powers Act. I am going to vote with the Senator from Washington in this specific instance. I am not sure I am for his resolution just exactly as it is written, but the War Powers Act, if it does not apply in the Persian Gulf, is virtually a dead letter. That is the reality. I think that is what we are faced with.

I would like to see some kind of a mechanism that really would cause us to have bipartisan policy in this kind of a situation. I do not know that you can construct that. I think that has to come from an administration. Right now, without some new mechanisms, the reality is the one power we have is the power of appropriations, the power of the purse. We can reach an administration in that way. But that becomes awfully difficult.

Are we going to just cut off supplies from people who are serving our country in the Persian Gulf someplace? And it is more sophisticated than that. I want to protect freedom of the seas. I want to have American ships there in the Persian Gulf and elsewhere but I do not want them overwhelmingly there. I do not want too large an American presence.

There has to be some self restraint particularly when you are dealing in an area very, very close to the Soviet Union. I do not want too many Soviet ships off the Gulf of Mexico. I want self restraint exercised by them and on our part. And I would like to see a mechanism that can be used more rapidly than the appropriations process to affect it. I think what the Senator from Washington is suggesting to us is let us have the War Powers Act apply, and if it does not apply, maybe realistically we ought to get rid of it because it is meaningless if we do not use it in this kind of a situation.

So I am going to vote against the point of order with the Senator from Washington. I am not sure the answer he has in this resolution is the right answer. But I am sure that simply ignoring the War Powers Act is wrong in terms of basic policy.

I thank the Senator from Washington.

Mr. ADAMS. I thank the Senator from Illinois. I yield 5 minutes to the Senator from Arkansas.

Mr. BUMPERS. I thank the Senator for yielding.

Mr. President, this is pretty much old hat. The Senator from Virginia is correct. We have visited and revisited this War Powers Act. But I intend to support the Senator from Washington on this resolution. There has been no big loss of life there. We have been very fortunate that our policy has not caused us considerably more grief than it has. But the history of the

War Powers Act was designed to allow us to deal with situations precisely like the policy we got into in the Persian Gulf. It was debated at length here, passed by both Houses of Congress, and they said never again. Barbara Tuchman's book, "The March of Folly: From Troy to Vietnam," and the Congress said, "No more folly." After 4,000 years of man trying to avoid war, governing himself, 4,000 years of keeping himself afloat, the very first time a situation presents itself which can even be remotely compared to Vietnam, Congress jumped under its desk.

When I conclude, I will ask respectfully the Senator from Virginia to respond to the question: What are we doing escorting 11 Kuwaiti tankers at a cost since we began of \$150 million, and now more like \$200 million, of the American taxpayers' money for the little country of Kuwait, whose per capita income is somewhere in the vicinity of that of the United States? Why Kuwait? Why not some of the other 30 or 40 nations? Is this our way of taking sides in the Iraq-Iran war? Kuwait we know is financing a significant share of the Iraqi side of the war. So we escort their ships at a cost of \$10 to \$15 million a month. That is money I suppose they can save and they can funnel to the Iraqis. But is that a sensible policy? Is it sensible for us to escort ships for one nation and no others? Is it sensible to escort ships at a cost of \$150 to \$200 million for a country that is possibly the wealthiest little nation on Earth?

Mr. President, the new policy just recently announced as best I understand it is infinitely better than the original policy. In the new policy we said we will defend any ship we see under attack. Freedom of the seas is fine.

The Senator from Virginia is shaking his head. Perhaps he can do a better job than the Secretary of State and the President did of announcing just what our new policy is.

It is a curious thing. I thought Gorbachev or somebody else asked the President a sensible question in one of his press conferences. They said: "You're lecturing us about human rights. How about Paraguay? When have you last raised human rights with Stroessner on human rights in Paraguay?" I do not know that we have ever raised it with him. Maybe we have.

I am reading a book called *Battle Cry of Freedom*; and on the floor of the U.S. Senate—not this one, the one down the Hall—John Calhoun, a Senator from South Carolina stood and said:

A slave is better off with three meals a day and a roof over his head than free men are in the North. At least he knows he has a job and food.

My answer to that is that I, personally—and I think I speak for most people of the world—had rather starve to death as a free man than to have three meals a day as a slave.

As I read that book—which, incidentally, is the most definitive book ever written on the Civil War era, and I recommend it to all of you—I thought, "I'm hearing those same arguments about South Africa on the floor of the U.S. Senate."

My point is this: Our foreign policy does not deal with human rights, if you hate communism. If you want foreign aid, tell us you hate the Russians, and then tell us how much money you want. So it is in the Persian Gulf. We really have taken sides in the war there.

I have gone a little bit astray of where I started. But I just want to say that this policy does not make any sense. The War Powers Act, and the bill that has been introduced by Senator Nunn and Senator Byrd, are not going to go anywhere. We may adopt the Byrd-Nunn bill, and probably will; and the next time the President chooses to thumb his nose at it, he will do it, and Congress will jump under their desks, just as they are now.

If I had lost a son in Vietnam, I do not know how I would handle that. But I can tell you one thing I would have done at the time. I would have said to myself, "If I ever am in the Senate and I see something else coming that might cost my son's life, I'm going to stand and squeal like a pig under the gate."

I might not win, but I am going to listen to what Barbara Tuchman said:

Why do you keep repeating the same mistakes and same mistakes over and over for 4,000 years, when you know where it is headed?

I would not vote for anybody for dogcatcher who does not understand the history of this world and how wars start.

I intend to support the Senator from Washington.

Mr. ADAMS. I thank the Senator from Arkansas very much.

Mr. President, I yield 4 minutes to the chairman of the Foreign Relations Committee, the Senator from Rhode Island [Mr. PELL].

Mr. PELL. I thank my colleague from Washington.

Mr. President, the U.S. Constitution provides us with a unique concept of government which not only assures a system of checks and balances but guarantees action, flexibility, and—in important instances—the expression of the common will. It is the expression of the common will which is critical when we consider War Powers.

It was not without good reason that the framers of our Constitution divided the power to conduct war between the President and the Congress. There

can be no doubt that there is a constitutional intention to endow the President with all the powers that necessarily adhere to a Commander in Chief but, at the same time, to withhold from him the ultimate authority on the gravest political decision of whether to "declare war." This is a power which rests clearly with Congress.

The challenge is to devise a procedural framework within which these joint constitutional responsibilities can be effectively exercised. It is my firm opinion that the key elements of this framework are embodied in the 1973 War Powers Resolution. I believe that the original Javits resolution, which listed the three conditions which had to exist before a President could introduce troops, was even better.

Under the War Powers Resolution, the President must consult with Congress "in every possible instance" before introducing the Armed Forces "into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances." Section 4(a)(1) of the resolution directs the President to report to Congress on the status of U.S. troops in such situations. Section 5(b), the engine of the resolution, requires the President to withdraw such troops within 60 to 90 days unless Congress authorizes their continued presence.

Presidents from Nixon to Reagan have strenuously objected to the provisions of this resolution, and have studiously avoided language in their notices to Congress concerning U.S. troop involvements which would trigger this law and the need for congressional authorization. Clearly, this is an unfortunate situation. Yet, the War Powers Resolution does not tie the President's hands nor does it deny him his rightful powers. Rather, it provides a method by which the Congress and the President can render a collective judgment on the question to risk war.

The events in the Persian Gulf during the last few years vividly illustrate that U.S. forces have been introduced into a situation where their "imminent involvement in hostilities is clearly indicated by the circumstances." However, the administration still clings to the fiction that its gulf policy does not trigger the provisions of the War Powers Resolution and refuses to submit a report in accordance with section 4(a) of that resolution.

I intend to vote against the point of order which will deny the Adams' resolution the expedited procedures established by the War Powers Resolution. Senator ADAMS deserves an up and down vote on his resolution. Congress must stop avoiding any decisions with respect to the commitment of U.S. Armed Forces and face up to its constitutional responsibilities.

Mr. WARNER. Mr. President, I wonder if the distinguished chairman of the Foreign Relations Committee will pause for a moment to reflect on his comments about the War Powers Act. He was here, of course, at that time and is intimately familiar with it.

I say to my distinguished colleague that the majority leader stood right where he is standing, not more than 30 minutes ago, and said that the act is unworkable, in his judgment, and I agree with him. I am of the opinion, after listening to the Senator from Rhode Island, that he thinks it is a workable act. Is that correct?

Mr. PELL. If we chose to make it work, it will work, but we do not have within ourselves the gumption to make it work. It is workable if we choose to, but we do not choose to.

Mr. WARNER. Under that act, the House can sit and do nothing, and the hands of the President are tied. He cannot implement the foreign policy of this Nation or support it with the Armed Forces.

Mr. PELL. That would be an example of lack of gumption.

Mr. WARNER. When we get to the point of employing the forces of the United States and risking lives, I am not sure gumption or the lack thereof is what we should use to describe Congress. The majority leader, Senator NUNN, Senator MITCHELL, and I and others worked on a piece of legislation to try to take those sections out of the War Powers Act which we think are unworkable and frame a piece of legislation that is workable, and that is now before the committee of the Senator from Rhode Island. It is my hope—and the majority leader said he had discussions with the Senator from Rhode Island about expediting it—that it can be expedited and that the committee will render its judgment and make such changes that it feels are in the best interests of this legislation. Can the Senator tell us a little about how that plan is coming along?

Mr. PELL. We look forward to moving on it.

Originally, Senator BIDEN was going to be chairman of the committee that was set up. His health is such that he may not be back as soon as necessary to get started. In any case, one way or another, we hope to move it in the committee and consider this resolution as quickly as we can.

Mr. WARNER. I thank my distinguished friend, the chairman of the committee.

The PRESIDING OFFICER. The Senator from Washington has 20 minutes remaining.

Mr. WEICKER. Mr. President, will the distinguished Senator from Washington yield me 7 minutes?

Mr. ADAMS. I yield 7 minutes to the Senator from Connecticut.

Mr. WEICKER. I thank my distinguished colleague. I commend him on

his proposition which is now before the Senate.

For those who do not understand the complexities of the issue, it is really not very complex. The fact is that Congress is unwilling to exercise its constitutional prerogatives. The Constitution is very clear on who should declare war. It is the Congress of the United States. Yet, we will not do so.

Presidents, on the other hand, have abrogated to themselves the power to declare war, to involve troops, all those matters that really properly belong to the Congress, still the Congress is afraid to say no.

The Constitution is, I believe, quite clear and simple on the point, which is that Congress declares the war, the President is then given the details, if you will, to execute. You cannot have 535 people directing conflict.

On the other hand, the people of the United States, since they have to pay the price in both lives and in money, should make the decision, a policy decision, if you will, a policy decision on whether or not their lives are going to be risked and their money is going to be spent.

Now, before I get to the formal portion of my statement, I would like to read a letter, only because I think it is very clear in framing the matter before us. I would like to read into the RECORD a letter from the American Civil Liberties Union. They wrote:

DEAR SENATOR WEICKER: On Monday, June 6, 1988, the Senate will consider S.J. Res. 305, a resolution which would authorize the continued deployment of U.S. forces in the Persian Gulf pursuant to the War Powers Resolution. On behalf of the American Civil Liberties Union, we urge you to oppose any point of order challenging the privileged status of S.J. Res. 305 under the War Powers Resolution.

The ACLU takes no position on the merits of President Reagan's Persian Gulf policies or the wisdom of seeking to effectuate them through the deployment of U.S. naval forces which began last July. However, the ACLU believes that both the President and the Congress have thus far failed to fulfill their respective obligations under the War Powers Resolution with respect to this deployment.

The violent military engagements which occurred between U.S. and Iranian forces in September and October of 1987 and again in April of this year have unquestionably proven that U.S. forces in the Persian Gulf were introduced "into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances." Although the President has continuously refused to acknowledge this fact, and has not reported these circumstances to Congress as required by the War Powers Resolution, Congress has a legal obligation under that statute to assess the situation for itself so that it may determine whether the deployment shall be continued or broken off pursuant to its constitutional war-making powers.

When S.J. Res. 305 comes to the Senate floor on June 6, the Senate will have the opportunity to fulfill its statutory duties by

first making a determination regarding the existence of "hostilities" and then deciding whether to specifically authorize the continued use of U.S. forces in the Persian Gulf under those circumstances. In light of the events that have occurred over the past nine months, the ACLU urges you to acknowledge the realities of the Persian Gulf "hostilities" by rejecting any point of order challenging the privileged status of S.J. Res. 305 under the War Powers Resolution. Such a measure is "privileged" when "hostilities" exist, and only a refusal to acknowledge the true conditions of the Persian Gulf deployment could deny the propriety of according S.J. Res. 305 "privileged" status.

The ACLU recognizes that many problems exist with the War Powers Resolution in its present form. For this reason, we welcome the introduction of the proposed War Powers Resolution Amendments of 1988 by Senators Byrd, Nunn, Warner, and Mitchell. We also welcome the opportunity for public debate and discussion of the War Powers issue through the hearing process that must accompany consideration of this legislation, and we urge the Senate Foreign Relations Committee to begin such hearings as soon as possible. Nevertheless, until the present War Powers Resolution is amended, repealed or judicially struck down, its provisions are law and the obligations they establish are owed full weight and respect by the institution that created them.

Now, that is a pretty succinct and I think accurate representation of the matter that is before us today.

Mr. President, I rise in opposition to the point of order raised against Senate Joint Resolution 305. I do not think there is any dispute about the fact that this measure is privileged pursuant to section 6(a) of the War Powers Resolution (Public Law 93-148). The Parliamentarian made that preliminary judgment on April 26 when the measure was introduced and referred to the Foreign Relations Committee. I believe that we are bound to uphold that decision today.

I would like to make a few quick points about both the policy and the procedures raised in Senate Joint Resolution 305. First the procedure: Last December, I participated in drafting the unanimous consent agreement that requires our vote on the Adams resolution today. Frankly, I would rather not have consideration of the resolution subject to the hybrid "motion to proceed" process in which we are engaged. However, after working with Senator ADAMS, HATFIELD, and others to obtain a vote on the War Powers Resolution several times last year, I agree that this procedure is the only way of making the Senate vote on questions of war and peace in the Persian Gulf without a filibuster.

Second, the threshold question we each should ask before voting on the point of order that Senate Joint Resolution 305 is not privileged under the War Powers Resolution is this: Have U.S. forces in the Persian Gulf been introduced into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances?

That is the operative language contained in the War Powers Resolution and I believe the answer is affirmative. Perhaps the relative calm of the last few weeks has shortened our memories concerning the volatility in the Gulf. Yet as recently as April 14, 1987, United States forces appropriately engaged in hostile fire by retaliating against Iranian ships after the United States frigate *Samuel B. Roberts* was damaged and 10 members of her crew were injured by an Iranian mine. Similar incidents occurred monthly during the last quarter of 1987. In fact, the Defense Department has been giving "imminent danger" pay to U.S. military personnel stationed in the gulf since August 1987.

I remind my colleagues that the War Powers Resolution does not differentiate between offensive and defensive actions, it simply refers to "hostilities." I maintain that circumstances in the gulf have been, and continue to be, ripe for "hostilities."

On the question of policy, I would like to point out that the vote on the point of order is limited to whether or not hostilities or imminent hostilities are present in the Persian Gulf. This vote is not an affirmation of the policy outlined in Senate Joint Resolution 305. This resolution can be amended once we, as a body, agree that it is privileged under the War Powers Resolution.

So, the vote we are about to cast is not on whether or not we should terminate the reflagging policy 3 months from today or whether or not U.S. Armed Forces should remain in the gulf to protect the free flow of commerce in international waters. Those are separate issues. The question is: will the Senate enforce the law and make Congress a party to a policy that places 25,000 U.S. military personnel and at least 31 of our vessels in or near hostile waters? Or because of a lack of political will, are we going to shuttle off our responsibilities once again by denying even the consideration of this resolution?

Now I am aware of legislation introduced recently to substantively amend the War Powers Resolution. Many of us agree that the current law is not working. In fact, I've spent the better part of a year trying to get the President to comply with it. However, the fact remains that unless and until the War Powers Act of 1973 is changed or deemed unconstitutional by the courts, it is the law of the land. As Senators sworn to a constitutional oath, it is our duty to comply with it.

It is much more difficult,

Wrote the late Senator Jacob Javits, for 535 individuals to sustain a single course of action than it is for a determined president to have his way. That is why Congress must disregard the differences among its members and fight for its constitutional prerogatives.

Senator Javits wrote that in the fall of 1983 when a similar debate took place on a similar resolution concerning the stationing of U.S. Marines in Lebanon. Then, too, the President attempted to avoid meeting the requirements of the War Powers Resolution. The same day the article appeared 241 marines were killed on the tarmac in Lebanon. Does this kind of tragedy have to happen again before Congress wakes up to its war powers responsibilities?

I hope not, Mr. President. I ask my colleagues to join me in voting against the point of order that has been raised against Senate Joint Resolution 305 so that we can get on with the issues surrounding the involvement of U.S. forces in the Persian Gulf.

Actually, I am sorry that it was necessary for my good friend, the late Senator from New York, Jack Javits, to have to introduce and have passed by the Senate a war powers resolution. To me, the Constitution is quite clear. We did not need more legislation. But, not having the courage to invoke the powers granted us under the Constitution of the United States, we went and sort of boosted ourselves up with a war powers resolution and made it law. So we now have both constitutional mandates and legislative mandates resting on our shoulders and now we just ignore the legislative mandate.

I wonder what will happen if, by chance, we pass the legislation the distinguished Senators from West Virginia, Virginia, Maine, and Georgia have offered. Will we ignore that also? It seems to me, in light of our experience, the chances are that we will, because there seems to be the inability of Congress to stand up to Presidents—and I use that in the plural sense, not just this particular President.

In conclusion, I quote Jack Javits again:

It is much more difficult for 535 individuals to sustain a single course of action than it is for a determined President to have his way. That is why Congress must disregard the differences among its Members and fight for its constitutional prerogatives.

Now, that is the reality of the situation that has existed over the past several years. Nobody is suggesting that a war should be fought under the direction of the Congress of the United States. But what I am suggesting to you is that the policy of war should be decided by the Congress of the United States.

Now, granted, we have ridiculed the Constitution of the United States by our inaction. But I do not see any reason to compound it by ridiculing the War Powers Resolution.

If you want it off the books, repeal it. But for 100 Senators who are pledged to uphold a government of laws to stand here and say that hostil-

ties do not exist in the Persian Gulf is to teach our children fantasy rather than to teach them the rule of law. I mean, if we cannot do something so simple as recognize the law of the land, who are we to criticize those in this Nation who fight in the jungles, if you will, and ignore the law, albeit in more violent form? We do violence here to the law.

The PRESIDING OFFICER (Mr. BREAUX). The Senator's time has expired.

Mr. WEICKER. I ask for 1 more minute.

Mr. ADAMS. I yield 1 minute to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. WEICKER. The Senate is doing violence in its way to the laws of this land, to the Constitution of this land.

So I hope, at the very least, we do not ridicule the proposition that has been laid before the Senate by the distinguished Senator from Washington. All he is doing is complying with the law. This is not anything innovative on his part. He is not recommending any new course of action. Rather, he advocates compliance with the law, just as I would prefer, very frankly, to have compliance with the Constitution. And we have neither.

Mr. President, I hope that we will oppose the point of order. Let me predict right now: Do you know when the next great debate will occur? When the next great tragedy takes place in the Persian Gulf. That is no way to run the United States of America.

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

Who yields time?

Mr. HELMS. Mr. President, I wonder if the distinguished Senator from Virginia would yield me some time?

Mr. WARNER. Mr. President, I yield such time as the ranking member of the Foreign Relations Committee may require, reserving to the Senator from Virginia the last 3½ minutes of my time remaining.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, I thank the Chair and, of course, I thank the distinguished Senator from Virginia.

Mr. President, in listening to my good friend from Connecticut, Mr. WEICKER, I was struck by the fact that here we go again with divergent views on a question. My respect for him is high, but I disagree totally with what he has said.

Here we go again, engaged in a debate on the War Powers Resolution and the situation in the Persian Gulf. This is not the first time. This is not the second time. This is not even the third time. I do not know how many

times, so let us say it is the umpteenth time, then we can figure it out later.

But, Mr. President, if we must orate about war powers once again, then let us at least consider the Constitution, as well, while we are doing it. The Founding Fathers spent only a 1½ days in debate at the Constitutional Convention on war powers and the wording associated with that concept. The Senate, on the other hand, has spent 15 years on the subject trying to undo the handiwork of the Founding Fathers. Some record.

What the Founding Fathers originally intended, Mr. President—and I contend that it is very, very clear—was to make a careful distinction between declaring war and making war.

They well realized the need, in fact, the necessity, for rapid and decisive action on a small scale to defend the security of the Republic.

This type of involvement, as the Founding Fathers realized, is well short of the combat between entire armies.

Incidentally, there are only 3 Members of this Senate today, among the 18 who voted against the War Powers Act back in 1973. I am one of them. Senator McCLOURE and Senator THURMOND are the other two.

I remember going to Sam Ervin, after getting a copy of the War Powers Act and having studied it, I remember saying, "Senator, I am not a lawyer, but is this not unconstitutional?"

And he chuckled and he said, "Of course, it is unconstitutional." He said, "You may not be a lawyer, but you understand the English language."

One of the things I regret most about the Reagan administration is that it has not challenged the constitutionality of the War Powers Act. I have pleaded with them time and time again to challenge the constitutionality of the War Powers Act. They always said: Well, we are going to try to do that. We have certain mechanisms in force. But they have never done it.

I mention that just to emphasize my view that once the War Powers Act hits the Supreme Court of the United States, they are going to throw it out just like a tub of lard. But it is unconstitutional.

The Constitution made the President—not the Congress—the Commander in Chief of the Armed Forces of this Nation. We may not like everything he does. I myself had some question about the way the Persian Gulf matter began. But I realize that the President of the United States was in charge of that by constitutional authority. We were not.

The President is obliged to protect the interests of the United States, to defend the rights of the American people, to preserve the national security by whatever means are necessary.

On August 27, 1787, the Constitutional Convention adopted without debate the wording that the President should be "Commander in Chief of the Army and Navy of the United States."

Congressman John Marshall declared on the floor of the House of Representatives in 1800, before he became Chief Justice of the United States that "the President is the sole organ of the nation in its external relations and its sole representative with foreign nations." There is no indication in the historical record that Marshall ever changed his mind.

The term "sole organ of the nation in its external relations" was reemphasized in *United States v. Curtiss Wright Corporation* (1936). That holding has not been repudiated down to the present moment.

Woodrow Wilson wrote in his book on constitutional government, published in 1908, that the President "has the right in law and conscience to be as big a man as he can." He then went out and tried to prove it during his two terms of office. He armed U.S. merchant vessels between January and April 1917.

This Senate would go into a tizzy if there were a Woodrow Wilson to do such a thing today. We would have all sorts of pious declarations.

The late Arthur S. Miller, professor of law at the prestigious National Law Center at George Washington University and a distinguished scholar, has written in his book on "Presidential Power" that the powers of the President as Commander in Chief are only limited "by the workings of the political process."

Mr. President, the War Powers Resolution is not a constitutional limitation upon the authority of the President to commit American forces abroad. It is, instead, an unconstitutional limitation upon Presidential authority.

The United States has been engaged in more than 200 conflicts in the more than 200 years of this constitutional Republic. The Republic survives. The courts have not interfered. The reasons are clear.

The war powers of the Congress are specifically enumerated in the Constitution. Congress has the power first, to declare war; second, to raise and support armies; third, to provide and maintain a navy; fourth, to make laws regulating the Armed Forces; and fifth, to support the militia of the several States. That is the constitutional function of the Congress as laid out by the Constitution of the United States.

The great Daniel Webster noted on the floor of this body that in occurrences of armed confrontation, "there may be acts of authorized force; there may be assaults; there may be battles, there may be captures of ships and imprisonment of persons, and yet no gen-

eral war." That observation still holds true for today.

The War Powers Resolution is a mere legislative act, but what it seeks to do is deprive the President of the authority to conduct foreign policy—an authority which he has exercised under the Constitution for almost 200 years.

Section 5(b) of the War Powers Act specifically would deprive the President of his constitutional authority as Commander-in-Chief during a period of hostilities, after a timeframe of 60 days, if the Congress remains silent on the issue.

The idea that Congress can by either silence or inaction deprive the President of a fundamental expressed constitutional power—even in times of national emergencies—is violative of the system of separation of powers established by the Founding Fathers.

The only way in which the constitutional powers of a tripartite branch of the Government can be altered is by amending the Constitution. That is the true constitutional process. Indeed, attempts by Congress to modify its constitutional relationship with the executive branch by legislation has been firmly rejected in the past by the U.S. Supreme Court (Meyers versus United States, 1926).

Mr. President, what we are debating here today in this body is the constitutional separation of powers. This is a strange way to be celebrating the Bicentennial Anniversary of the Constitution of the United States. Encroachments by one branch upon another branch will upset the delicate balance of our unique governmental system.

Beyond the constitutional issues posed by this resolution are some very practical consequences. This resolution, if provided expedited procedures and passed, would set a time limit on the continuation of the tanker escort policy.

This, in turn, would send a signal that our military activities in the Gulf are about to be curtailed. It would be an expression of weakness which would invite aggression on the part of the Ayatollah.

Mr. President, the Adams resolution would effectively cut the legs out from under the President's policy in the Persian Gulf. To do so in the manner proposed by this resolution would be unwise in a practical sense and wrong in a constitutional sense.

Let us do our authorized job of legislating—not adjudicating. Let us, above all else, not try to usurp the executive function at a critical time in our Nation's history. Let us preserve the separation of powers as they have been preserved in the greatest of all political documents for the past 200 years.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. ADAMS. Mr. President, I yield 5 minutes to the Senator from Oregon, Senator HATFIELD.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 5 minutes.

Mr. HATFIELD. I thank the Senator from Washington State for his leadership in this position on this issue.

Mr. President, it has been a year—1 full year—since the President announced that more than 40 U.S. Navy warships were headed for the Persian Gulf to escort 11 reflagged Kuwaiti tankers. Since then, Mr. President, we have postured and debated and filibustered into the early hours of the morning. But through it all, we have not done one single thing to uphold the responsibility given us by the authors of the Constitution. Not one single thing.

That responsibility, Mr. President, is a sacred trust. We—the elected representatives of the people—are to decide questions of war and peace. Of course the President—as Commander in Chief—has the ability to repel any attack against the United States.

But when a decision is made to send U.S. servicemen into harm's way, to send them halfway around the world to defend what are loosely defined as "U.S. interests," that decision must be made by the President and the Congress.

Wrote Thomas Jefferson in 1789, "we have given one effectual check to the dog of war by transferring the power of letting him loose, from the executive to the legislative body, from those who are to spend to those who are to pay."

Mr. President, that is what the War Powers Resolution is all about. It is not about undermining Presidential power. It is not about confusing our allies. And it is not about putting our servicemen in jeopardy. Those are the arguments most often advanced by those who want to avoid invoking the War Powers Resolution, the arguments most often advanced by those who seek to cloud the issue. But the issue is really very simple: the Congress has as much responsibility for decisions to send U.S. servicemen into harm's way as does the President.

Whether or not they should go there—or stay there—is our decision. We lost sight of that fact during Vietnam—and so we passed the War Powers Resolution over a presidential veto to make sure war never happened that way again.

But for a whole year we have avoided the War Powers Resolution like the plague. In so doing, we have avoided the sacred trust, the responsibility we accepted when we took the oath of our office.

Last June, before the policy was implemented, we refused to state for the record that the War Powers Resolu-

tion would apply as soon as U.S. servicemen went sailing into harm's way. In July, an amendment to delay the implementation of the policy for 90 days to afford us—the President and the Congress—the opportunity to review the options. In September, we tabled an amendment to invoke the War Powers Resolution after servicemen in the Gulf were awarded "imminent danger pay."

In October, we managed to avoid a vote on a resolution to invoke the War Powers Resolution after a reflagged Kuwaiti tanker was hit by an Iranian silkworm missile. And in November, Mr. President, we flatly refused to consider a resolution which would have terminated the reflagging and escort policy.

Now I want to be very clear, Mr. President. I am not claiming that it is our responsibility to pull the U.S. naval force out of the Gulf. I could argue against our policy—argue that there are more reasonable and more effective alternatives—until I am blue in the face. But that—at least at the moment—is not the issue. The issue is that we have a responsibility—a responsibility given to us by our Founding Fathers and clearly defined by the War Powers Resolution—to debate it and then decide whether 29 Navy ships belong in the Gulf—for the current policy or for any other reason.

But for a year—1 full year—we have failed to take that responsibility. Instead, we have required two reports and passed a non-binding amendment urging the President to consider leasing United States-owned tankers to Kuwait instead of reflagging Kuwait-owned ones. That is it—that is all we have managed to do in 12 long months.

So we required a report or two. So a couple of us consult with the President every once in awhile. Big deal. All of that looks good, sounds good, but it does not mean anything. Is anyone willing to claim that the policy would be executed any differently if the Congress simply did not exist? I doubt it.

But the irony, Mr. President, is that we do share in the responsibility for this policy.

Our silence is our complicity. We stood by as our boys were put into the midst of a bloody struggle we can neither understand nor control. We stood by as our boys were used as decoys in an elaborate game of chicken. And we stood by as our boys were used as an excuse for our inability to find creative diplomatic alternatives.

Those who do not want to invoke the War Powers Resolution—those who will vote for this point of order—somehow think that we can avoid that responsibility if we just do nothing. That way, if the policy appears to be a success, we can issue statements praising it. But if it starts to get out of

hand—if it starts to get messy, we can blast the administration for its reckless military policy.

I suggest, for the eleventh time in 12 months, that the Constitution requires more to us. I will vote against the point of order and urge my colleagues to do the same.

I thank the Senator from Washington.

THE PRESIDING OFFICER. The Senator from Oregon yields the floor. Who yields time?

MR. ADAMS. Mr. President, parliamentary inquiry. How much time do I have left?

THE PRESIDING OFFICER. The Senator from Washington has 5 minutes and 45 seconds, and the Senator from Virginia controls a little over 3 minutes.

MR. ADAMS. Mr. President, I yield myself 3 minutes.

THE PRESIDING OFFICER. The Senator is recognized.

MR. ADAMS. Mr. President, I think it has been well stated by the last several speakers that the power to declare war and its lesser portions reside in the Congress.

I want to quote now from the Founding Fathers who made it very clear that the whole purpose of the debate was to prevent the executive branch from having the power to "declare" war to "make" war. As Madison's note said on this specific point:

Mr. Madison and Mr. Gerry moved to insert "declare," striking out "make" war; leaving to the Executive the power to repel sudden attacks. It is noteworthy that the delegates who spoke on this change of wording all expressed concern with the possible enlargement of Presidential power.

It has always been stated—and George Mason stated it very well. He expressed himself "as 'against giving the power of war to the executive,' on the ground that he was 'not to be trusted with it.'"

Or, as was stated by Oliver Ellsworth to his fellow delegates, it "should be more easy to get out of war than into it." And as George Mason said: "For clogging rather than facilitating war; but for facilitating peace."

It was once stated by Elbridge Gerry, and these were during the debates: "He never expected to hear in a republic a motion to empower the executive talons to declare war."

Mr. President, it is very important this day that we face the fact that we are dealing with a shared power. We are dealing with a power of committing the Treasury of the United States and American lives to an act of war, to continuing hostilities. This is not the repelling of a sudden attack.

It was stated earlier in this debate: What if this should go to the Supreme Court? I state to the Senator from Virginia, I welcome this being before the Supreme Court of the United States. The warmaking power, the passages I

just read from the Founding Fathers, the history of the War of 1812, the comments by Madison at that time, who is also one of the founders, make it implicitly clear that the Congress of the United States commits the Treasury and potentially the lives of our people into war.

This War Powers Resolution was created to give the President the opportunity to repel certain attacks; 48 hours to go in and rescue citizens. It is carefully structured to allow the powers of a Commander in Chief to be exercised but not the power to carry the Nation into a sustained war effort.

Mr. President, I hope we will vote against this point of order, and I reserve my last minute to close. I hope the Senator from Virginia uses his time.

THE PRESIDING OFFICER. The Senator from Virginia.

MR. WARNER. Will the Chair advise with respect to the parliamentary situation and as to time and the vote?

THE PRESIDING OFFICER. The Senator from Virginia has 3 minutes remaining under his control. The Senator from Washington has 1 minute 45 seconds remaining under his control. The question will be on the point of order to sustain the point of order. If the point of order is sustained, the bill will be returned to committee.

MR. WARNER. Mr. President, will the Chair inform the Senate with respect to the yeas and nays? I believe they are part of the UC?

THE PRESIDING OFFICER. The Senator is correct. The yeas and nays have been ordered.

MR. WARNER. Mr. President, the distinguished majority leader, following the opening comment of our good friend from Washington, succinctly clarified the situation both from a parliamentary situation and from the standpoint of the substance; namely, that efforts are being made within this body to express ourselves with respect to the War Powers Act.

Time and time again, all through the spring and all through the fall, this issue has come up over and over. Each time the Senate has decided to basically give support to the President's situation, although in many instances many Members have disagreement, but we have decided to defer at this point a reexamination of the policy in the gulf, but at the same time we have an obligation to try and resolve the differences among the Members of the Senate with respect to the War Powers Act.

Through a good faith effort, the majority leader and others have now put in legislation which is now before the Foreign Relations Committee. We just heard from the chairman, Senator PELL, that he is going to expedite the committee's work on that important piece of legislation.

This point of order that we are about to vote on has been before that committee for 1 month, but, to the best of my knowledge, the committee has taken no action with respect to Senate Joint Resolution 305.

Perhaps the Senator from Washington, in his closing remarks, can say why the Foreign Relations Committee has not acted on it. Yet we hear the Senate being asked today to act and act in such a way that we trigger the War Powers Act to indicate our opinion that it should be triggered and at the same time give the President this broad authority in just a mere 2 hours of debate.

So I think the majority leader was quite correct when he advised the Senate that in his judgment at this time we not take it upon ourselves to begin a 3-day debate with respect to the policy issues involving the gulf and allow the Foreign Relations Committee to act on the pending bill.

THE PRESIDING OFFICER. The time of the Senator from Virginia has expired.

MR. WARNER. Mr. President, I wish to adhere to my time constraints. I urge my colleagues to support the recommendations of the majority leader and an aye vote will sustain.

THE PRESIDING OFFICER. The time of the Senator from Virginia has expired. The Senator from Washington has 1 minute and 10 seconds.

MR. ADAMS. Mr. President, the issue is very simple. The War Powers Resolution is the law. It was created over Presidential veto control U.S. policy in use of its military for sustained periods. I have placed this before the body in order that we could make a simple decision today. The simple decision is: Are there hostilities in the Persian Gulf? And are our servicemen faced with imminent involvement in hostilities? The answer to that is clearly "yes"

Therefore, by voting against the point of order, we will proceed under this statute for 3 days of debate. The matter went before the Foreign Relations Committee, and it was automatically discharged under this statute. This statute has been much maligned by many, but it was created to stop long-term U.S. military commitment. I urge my colleagues to vote against the point of order so that we may proceed with debate on policy in the Persian Gulf. I thank the Chair.

MR. GORE. Mr. President, I have supported the reflagging operation since the beginning, as a responsibility the United States could not ignore, even though it is abundantly clear that we were led to this policy through a series of atrocious policy blunders on the part of this administration. I have also said that reflagging is an issue which ought to be dealt with by the Congress, within the

sense of the War Powers Resolution. Therefore, on several occasions I have joined with Members of the Senate who oppose reflagging to vote in favor of bringing on a full debate under the resolution.

Such is the case today. I agree with Senator ADAMS that it is time to invoke the resolution, even though I do not see eye to eye with him on reflagging, which he opposes. Like many others here, I also hope that revisions in the resolution which have been proposed by the majority leader will prove helpful in resolving problems we have had ever since war powers was passed. But these changes are not yet the law, and it seems to me that we should not suspend the operation of existing law in deference to what is as yet only prospective law. It is time we debate reflagging and step up to the issue.

THE PRESIDING OFFICER. All time has expired. The hour of 5:30 now having arrived, the question is, Is the point of order of the Senator from West Virginia [Mr. BYRD] well taken? The yeas and nays have been ordered. The clerk will please call the roll.

The legislative clerk called the roll.

Mr. BYRD. I announce that the Senator from New Mexico [Mr. BINGAMAN], the Senator from Florida [Mr. CHILES], the Senator from California [Mr. CRANSTON], the Senator from Hawaii [Mr. INOUYE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Ohio [Mr. METZENBAUM], are necessarily absent.

I also announce that the Senator from Delaware [Mr. BIDEN], is absent because of illness.

Mr. DOLE. I announce that the Senator from Missouri [Mr. DANFORTH], the Senator from Washington [Mr. EVANS], the Senator from Nebraska [Mr. KARNES], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Wyoming [Mr. SIMPSON], the Senator from Pennsylvania [Mr. SPECTER], the Senator from Vermont [Mr. STAFFORD], and the Senator from California [Mr. WILSON] are necessarily absent.

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

The result was announced—yeas 54, nays 31, as follows:

[Rollcall Vote No. 168 Leg.]

YEAS—54

Armstrong	Durenberger	Lugar
Bentsen	Ford	McCain
Bond	Garn	McClure
Boren	Graham	McConnell
Boschwitz	Gramm	Melcher
Breaux	Grassley	Mitchell
Byrd	Hatch	Moynihan
Chafee	Hecht	Nickles
Cochran	Heflin	Nunn
Cohen	Heinz	Pressler
D'Amato	Helms	Quayle
DeConcini	Humphrey	Reid
Dixon	Johnston	Rockefeller
Doyle	Kassebaum	Roth
Domenici	Kasten	Rudman

Sasser	Stevens	Triple
Shelby	Symms	Wallop
Stennis	Thurmond	Warner

NAYS—31

Adams	Gore	Pell
Baucus	Harkin	Proxmire
Bradley	Hatfield	Pryor
Bumpers	Hollings	Riegle
Burdick	Kerry	Sanford
Conrad	Lautenberg	Sarbanes
Daschle	Leahy	Simon
Dodd	Levin	Weicker
Exon	Matsunaga	Wirth
Fowler	Mikulski	
Glenn	Packwood	

NOT VOTING—15

Biden	Evans	Murkowski
Bingaman	Inouye	Simpson
Chiles	Karnes	Specter
Cranston	Kennedy	Stafford
Danforth	Metzenbaum	Wilson

The point of order was sustained.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the point of order was sustained.

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

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, there will be no more rollcall votes this evening.

ORDER FOR CONSIDERATION TOMORROW OF PRESIDENT'S VETO

Mr. BYRD. Mr. President, I ask unanimous consent that tomorrow at 11 o'clock a.m., the debate on the override of the President's veto on the trade bill begin.

THE PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that there now be some morning business, for not to exceed 20 minutes, and that Senators may speak therein for 5 minutes each.

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

VERNON HERATH, SR.

Mr. DOLE. Mr. President, I extend my sincerest sympathies to the family of Vernon Herath, Sr., one of the Senate's dedicated doormen, who died last week.

Vernon worked here in the Senate for 9 years and was responsible for maintaining order in the Chamber—certainly not the easiest of tasks—but one which he carried out with great skill and diplomacy.

He was a good man—dedicated, easy to work with, and always ready with a kind word, even in the midst of a hot floor battle, or a seemingly endless quorum call. It is always a challenge, but Vernon was a true professional.

Mr. President, the Senate is much more than 100 Senators. It is a family that includes hundreds of men and women who work each and every day

to support this great institution. Their names may not be household words, but their hard work and good cheer do not go unnoticed or unappreciated. Indeed, they keep this place going.

Vernon Herath spent much of his life in an around public service. That says a lot about the kind of man he was.

My colleagues and I will certainly miss Vernon's presence in the Chamber. Our thoughts and prayers are with his family.

Mr. STENNIS. Mr. President, if the Senator will yield, I should like to add my words to the comments of Senator DOLE. This friend we all had here on the floor—Vernon J. Herath—was one of the most devoted and dedicated men I have known, with respect to the responsibilities of his job and the confidence and trust that was placed in him. He was very generous in helping me take care of the situation I am confronted with.

I was greatly shocked and grieved at the news of his passing. I am writing his family to express my feelings. I understand they are a fine family.

I appreciate the opportunity to say this word.

Mr. DOLE. I thank my distinguished colleague from Mississippi.

DEPARTMENT OF DEFENSE AUTHORIZATION BILL FOR FISCAL YEAR 1989

Mr. WIRTH. Mr. President, the Senate can take pride in the defense authorization bill that we completed just before the recess—and in the timeliness with which this was accomplished. While I do not believe this nation can afford real increases in defense spending given our current budget/deficit situation, and while I strongly believe we can and must achieve greater efficiency in the expenditure of the dollars we already invest in defense, I also do not believe it would be prudent to reduce defense expenditures in real terms at this time. This bill is consistent with those convictions. We have remained within the guidelines of the budget agreement of last December, and we have made some progress in addressing defense spending efficiency and priorities.

The bill we have passed provides a reasonable balance for our Armed Forces. The role of the Congress in providing for the common defense involved all of us here in the Senate, and in the spirit of the Constitution, involves all Americans. The people of my State of Colorado are proud of their role in providing for the common defense.

We are proud that over 42,000 active duty men and women serve in our State. Many of those service members choose to make Colorado their perma-

nen home as indicated by the presence of over 35,000 retirees in the State. Some 14,000 Coloradans support the efforts of our defense forces directly as civilian workers at the 13 active installations in the State. Over 12,000 Coloradans provide for the common defense as members of the Guard and Reserve—partners in the total force. These members of the Guard and Reserves train at 31 centers throughout the State, 1,400 of them on a full time basis as civilian technicians or active Guard and Reserve members.

This bill authorizes \$145 million for new construction or improvements to existing defense facilities in Colorado. Significant among these programs is the completion of the national test facility for the Strategic Defense Initiative Organization at Falcon Air Force Station. When operational, the NTF will enable SDIO to test concepts without resorting to methods that violate existing international agreements. Other projects, such as the upgrade of security at the chemical weapons storage site at Pueblo Army Depot Activity and improvements at Peterson and Lowry Air Force Bases, the Air Force Academy, the Cheyenne Mountain complex, and Buckley Air National Guard Base will materially enhance the ability of these facilities to serve their national security functions.

The authorization bill for the current fiscal year awarded nearly \$2 billion to Colorado firms for military and civil functions, and the bill we have just passed contains a like amount. Colorado businesses, big and small, as prime or subcontractors, provide the tools and ideas necessary to field and sustain our Armed Forces. Colorado is home to the facilities of two of the three largest manufacturers of the booster rockets that place our military satellites into space. In a related area, recently, I introduced, with Senators BENTSEN and DANFORTH, S. 2395, which would amend the Commercial Space Launch Act to enhance the growth of a commercial private-sector launch capability. The development of the supporting infrastructure, and the ability to easily access space, will contribute significantly to our national security. Moreover, it will allow us to spend our defense dollars more efficiently by supporting larger production runs of expendable launch vehicles.

No less significant in their contribution to our national security are the small firms that supply subsystems, components and parts to major contractors, systems integrators, and directly to the services in the form of supplies. One Colorado firm, for example, makes hoses for the off-shore petroleum discharge system the Navy uses to get fuel ashore in remote areas. From giant space boosters to subsystems, these are but examples of how thousands of Coloradans proudly

serve the interests of national security through their day to day labor.

The defense authorization bill also affords us the opportunity to express our interest in and concern for the policy directions that the United States takes in the area of national security. For that reason I am pleased that my colleagues agreed with the sense of the Congress language that I, with the support of Senators NUNN and LEVIN, included in the committee bill concerning the priority of confidence building measures [CBM's] in the upcoming Conference on Confidence and Security-Building Measures and Disarmament in Europe [CDE] and Conventional Stability Talks [CST]. I firmly believe that the early negotiation, implementation, and use of confidence building measures and of force constraints and limitations could help stabilize the military situation in Europe, reduce the risk of war—conventional or nuclear—between NATO and the Warsaw Pact, facilitate progress toward arms reduction agreements, and build the foundation for the verification regime such accords would require.

It all comes together through this bill, Mr. President: the requirements of the armed forces, the contributions of Americans in and out of uniform, serving in countless ways, and our expressions of concern on policy direction and implementation are integrated here.

It is necessary, Mr. President, that I offer my highest compliments to the very able chairman of the Armed Services Committee, the senior Senator from Georgia, Mr. NUNN. It is he who provided the leadership, in a genuine bipartisan spirit, which resulted in the bill that the Senate has passed today. Compliments also are due to the ranking minority member, the distinguished senior Senator from Virginia, Mr. WARNER. He, too, has laid partisanship aside in the interests of crafting the best possible plan for meeting our national security needs. They and the able Senators who assisted them managing the bill on the floor should be complimented for the way in which they completed all substantial action on the bill in only 1 week, an unusual accomplishment in the Senate.

I would be remiss if I did not acknowledge that much of the credit for the success with this bill must go to the committee staff, under the direction of Staff Director Arnold Punaro, and the personal staff of committee members, all of whom arrived early and stayed late day after day through the hearings, markup, and floor action on this bill. I extend my thanks and congratulations to all of them, for without them, the Senate could not hope to fulfill its responsibilities to the American people.

This is a good bill, Mr. President, and I am pleased to have supported it.

REV. LEON H. SULLIVAN—
WARRIOR FOR SOCIAL JUSTICE

Mr. SPECTER. Mr. President, for more than four decades, Rev. Leon H. Sullivan, founder of the Opportunities Industrialization Centers, has been in the forefront of those fighting for social justice and human dignity for all Americans and, indeed, for the downtrodden around the world. In this struggle, he has been a giant—more than giant, a titan—who has never allowed temporary setbacks to discourage him or to move him 1 inch from his chosen path, no matter how arduous the going.

His successes have been many; his failures, few. He has had that rare ability to make people see their own worth—the goodness and talent in them—and of inspiring them to bring it out for all to see.

From that long ago day when he opened his first job training center in an old abandoned police station, Reverend Sullivan has gone on to become an institution not only in his hometown of Philadelphia but nationally and even internationally. He has restored hope and self-esteem to countless thousands through job training which has enabled them to find meaningful and rewarding employment. He has provided business opportunities for minority group members that have allowed them to move into the mainstream of entrepreneurial America. And he has worked to bring decent, affordable housing to neighborhoods from which it had all but vanished.

Always, Reverend Sullivan has recognized that no person can be happy without a measure of dignity and that this dignity, this sense of self-worth, can be realized only when a person is prepared for and can find a decent job and decent housing. His lifelong credo has been: "Not a hand out but a hand up."

Now, as he reaches the age of three score and five, Reverend Sullivan is retiring from his active ministry as pastor of the Zion Baptist Church in north Philadelphia. He is endeavoring to slacken his swift pace just a bit. It is certain, however, that he will never retire or withdraw from those battlefields where the war for human dignity and social justice is being waged. He has been too great a warrior for his fellow man. In this conflict, he will always be present and his presence, as it always has been, will be strongly felt.

It is altogether fitting then that the U.S. Senate take note of the achievements of Reverend Sullivan and wish him well as he retires from his active ministry.

WORKER NOTIFICATION—NO REASON TO REJECT THE TRADE BILL

Mr. RIEGLE. Mr. President, I recently received a letter from the Parker Employee Morenci Task Force in Morenci, MI.

Their employer, the Parker & Amchem Corp., has announced its closing of the Parker Chemical Co. in Morenci. Although any time a plant closes, it causes a great deal of dislocation and trauma for the workers and their families as well as the community at large, in this instance, there has been a major effort to mitigate these effects through advanced planning and cooperation by the State of Michigan, the company, its workers, and the local community.

The group wrote to the President in support of the plant closing provision included in the trade bill, listing the reasons for their support of and the importance of advanced notice when an employer is going to close his doors.

On June 3, the task force made a presentation at a National Labor Conference, sponsored by the Federal Mediation and Conciliation Service entitled: "Joint Approaches to Dealing With Worker Dislocation." That program detailed what has been done by the task force to soften the blow to the city of Morenci and these workers.

Parker Chemical is a small company, employing 70 people, in a town of 2,000. It is also the source of the best jobs in this small community.

The company has 57 hourly workers, represented by the UAW, and 13 salaried employees. They were notified in September 1987 that the company planned to close the facility in September 1988—a full year's notice. Since that time, the company has extended the plan through 1989.

Under the plant closing provisions in the trade bill, this company would not have been required to provide 60-days notice, because it has under 100 employees, yet it exceeded the requirement by a full 10 months.

This moderate, yet meaningful provision should not be a reason to reject a bill which is long overdue and very necessary.

I urge my colleagues to vote to override the President's veto of this vital legislation which will make a big difference to American workers and American companies.

I ask unanimous consent that the letter from the Parker Employee Morenci Task Force to the President be printed in the RECORD.

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

PARKER EMPLOYEE
MORENCI TASK FORCE,
Morenci, MI, May 6, 1988.

The PRESIDENT,
The White House,
Washington, DC.

SIR: We have learned of your plan to veto the Plant Closure Bill in which companies would be required to disclose their plans for closure 60 days prior to actual date.

We are currently involved in a plant closure. Our company Henkel Corporation, Parker+Amchem, has joined in a program with the Governor's Office on Job Training, State of Michigan, Department of Labor. Through this program, company government, and private resources assist in providing planned closure adjustment services to employees. Displaced workers who are made aware of their future job loss are given assistance in: 1) assessing job skills, 2) acquiring educational/technical training to increase job skills, 3) learning job search skills, 4) making job contacts, 5) obtaining knowledge of job openings, 6) interviewing for jobs.

Displaced workers are also assisted with the stressful conditions that result when loss of employment occurs. Prior notice allows them to make plans for: 1) financial needs, 2) educational implications for children, 3) disruptions in family life, 4) impact on social and personal decisions.

We feel the benefits of early notification of plant closure outweigh any disadvantages. Companies who announce their closure, and accompany this with programs to help employees adjust to the loss of jobs and aid in obtaining new jobs, find their cost of closure and demands upon benefits reduced. Early notification is humane and beneficial in reducing requests for expensive social service programs which ultimately all tax payers must support.

Our company, Parker+Amchem, has enabled us to form a Task Force to address all the above issues. Once again, early disclosure of plant closing saves money for the company, community, social service programs and taxpayers. We believe it also helps maintain productivity, positive attitudes, and commitment of employees until doors are closed.

We urge you to reconsider your position on this bill.

Most respectfully yours,
MORENCI TASK FORCE TEAM.

THE 44TH ANNIVERSARY OF
D-DAY—JUNE 6, 1988

Mr. THURMOND. Mr. President, I rise to call to the attention of the Senate the fact that today is the 44th anniversary of the Allied landings in northern France. That day marked the beginning of the end for the Nazi occupation of Europe. A war that had begun on European soil nearly 5 years earlier with the Nazi invasion of Poland was now 11 months away from the surrender of Germany.

The names Utah, Omaha, Sword, Juno, and Gold will be remembered throughout history as the invasion beaches where tens of thousands of United States, British, and Canadian soldiers waded ashore to begin the liberation of occupied Europe.

In his first address before the House of Commons in 1940, Prime Minister

Winston Churchill stated, "I have nothing to offer but blood, toil, tears and sweat." This day, 44 years ago, marked the offering of much blood, sweat, toil and tears of our soldiers.

Twice in this century Americans have journeyed to Europe to help end wars that were started by others and that could have been avoided. The sacrifices of our soldiers are known and admired around the world. Row upon row of American graves in Normandy are evidence of the courage and dedication of the men who fought during the Normandy invasion.

Mr. President, I am proud to count myself as one of those veterans who participated in the Allied landings on D-Day as a member of the 82d Airborne Division. Today is a day that should make all Americans proud of our history.

NATIONAL CANCER SURVIVOR'S DAY

Mr. HATCH. Mr. President, I want to take this opportunity to comment on an event which took place yesterday, National Cancer Survivor's Day. I would like to pay tribute to those who recognize the possibilities of overcoming the fear and, eventually, the illness of cancer. People do survive cancer, and the odds of surviving cancer are increasing each year. Today, an estimated 1 out of 2 cancer patients can be cured. Five million cancer survivors are a living testament to progress.

It's time for us to celebrate these victories over cancer and honor these professionals who are helping to fight the battle: the doctors, nurses, researchers and volunteers. In doing so, we will communicate the message to all Americans that survival is real and the fear surrounding cancer can sometimes be the real enemy.

Fear keeps people away from mammography, away from their doctors and sometimes it prevents them from fighting after they've been diagnosed. Not knowing that survival is possible even stops people from donating time and money to the effort.

National Cancer Survivor's Day was conceived as a visible evidence to communicate the message of cancer survival. This celebration of life is being sponsored by "COPING" (the national magazine for cancer patients and their families) in cooperation with the American Cancer Society.

The American Cancer Society and its volunteers are staging events in local communities throughout the country. Joining them are local hospitals and the National Coalition for Cancer Survivorship.

If celebrating National Cancer Survivor's Day helps one cancer patient fight harder, if it sends one worried person to a doctor sooner, if it gains

one extra dollar for research, it will have been worth doing.

I want to take this opportunity to applaud the efforts of the American Cancer Society and especially the survivors and their supporters of this dreaded disease. These Americans have overcome the fear and have shown that there is indeed hope in the fight against cancer. Their victories have given us the courage to stand up and celebrate life by striving for the day when America is cancer free.

PLANT CLOSING ALTERNATIVES

Mr. METZENBAUM. Mr. President, President Reagan vetoed the omnibus trade bill because it contained the plant closing provision. He rejected 3 years of hard work and tough bargaining over a provision that requires employers to give workers and their communities 60 days notice before shutting a plant. He turned his back on 86 percent of the American public that believes mandatory advance notice should be enacted into law. He denied workers the basic human courtesy of a little time to adjust to the shock of losing a job and having to start a new life.

The President's veto does not even make economic sense. Noted economist Al Blinder of Princeton University concludes in the current issue of *Business Week* that advance notification provides economic benefits to society. According to Blinder, savings to the community and the unemployment-insurance system outweigh the minor costs to companies, because fewer taxpayers end up out of work, and those who do remain out of work for shorter periods. I ask unanimous consent that the full text of Professor Blinder's article be placed in the RECORD at this point.

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

PLANT CLOSINGS: IT PAYS TO GIVE WORKERS ADVANCE NOTICE

(By Alan S. Blinder)

If you've read the papers lately, you may have come away with the impression that Congress and President Reagan are locked in an epic struggle over the fate of American capitalism. I refer to the brouhaha over plant-closing notification.

We could be having a rational debate over the pros and cons of a fairly minor piece of labor legislation. But this is America's political silly season, so we have instead an ideological melodrama in which labor is pitted against capital. Organized labor has turned advance notice into a motherhood issue that it can use to embarrass the President. Business groups have countered with hysterical claims about the impending demise of free enterprise.

Yet what is really at stake here is a fairly innocuous provision requiring companies that can do so to give 60 days' advance notice before closing a plant. No layoff or plant closing would be banned. No company would need government approval to shutter

a factory. No severance pay or other benefit would be mandated. Companies that have fewer than 100 employees or are laying off fewer than 50 would be exempt, as would those idling less than a third of their work force, unless at least 500 employees are involved.

SIMPLE JUSTICE.

Would two months' advance notice really impose an intolerable burden on America's capitalists? Or create nirvana for America's workers? Surely there is less here than meets the ear. Once the rhetorical smoke is cleared away, the arguments in favor of notification seem stronger than those against.

The most compelling case is based on simple economic justice and social compassion. Workers who lose jobs when a plant closes usually remain unemployed for a while. When forewarned, they can begin looking for work earlier. So early notification is like a contribution to the community chest.

What we know about advance notice is based on experience in Maine, which has had plant-closing legislation since 1971, and on studies comparing companies that voluntarily give notice with those that do not. The research shows that workers who knew of plant closings in advance were less likely to become unemployed and, if they did, tended to remain so for shorter periods of time. These benefits are worth having. Are they costly to provide?

Opponents argue that companies announcing plant closing in advance may find their customers disappearing, their access to credit impaired, and productivity dropping. Each of these would reduce the profitability of already unprofitable plants and hasten closing day.

Undoubtedly, there are isolated instances where prior notice might precipitate such problems. But customers and creditors have reason to flee only if a company is in danger, not if it is shifting its operations to a more profitable locale. The proposed legislation is sensitive to these problems. It exempts closings resulting from "unforeseeable" business developments and exempts faltering companies that are actively seeking new capital or new business to keep a plant open. Furthermore, the announcement of an impending shutdown just might initiate actions that save, rather than destroy, the plant. In fact, case studies suggest that productivity rises, rather than falls, when advance notice of a plant closing is given.

Still, there is no denying that prior notice is likely to make closing a plant at least slightly more costly—if only politically. And there is the ever-present danger that ambiguities in the law will lead to legal entanglements. So we must ask what justifies imposing even small additional costs on employers.

When someone advocates interfering with free-market decisions, economists want to know why. Do some of the costs or benefits accrue to parties with no say in the decision? Is one party misinformed? Both rationales apply here. Part of the cost of any plant closing is borne by the taxpayer through the unemployment-insurance system, and another part is borne by the local community. These external costs are mitigated if fewer workers lose their jobs. Informing workers in advance is designed to accomplish precisely that by giving workers the information they need. And it seems to work.

HUMANIZING TREND

At this point, business lobbyists start mumbling about letting the camel's nose under the tent. Advance notice may be only a minor infringement on the freedom to make employment decisions, the argument goes, but it is a step down a perilous road that Europe (and Maine) have already traveled. Surely America does not want to emulate that example.

Indeed we do not. But the excesses of European labor markets need not deter the century-old trend toward humanizing our own. The camel first stuck its nose under the tent when we regulated child labor. It thrust its entire head in when legislation enabled labor unions to flourish. And it wriggled in most of its body when we established the eight-hour day, unemployment insurance, and social security. When the camel finally pulls in its hindquarters—say, by getting advance notice and minimal health insurance, I daresay there will be plenty of room left for the sheik.

Mr. METZENBAUM. This veto is unfair. It is unjust and everyone knows it. That is why Republicans opposed to mandatory advance notice have been scrambling to find political cover. The President himself is trying to take some of the sting out of his indefensible action. Even though he vetoed the bill because of the plant closing provision, the President proposed an "incentive" for business to give advance notice.

But actions speak louder than words. The President's proposal to "help" workers would give a \$200-per-worker tax credit to any employer providing notice. The President's incentive plan is a cruel hoax. It is an indecent bribe to companies to treat workers fairly. It is an insult to those companies that already do the right thing and to taxpayers who would end up footing the bill.

Would the President bribe companies to pay the minimum wage, to obey the child labor laws, to refrain from polluting the environment?

Companies are given generous incentives to build and generous incentives to stay in a community. It is outrageous for the President to suggest that on top of all those incentives, companies must be given incentives to tell their workers they will soon be unemployed.

Senator KASTEN and Representative KEMP also have been seeking political cover. Their idea of helping workers cope with plant shutdowns is to eliminate the capital gains tax and to set up special enterprise zones. But tax breaks for the wealthy and special treatment for business will do nothing to help workers who are tossed out onto the street without a moment's notice. At least the Kasten-Kemp bill lets people know the true Republican position—they have transformed an issue of basic fairness for workers into an opportunity to help the rich and powerful.

The Senator from Indiana has taken yet a third approach. Before the President's veto, Senator QUAYLE introduced a bill to encourage voluntary advance notice of a plant closing. The bill has no requirements and no penalties. It merely encourages employers to provide reasonable notice. But we are operating under a voluntary notice system now. Voluntary notice simply does not work. That has been confirmed time after time in studies by the GAO, the Bureau of Labor Statistics, and the National Academy of Sciences.

No one knows better than the Senator from Indiana that the voluntary approach has failed. Nearly 4 years ago, in a well-publicized speech to the business community, the Senator from Indiana warned employers that they should give advance notice to workers or else Congress would be forced to compel notice. Just last year, in dissenting views to the Labor Committee's report on the plant closing provision, the Senator from Indiana sent an open letter to the business coalition opposing plant closing legislation. He once again called on the business community to provide voluntary notice.

For 4 years, Senator QUAYLE has been telling business that notice of 1 day or 1 week is "irresponsible and callous" and that "if that practice continues you will see legislation." Despite these warnings, employers continue to shut plants and lay off hundreds of thousands of workers with 1 day or 1 week notice—or no notice at all.

The Quayle bill is a diversion that does not deserve serious consideration. If we are serious about helping the working men and women of this country, then we must enact the mandatory advance notice provision already in the trade bill.

In addition to seeking political cover, opponents of mandatory notice have tried to cloud the issue by misrepresenting the substance of the plant closing provision. They contend that under this bill an employer purchasing a business is required to hire all the seller's employees. That contention is absolutely false.

The plant closing provision has one requirement and one requirement only—an employer must provide 60 days notice before implementing a plant closing or mass layoff. In response to a specific concern expressed by the National Association of Manufacturers, we added an exception to the notice requirement whereby a seller need not give notice if the purchaser agrees to retain most of the seller's current employees. The purchaser is perfectly free not to offer continued employment to the seller's employees. In that case, the seller, like all other employers, must provide notice before his employees are terminated as part of the shutdown of his operations.

Opponents of mandatory notice mischaracterize this exception as an added burden on business, when, in fact, it was added at the request of employers to provide more flexibility. To set the record straight, the members of the conference responsible for drafting the final plant closing provision, including the ranking minority member of the House Education and Labor Committee, sent a letter that was published in this past Sunday's New York Times. I ask unanimous consent that the full text of the letter be reprinted at this point in the RECORD.

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

TRADE BILL DOESN'T FORCE PLANT BUYER TO HIRE SELLER'S EMPLOYEES

To the Editor:

As authors of the Congressional conference-report language on the plant-closing provision of the trade bill, we take sharp issue with a characterization by Senator Charles E. Grassley (letter, May 24), repeated in your front-page article on President Reagan's veto of the bill (May 25). Senator Grassley states—and your report accepts—that the plant-closing provision contains "a requirement that a prospective plant buyer hire all the seller's employees." That is absolutely false.

The plant-closing provision has only one requirement: that employers provide 60 days' notice before a plant closing or mass layoff. But to protect employers who are selling a business, we have specified that the notice requirement may be avoided under certain circumstances.

This exception to mandatory notice was added in response to a concern expressed by the National Association of Manufacturers.

During Senate hearings on the plant-closing provision, the N.A.M. commented that because "employees are normally 'terminated' by the seller" as part of the sale of a plant, such a sale might "trigger the bill's notice requirements even if all of the seller's employees were hired by the buyer."

Under the legislation, therefore, a seller need not give notice if the purchaser agrees to retain most current employees with no more than a six-month break in employment. This emphatically is not a requirement that the purchaser hire the seller's employees.

A purchaser is perfectly free not to offer continued employment. In that instance, the seller, like all other employers, must give notice before his employees are "terminated" as part of the shutdown of his operations.

The provision was included at the request of employer groups wanting more flexibility. It is ironic that opponents of mandatory notice have chosen to mischaracterize the provision as an added burden for business.

(Senator) HOWARD
METZENBAUM,
(Senator) EDWARD M.
KENNEDY,
(Rep.) JAMES M. JEFFORDS,
(Rep.) WILLIAM D. FORD,
(Rep.) WILLIAM CLAY,
Washington, May 31,
1988.

Mr. METZENBAUM. The American people do not need alternatives. They will not stand for misrepresentation.

What they need and what they want is the plant closing provision in the current trade bill. The House has already overridden the President's veto. We must do what is right for the American people by joining the House in voting to override this thoughtless, heartless veto.

BEAUTIFUL BABIES, RIGHT FROM THE START

Mr. DIXON. Mr. President, I would like to take this opportunity to commend the University of Chicago Hospitals and WBBM-TV for sponsoring "Beautiful Babies, Right from the Start," a campaign to reduce infant mortality in the Chicago area.

The Beautiful Babies campaign kicks off June 9 and will run for 18 months. It consists of an extensive media-based public education and awareness program and a free incentive campaign designed to encourage all pregnant women to seek early and continued prenatal care. A similar campaign is currently underway in Washington, D.C.

What sets the Chicago metropolitan area Beautiful Babies project apart from other public awareness efforts is its ambitious incentive campaign. This phase will urge pregnant women to seek early and repeated prenatal care, reducing the probability of infant mortality by making available a free coupon book with coupons for discounted prenatal goods and services, a guide to hotlines, community health and support referral services, and a pregnancy reference guide.

With America's infant mortality rate being one of the worst—we ranked 19th out of 20 industrialized nations when it comes to keeping our newborns alive—such a campaign will be a vital educational tool. I would like to congratulate University of Chicago Hospitals and WBBM-TV for developing this wonderful campaign and encourage them to keep up the good work.

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 Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE
RECEIVED DURING ADJOURNMENT

ENROLLED BILLS SIGNED

Under the authority of the order of the Senate of February 3, 1987, the Secretary of the Senate, on June 1, 1988, during the adjournment of the Senate, received a message from the House of Representatives announcing that the Speaker had signed the following enrolled bills:

H.R. 2210. An act to prohibit the use of certain antifouling paints containing organotin and the use of organotin compounds, purchased at retail, used to make such paints; and

H.R. 4556. An act to amend the provisions of the Agricultural Act of 1949 relating to certain cross compliance requirements under the extra long staple cotton program.

The enrolled bills were subsequently signed on today, June 6, 1988, by the Acting President pro tempore [Mr. SANFORD].

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Under the authority of the order of the Senate of February 3, 1987, the Secretary of the Senate, on June 3, 1988, during the adjournment of the Senate, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled bill and joint resolution:

H.R. 2969. An act to amend chapter 11 of title 11 of the United States Code to improve the treatment of claims for certain retiree benefits of former employees; and

H.J. Res. 469. Joint resolution to designate June 1988 as "National Recycling Month."

The enrolled bill and joint resolution were signed on today, June 6, 1988, by the Acting President pro tempore [Mr. SANFORD].

MESSAGES FROM THE HOUSE

At 11:19 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1212) to prevent the denial of employment opportunities by prohibiting the use of lie detectors by employers involved in or affecting interstate commerce.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2470) to amend title XVIII of the Social Security Act to provide protection against catastrophic medical expenses under the medicare program, and for other purposes.

The message further announced that the House has passed the following bill and joint resolution, without amendment:

S. 1652. An act to authorize the establishment by the Secretary of Agriculture of a plant stress and water conservation research laboratory and program at Lubbock, TX; and

S.J. Res. 266. Joint resolution to designate the week beginning June 12, 1988, as "National Scleroderma Awareness Week."

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1801. An act to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to authorize appropriations for fiscal years 1989 through 1992; and

H.R. 4387. An act to authorize appropriations for fiscal year 1989 for intelligence and intelligence-related activities of the United States Government, for the Intelligence Community Staff, for the Central Intelligence Agency Retirement and Disability System, and for other purposes.

The message further announced that pursuant to the provisions of section 1505 of Public Law 99-498, the Speaker appoints Mr. KILDEE and Mr. YOUNG of Alaska to the Board of Trustees of the Institute of American Indian and Alaska Native Culture and Arts Development on the part of the House.

MEASURES PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 4387. An act to authorize appropriations for fiscal year 1989 for intelligence and intelligence-related activities of the United States Government, for the Intelligence Community Staff, for the Central Intelligence Agency Retirement and Disability System, and for other purposes.

The Committee on the Judiciary was discharged from the further consideration of the following bill, which was placed on the calendar:

S. 1516. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3300. A communication from the Acting Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Perishable Agricultural Commodities Act to increase the statutory ceiling on license fees; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3301. A communication from the Chief of the Forest Service, Department of Agriculture, transmitting, pursuant to law, the final 1987 Report of the Forest Service; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3302. A communication from the Secretary of Defense, transmitting, pursuant to law, a report on allied contributions to the

common defense; to the Committee on Armed Services.

EC-3303. A communication from the Assistant Secretary of Defense (Comptroller) transmitting, pursuant to law, a report on supplemental contract awards for the period May 1, 1988 to June 30, 1988; to the Committee on Armed Services.

EC-3304. A communication from the Deputy Assistant Secretary of Defense (Resource Management and Support), transmitting, pursuant to law, a report on the actuarial status of the military retirement system for fiscal year 1987; to the Committee on Armed Services.

EC-3305. A communication from the Acting Deputy Assistant Secretary (Logistics), Department of the Air Force, transmitting, pursuant to law, a report relative to performance under contract and the commissary resale warehouse function at Barksdale Air Force Base, Louisiana, to the Committee on Armed Services.

EC-3306. A communication from the General Counsel, Federal Emergency Management Agency, transmitting a draft of proposed legislation to repeal the authorization for the Federal Crime Insurance Program; to the Committee on Banking, Housing, and Urban Affairs.

EC-3307. A communication from the Comptroller General of the United States, transmitting, pursuant to law, the Export-Import Bank's 1987 and 1986 Financial Statements; to the Committee on Banking, Housing, and Urban Affairs.

EC-3308. A communication from the Secretary of the Federal Trade Commission, transmitting, pursuant to law, the Commission's 1986 report to Congress relative to the Federal Cigarette Labeling and Advertising Act; to the Committee on Commerce, Science, and Transportation.

EC-3309. A communication from the Administrator of the Federal Aviation Administration, transmitting, pursuant to law, a report relative to rulemaking proceedings in the interest of improved aviation safety; to the Committee on Commerce, Science, and Transportation.

EC-3310. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation entitled the Pipeline Safety Reauthorization Act of 1988; to the Committee on Commerce, Science, and Transportation.

EC-3311. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to authorize appropriations for the Coast Guard for fiscal year 1989, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-3312. A communication from the Secretary of the Interstate Commerce Commission, transmitting, pursuant to law, notification of the extended time period for acting on appeal in No. 40073, South-West Railroad Car Parts v. Missouri Pacific Railroad Company, to September 3, 1988; to the Committee on Commerce, Science, and Transportation.

EC-3313. A communication from the Administrator of the Federal Aviation Administration, transmitting, pursuant to law, a report on the Administration's prior year safety enforcement activities; to the Committee on Commerce, Science, and Transportation.

EC-3314. A communication from the Acting Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting, pursuant to law, a report relative to subsistence management and use

on public lands in Alaska; to the Committee on Energy and Natural Resources.

EC-3315. A communication from the Secretary of Energy, transmitting, pursuant to law, an update to the Comprehensive Ocean Thermal Technology Application and Market Development Plan; to the Committee on Energy and Natural Resources.

EC-3316. A communication from the Deputy Associate Director, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on refunds of excess royalty payments on offshore oil and gas leases; to the Committee on Energy and Natural Resources.

EC-3317. A communication from the Deputy Associate Director, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on refunds of excess royalty payments on offshore oil and gas leases; to the Committee on Energy and Natural Resources.

EC-3318. A communication from the Deputy Associate Director, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on refunds of excess royalty payments on offshore oil and gas leases; to the Committee on Energy and Natural Resources.

EC-3319. A communication from the Deputy Associate Director, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on refunds of excess royalty payments on offshore oil and gas leases; to the Committee on Energy and Natural Resources.

EC-3320. A communication from the Secretary of Energy, transmitting, pursuant to law the quarterly report on the Strategic Petroleum Reserve during the period January 1, 1988 through March 31, 1988; to the Committee on Energy and Natural Resources.

EC-3321. A communication from the Chairman of the Nuclear Regulatory Commission, transmitting, pursuant to law, a report of the nondisclosure of Safeguards Information by the Commission for the quarter ending March 31, 1988; to the Committee on Environment and Public Works.

EC-3322. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, copies of proposed lease prospectuses; to the Committee on Environment and Public Works.

EC-3323. A communication from the Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, clarifications and modifications to the original report on Construction Authorizations Eligible for De-authorization; to the Committee on Environment and Public Works.

EC-3324. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on the "Review of the Impact of Outlier and Transfer Payment Policy upon Rural Hospitals"; to the Committee on Finance.

EC-3325. A communication from the Assistant Secretary of Legislative Affairs, transmitting, pursuant to law, a report on Soviet Ballistic Missile Tests near Hawaii; to the Committee on Foreign Relations.

EC-3326. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a report on the investigation into the death of Enrique Camarena; to the Committee on Foreign Relations.

EC-3327. A communication from the Commissioner of Social Security, transmitting, pursuant to law, notice of a computer matching program by the Social Security

Administration; to the Committee on Governmental Affairs.

EC-3328. A communication from the Secretary of the United States Postal Commission, transmitting, pursuant to law, an opinion and recommended decision of the Commission in Docket No. MC88-1, Money Order Sale Limitations; to the Committee on Governmental Affairs.

EC-3329. A communication from the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 7-180, adopted by the Council on 5-3-88; to the Committee on Governmental Affairs.

EC-3330. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 7-182, adopted by the Council on 5-3-88; to the Committee on Governmental Affairs.

EC-3331. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a list of reports issued by the General Accounting Office during April 1988; to the Committee on Governmental Affairs.

REPORTS OF COMMITTEES RECEIVED DURING ADJOURNMENT

Under the authority of the order of the Senate of May 27, 1988, the following reports of committees were submitted on June 2, 1988:

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, with amendments:

S. 473. A bill to regulate interstate commerce by providing for uniform standards of liability for harm arising out of general aviation accidents (Rept. No. 100-378).

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. THURMOND:

S. 2465. A bill to amend title 18, United States Code, to extend penalties for the operation of a locomotive, and to provide increased penalties for the operation of a common carrier, under the influence of alcohol or drugs if such operation results in serious bodily injury or death; to the Committee on the Judiciary.

By Mr. MOYNIHAN (for himself and Mr. DODD):

S. 2466. A bill to amend the Public Health Service Act to establish a program of grants to the States for the purpose of providing to the public information of Lyme disease; to the Committee on Labor and Human Resources.

By Mr. D'AMATO:

S. 2467. A bill to amend the Federal Home Loan Mortgage Corporation Act to remove the ownership restrictions placed on nonvoting preferred stock of the corporation; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HATCH:

S. 2468. A bill to revitalize the Food and Drug Administration, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. HEINZ (for himself and Mr. GRASSLEY):

S. 2469. A bill to amend chapters 83 and 84 of title 5, United States Code, to expedite the processing of retirement applications of Federal employees, and for other purposes; to the Committee on Governmental Affairs.

By Mr. METZENBAUM (for himself and Mr. HEINZ):

S. 2470. A bill to promote technology competitiveness and energy conservation in the American steel industry; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. THURMOND:

S. 2465. A bill to amend title 18, United States Code, to extend penalties for the operation of a locomotive, and to provide increased penalties for the operation of a common carrier, under the influence of alcohol or drugs if such operation results in serious bodily injury or death; to the Committee on the Judiciary.

INCREASED PENALTIES FOR OPERATION OF A COMMON CARRIER UNDER THE INFLUENCE OF ALCOHOL OR DRUGS

Mr. THURMOND. Mr. President, today, I am introducing legislation which will substantially increase the criminal penalties which may be imposed upon those persons who cause death or serious bodily injury when operating a common carrier while under the influence of drugs or alcohol. A common carrier means a rail carrier, a sleeping carrier, a bus transporting passengers in interstate commerce, a water common carrier, a locomotive operator, or an air common carrier.

Recent appalling statistics have been brought to my attention. Department of Transportation statistics reveal that from January 1987 through February 1988, 41 train wrecks have occurred in which employees were impaired by drugs or alcohol. These accidents have claimed the lives of 29 people and have resulted in injuries to 341 others. No one can forget the tragic train wreck that occurred last year in Chase, MD. Sixteen innocent people were killed and another 174 individuals were injured. Also last year, a bus driver who tested positive for cocaine, valium, and marijuana crashed into a bridge in nearby Alexandria, VA, killing 1 and injuring 32 passengers.

To address concerns about such accidents, in the 99th Congress, I introduced legislation which was enacted. This law makes it a Federal crime to operate, or direct the operation of, a common carrier while intoxicated or under the influence of drugs. I believe that this legislation has proven to be an effective deterrent while at the same time helping to further the understanding throughout our Nation that operating any vehicle while under the influence of drugs or alcohol will not be tolerated.

Those who choose to disobey the "intoxicated common carrier" law face

fines and prison sentences which are designed to punish those who engage in the activity the law is aimed at preventing—the operating of common carriers while under the influence of drugs or alcohol. Yet, when an individual's choice to break the law results in the death or serious bodily injury of another, that individual must be subjected to an enhanced penalty which will subject that operator to punishment for the loss and heartache caused when innocent people are killed or seriously injured. Enhanced penalties will be a deterrent and will assure the victims and their families that those who commit such acts will be appropriately punished.

Briefly, I would like to discuss the penalties this legislation will impose. If serious bodily injury results, the penalty would be mandatory imprisonment for a period of not less than 3 years but not more than 15 years, plus the possibility of a fine of up to \$50,000 per injury. For those incidents in which death occurs, the penalty would be a mandatory prison term of not less than 5 years, but not more than 30 years plus the possibility of a fine of up to \$100,000 per death. Although these penalties are tough, I believe they are appropriate. In addition to enhancing penalties, this bill will make the "intoxicated common carrier" law applicable to those persons who operate, or direct the operation of, locomotives.

Over the last few years, many States have enacted legislation providing for enhanced penalties when a drunk driver causes great bodily injury or death. Those individuals entrusted with the operation of our common carriers should be subjected to punishment which is no less severe. Common carriers must be held to a higher standard of care because of the increased responsibility they bear.

In closing, I strongly believe that enhanced Federal criminal sanctions are necessary and proper to address this serious problem. When innocent people, through no fault of their own, are killed or seriously injured by common carriers under the influence of drugs or alcohol, those operators must be subjected to enhanced punishment. I urge my colleagues to join in this effort which will make public transportation safer. The enactment of tough criminal penalties for commission of these reckless acts will save lives by making the railways, highways, and airways safe for all Americans.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2465

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That (a) section 341 of title 18, United States Code, is amended by adding after "means a" the following: "locomotive, a".

(b) Section 342 of title 18, United States Code, is amended by striking out "imprisoned" and all that follows through "or both." and inserting in lieu thereof "punished as follows:

"(1) If death results, the offender shall be imprisoned not less than 5 years and not more than 30 years per death, and may be fined up to \$100,000, per death.

"(2) If serious bodily injury results, the offender shall be imprisoned not less than 3 years and not more than 15 years and may be fined up to \$50,000, per injury.

"(3) In any other case, the offender shall be fined not more than \$10,000 or imprisoned not more than 5 years, or both."

By Mr. MOYNIHAN (for himself and Mr. Dodd):

S. 2466. A bill to amend the Public Health Service Act to establish a program of grants to the States for the purpose of providing to the public information on Lyme disease; to the Committee on Labor and Human Resources.

GRANTS FOR INFORMATION ON LYME DISEASE

● Mr. MOYNIHAN. Mr. President, I rise today to introduce legislation designed to control the spread of Lyme disease. Allow me to provide Senators with some background on the disease, and why I believe this measure is worthy of their full support.

Although Lyme disease was first officially reported just 13 years ago in Lyme, CT—thus, its curious appellation—it has fast become the most common tick-borne disease in the United States. If treated early, the disease can be easily cured by antibiotic therapy; however, early diagnosis is often thwarted by Lyme disease's pernicious resemblance to the flu and other, much less dangerous ailments. Indeed, without early treatment, a victim of Lyme disease can expect meningitis, heart disease, encephalitis, paralysis or even, albeit in rare cases, death.

The Centers for Disease Control [CDC] has reported 6,000 cases of Lyme disease in the last 6 years; however, the CDC indicates that because the existence of the disease is not widely known, there have been many more cases which have gone unreported, undiagnosed, and worse, untreated.

My own State of New York has been the hardest hit, particularly in Suffolk and Westchester Counties; however, Lyme disease has now been reported in over 30 States. Clearly, action must be taken to prevent this menace from spreading even further.

The measure I introduce today will provide \$2.5 million in grants to assist States in providing information on the diagnosis, prevention and, control of Lyme disease. Because Lyme disease is treatable in its early stages, early detection is the key. With this legislation, we mean to give the States the

wherewithal to educate doctors and patients alike and effectively stop this disease in its tracks.

Several weeks ago, I introduced Senate Joint Resolution 326, designating June 12-June 18, 1988 "Lyme Disease Awareness Week." I hope my colleagues will join with me in sponsoring that measure; however, it will take more than merely a week of awareness to stem the growth of Lyme disease and halt the suffering it brings. Therefore, I urge my colleagues to join with me, and the distinguished Senator from Connecticut, Senator Dodd, in support of this measure, which will provide States with real help.

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. 2466

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part B of title III of the Public Health Service Act (42 U.S.C. 243 et seq.) is amended by inserting after section 320 the following new section:

"GRANTS FOR INFORMATION ON LYME DISEASE

"SEC. 320A. (a) The Secretary may make grants to States for the purpose of assisting States in providing to the public information on the diagnosis, prevention, and control of Lyme disease.

"(b) The Secretary may not make a grant under subsection (a) to an applicant unless the applicant has submitted to the Secretary an application for the grant. The application shall, with respect to carrying out the purpose for which the grant is to be made, provide assurances of compliance satisfactory to the Secretary and shall otherwise be in such form, be made in such manner, and contain such information and agreements as the Secretary determines to be necessary to carry out such subsection.

"(c) For the purpose of carrying out this section, there is authorized to be appropriated \$2,500,000 for fiscal years 1989 and 1990."●

By Mr. D'AMATO:

S. 2467. A bill to amend the Federal Home Loan Mortgage Corporation Act to remove the ownership restrictions placed on nonvoting preferred stock of the corporation; to the Committee on Banking, Housing, and Urban Affairs.

ELIMINATION OF RESTRICTIONS ON FREDDIE MAC STOCK

● Mr. D'AMATO. Mr. President, I rise today to introduce legislation to help ease certain of the current problems of this Nation's savings industry. Each day brings even more distressing reports about the condition of the savings industry. While the majority of saving institutions are strong and healthy, the industry as a whole is confronting serious problems. It is essential to the soundness of our financial markets that we strive to strengthen the industry, to bolster its capital position, and to enable as many

institutions as possible to survive and prosper in the evolving financial environment.

This legislation seeks to inject—at no cost to taxpayer funds—at a minimum, almost \$1 billion of new capital into the industry simply by removing two regulatory restrictions on ownership of nonvoting preferred stock of the Federal Home Loan Mortgage Corporation—Freddie Mac. This stock is currently held by over 2,900 savings institutions.

In December 1984, the FHLBB created 15 million shares of participating preferred stock of the Federal Home Loan Banks. The stock was disbursed to the industry to enhance the capital position of individual institutions. However, restrictions on the stock's ownership have suppressed the market price of the stock. According to most analysts, the shares at present are tremendously undervalued.

FREDDIE MAC STOCK

The first day the stock traded on the New York Stock Exchange, it closed at \$42 1/2. In spite of increasing per share earnings and dividends—1986 earnings were \$247 million, 1987 earnings were \$301 million, and 1988 earnings are estimated to be 10 to 20 percent higher—the stock closed on the last day of March of this year at only \$57.

Estimates are that the value of the stock would at least double—and some suggest triple—if ownership restrictions were lifted.

While, arguably, ownership restrictions could be lifted by act of the bank board, no action has been taken. The president of Freddie Mac has publicly urged that these stock ownership restrictions be lifted; the bank board has yet to respond. I am including a recent article by Leland Brendsel, president of Freddie Mac, outlining his reasons for supporting removal of the ownership restrictions, and I ask unanimous consent that the article be printed in the RECORD following my remarks.

In addition to that telling endorsement, a substantial number of savings institutions from New York and other States, as well as the National Council of Savings Institutions support lifting the ownership restrictions. In a letter to me, one savings organization states:

It is abundantly clear that the removal of the restrictions of the Freddie Mac preferred stock would dramatically improve the balance sheets of the nation's savings institutions without any effect on the corporate structure or operations of Freddie Mac.

Lifting the ownership restrictions is an idea whose time has come. We cannot continue to procrastinate. We must seek every prudent avenue possible to help solve the problem of capitalizing the thrift insurance fund. I believe this legislation is a valuable cost-effective step in that direction.

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

BOTTOMLINE EXAMINES WHY FREDDIE MAC STOCK SHOULD BE PUBLIC

WASHINGTON, D.C.—Leland C. Brendsel, president and chief executive officer of the Federal Home Loan Mortgage Corp., writes about the benefits of loosening ownership restrictions on Freddie Mac preferred stock in the May issue of Bottomline.

Currently, Freddie Mac common and preferred shares can only be traded among Federal Home Loan Banks or their member institutions. Removing restrictions on the stock, however, would benefit both the housing and finance industries, Brendsel adds.

"If the restrictions were lifted, it has been estimated that the current \$56 per share price on our preferred stock could increase by two or three times that amount," Brendsel writes.

In an exclusive Bottomline interview, FDIC Chairman L. William Seidman discusses a number of issues now affecting the financial industry. He predicts 1988 will be a better year than the previous one for banks.

Lawrence J. White, FHLBB board member, authors an article in which he examines the many challenges facing the thrift regulators and the industry, such as negotiating the deals to help ailing thrift institutions in Texas and elsewhere.

In another Bottomline article, George Hanc, executive vice president and chief operating officer of the National Council of Savings Institutions, explains why perceptions about federal deposit insurance have worsened. Hanc writes that a number of recent developments have rudely awakened those who thought the deposit insurance problem was solved last year.

The National Council of Savings Institutions is a trade association representing savings banks and savings and loan associations nationwide. ●

By Mr. HATCH:

S. 2468. A bill to revitalize the Food and Drug Administration, and for other purposes; to the Committee on Labor and Human Resources.

FDA REVITALIZATION ACT

Mr. HATCH. Mr. President, 50 years ago, our predecessors in the Congress passed the Federal Food and Cosmetic Act of 1938—legislation which has come to be recognized as a milestone in the development of Federal regulation of the modern food and drug marketplace. Today, in the spirit of this 50th anniversary, I am introducing legislation, the Food and Drug Administration Revitalization Act of 1988, which will ensure that the FDA remains a preeminent force in consumer protection and in advancing the technological development of new foods, drugs, devices, and cosmetics.

The Food, Drug, and Cosmetic Act of 1938 continues to serve as the basic law which establishes the FDA's authority and responsibilities, but the role of the agency has evolved. Today, FDA has responsibility for regulating more than \$700 billion worth of goods sold annually to Americans—constituting about 25 percent of the total expenditures for personal consumption in the United States each year. FDA must accomplish its vast and complex

tasks with very limited resources—7,000 full time employees nationwide and an annual budget of only \$478 million. If one compares the agency's fiscal year 1988 budget to the overall value of the products it regulates, one can determine that the average American pays approximately \$2 annually to have the agency assure the soundness of approximately \$3,000 worth of consumer goods—a bargain by anyone's estimate.

Moreover, many of the areas now regulated involve products that were unknown in 1938. FDA is often involved with goods that are on the cutting edge of new technology, and it can no longer rely just on methods and procedures that were known in 1938. Both the public and we in Congress expect FDA to keep pace with what it regulates.

For example, in recent years FDA has reviewed and approved increasing numbers of products developed through biotechnology—a revolutionary new type of bioscience which has generated revolutionary pharmaceuticals and devices. Similarly, the agency is currently evaluating new food products formulated through radically new technological process, such as sweeteners and fats.

Consequently, in the immediate future, FDA will need additional resources in order to meet its basic mission, and to respond to the new challenges that confront it. One such challenge is AIDS. The agency, particularly under the leadership of its present Commissioner, Frank E. Young, has established innovative measures to help expedite the development, testing, review and approval of promising drugs, vaccine and diagnostics for this disease. Thanks to their collective efforts, several critically important AIDS-related products have been developed and approved in record breaking time.

The agency's success in this instance does not, however, mitigate the problems that it now faces. In order to assess a new generation of biotech drugs and computer-driven medical devices, FDA's scientific base must be continually revitalized. It must have adequate resources as well as streamlined administrative procedures to assure a timely review of pending applications. And there must be constant reevaluation of our existing laws to ensure that decisions made by FDA are based on today's scientific knowledge. The rapid growth of scientific technology and expertise has rendered some of our laws and policies outdated.

Any revitalization of FDA must begin with its personnel. The agency must be able to keep its excellent scientists and, at the same time, increase its ability to recruit additional experts. FDA has been blessed with some of the world's most preeminent scientists

and their expertise has given the agency the ability to keep abreast of technological advances. Unfortunately, many of these individuals work in and under conditions that are far less rewarding than what would be available to them in the private sector. No doubt they derive a great deal of satisfaction from their public service, but it is unrealistic to expect that FDA will continue to attract such talented individuals indefinitely without vigorous efforts to improve their status and make their positions more comparable to the job opportunities that are commonly found outside the agency.

A number of initiatives could be taken to help remedy the situation. Chief among these is found under title II of the bill—the establishment of a senior biomedical corps designed to enhance the prestige and desirability of scientific service within the agency. Among its other features, the senior corps would provide a mechanism for adding needed salary flexibility beyond the present Government general service schedules by awarding eligible scientists up to 110 percent of their present pay levels as an inducement for recruitment or continued Government service.

A second issue is office space. Currently, the FDA has staff in about 1.3 million square feet of space rented throughout the Washington metropolitan area. This space is in 23 different buildings in five different sites, ranging from Germantown, MD, to the District, to Beltsville, MD. Most of the staff are in buildings that were not designed for FDA's needs, which is costly in terms of inefficient use of personnel and equipment.

Having FDA spread out over the metropolitan area has also delayed the timely and effective handling of many time sensitive and emergency matters. Given the importance of its mission, the FDA needs to be consolidated in a building that contains state-of-the-art equipment. Such consolidation would not only result in a savings in terms of efficiency, but also in administrative and management costs.

Title I of the bill would provide the FDA with the authority to acquire land and construct the facilities necessary to meet their needs.

It is important to remember that the revitalization of FDA is in large part driven by the revitalization of the industries which it regulates and of the entire American economy. Our society's access to advanced new pharmaceutical, medical devices and food products that could dramatically improve the health and well-being of the American people will be hindered unless we give FDA the support it needs to evaluate these advancements in a thorough and timely manner. Public confidence in the marketplace can only be maintained if the agency is given sufficient resources to react

swiftly and effectively to tampering, recall, and other emergency situations.

In short, FDA is an integral part of our society and economy. Given the demands we in Congress and the public routinely make on the agency, it is time we demonstrated our commitment by providing FDA with the resources it needs to discharge its responsibilities. We must allow the agency to prepare itself for the 21st century.

I urge my colleagues to give proper consideration to this bill, and I ask unanimous consent that the entire bill and a summary be printed in full in the RECORD.

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

S. 2468

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

TITLE I—REAL PROPERTY

SEC. 101. AUTHORITIES REQUIRED BY THE FOOD AND DRUG ADMINISTRATION REGARDING REAL PROPERTY, BUILDINGS, AND FACILITIES.

Chapter VII of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 371 et seq.) is amended by adding at the end thereof the following new section:

“SEC. 710. AUTHORITIES REQUIRED BY THE FOOD AND DRUG ADMINISTRATION REGARDING REAL PROPERTY, BUILDINGS, AND FACILITIES.

“The Secretary shall have the following general powers in connection with real property, buildings, and facilities—

“(1) to acquire, in any lawful manner, such personal or real property, or any interest in such property, as the Secretary determines necessary or convenient in the transaction of the business of the Food and Drug Administration;

“(2) to hold, maintain, sell, lease, or otherwise dispose of property acquired under paragraph (1), or any interest in such property, and to provide services in connection with such property and charges for the use of such property, when appropriate;

“(3) to design, construct, operate, lease, and maintain buildings, facilities, equipment, and other improvements on any property owned or controlled by the Food and Drug Administration, including, without limitation, any property or interest therein transferred to the Administration under any other paragraph;

“(4) to acquire buildings, facilities, equipment, and make other improvements on any property owned, acquired, or controlled by the Food and Drug Administration through the use of lease-purchase or lease-construction contracts, when and as appropriate; and

“(5) to accept gifts or donations of services or property, real or personal, as the Secretary determines necessary in the transaction of the business of the Food and Drug Administration.

TITLE II—SENIOR BIOMEDICAL SCIENTIFIC SERVICE

SEC. 201. BIOMEDICAL RESEARCH.

Part A of title III of the Public Health Service Act is amended by inserting after section 301 (42 U.S.C. 241) the following new section:

“SEC. 301A. BIOMEDICAL SCIENTIFIC SERVICE.

“(a) ESTABLISHMENT.—The Secretary is authorized to establish a Senior Biomedical Scientific Service (hereinafter in this section referred to as the ‘Service’).

“(b) MEMBERSHIP.—

“(1) CIVIL SERVICE.—Individuals chosen to serve in the Service shall not be a part of the competitive service established under chapter 33 of subpart B of part I of title 5, United States Code.

“(2) APPOINTMENT.—A person may be appointed to the Service by the Secretary based solely on that person's distinction and achievement in the fields of biomedical research or clinical research evaluation.

“(c) DUTIES.—Members of the Service shall be assigned to duties that require expertise in biomedical research, behavioral research, or clinical research evaluation, and may also be assigned to supervise other scientists in carrying out the activities described in this subsection.

“(d) COMPENSATION.—Individuals selected to serve on the Service staff by the Secretary under subsection (b), shall be compensated at a rate not in excess of 110 percent of the annual rate of pay in effect for level I of the Executive Salary Schedule established in section 5512 of title 5, United States Code.

“(e) RETIREMENT.—For purposes of section 211, the continuous service in the Service of any person who commences such service on termination of service as a commissioned officer in the Public Health Service Corps may be treated as service as a commissioned officer in the Public Health Service Corps and shall not be considered as service that is subject to any other retirement system for officers and employees of the Federal government.”

TITLE III—INCREASED FTE AUTHORITY FOR STAFF

SEC. 301. INCREASED FTE AUTHORITY FOR STAFF.

Notwithstanding any other provision of law, the Secretary of Health and Human Services, through the Commissioner of Food and Drugs, may, in accordance with the civil service and classification laws, appoint and fix the compensation of not more than 350 employees for the Food and Drug Administration in addition to the number of employees assigned to such Administration as of July 1, 1987.

TITLE IV—SMALL BUSINESS TRAINING AND TECHNICAL ASSISTANCE

Section 10 of the Medical Device Amendments of 1976 (42 U.S.C. 3512) is amended—

“(1) by inserting “(a)” after the section designation; and

“(2) by adding at the end thereof the following new subsection:

“There are authorized to be appropriated to carry out the provisions of this section, \$18,000,000 in each of the fiscal years 1989 through 1991.”

TITLE V—BIOTECHNOLOGY

Chapter VII of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 371 et seq.) (as amended by section 101), is further amended by adding at the end thereof the following new section:

“SEC. 711. USE OF FACILITIES.

“(a) IN GENERAL.—The Secretary shall establish and implement a demonstration project that authorizes the Secretary to use the facilities of any public or private cooperative, with the permission of any such cooperative, to perform any of the activities authorized under this Act.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, \$10,000,000 in fiscal year 1989, and such sums as are necessary in each of the fiscal years 1990 and 1991.

(c) REGULATIONS.—The Secretary shall promulgate regulations necessary to carry out this section.”

TITLE VI—NEGLIGIBLE RISK

SEC. 601. NEGLIGIBLE RISK FOR FOOD ADDITIVES.

Section 409(c)(3)(A) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 348(c)(3)(A)) is amended by striking out “: *Provided*, That no additive” and all that follows through the end of such subparagraph, and inserting in lieu thereof the following:

“, except that no additive shall be deemed to be safe if the additive as a whole is found to induce cancer when ingested by man or animal, or if the additive as a whole is found, after tests that are appropriate for the evaluation of the safety of food additives, to induce cancer in man or animal, except that the foregoing provisions of this paragraph shall not apply with respect to a use of an additive if the Secretary, on the basis of a petition containing scientifically adequate evidence with respect to the mechanism of action of the additive or the manner in which the additive is metabolized, or other adequate evidence, including the use of risk assessment procedures when appropriate, determines that the risk of cancer to humans from exposure to the additive under the intended conditions of such use is negligible; or”.

SEC. 602. NEGLIGIBLE RISK FOR ANIMAL DRUGS.

Section 512(d)(1)(H) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360(d)(1)(H)) is amended to read as follows:

“(H) such drug as a whole is found to induce cancer when ingested by man or animal, or if the drug as a whole is found, after tests that are appropriate for the evaluation of the safety of animal drugs, to induce cancer in man or animal, except that the foregoing provisions of this paragraph shall not apply with respect to the use of a drug if the Secretary, on the basis of an application containing scientifically adequate evidence with respect to the mechanism of action of the drug or the manner in which the drug is metabolized, or other adequate evidence, including the use of risk assessment procedures when appropriate, determines that the risk of cancer to humans from exposure to the drug under the intended conditions of such use is negligible;”.

SEC. 603. NEGLIGIBLE RISK FOR COLOR ADDITIVES.

Section 706(b)(5)(B) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 376(b)(5)(B)) is amended to read as follows:

“(B) A color additive shall be deemed unsafe, and shall not be listed, for any use which—

“(i) will or may result in ingestion of all or part of such additive, if the additive as a whole is found to induce cancer when ingested by man or animal, or if the additive as a whole is found, after tests that are appropriate for the evaluation of the safety of color additives, to induce cancer in man or animal; or

“(ii) will not result in ingestion of any part of such additive, if, after tests that are appropriate for the evaluation of the safety of color additives for such use, or after other relevant exposure of man or animal to such additive, the additive as a whole is found to induce cancer in man or animal; except that the provisions of this subparagraph shall not apply with respect to a use

of an additive if the Secretary, on the basis of a petition containing scientifically adequate evidence with respect to the mechanism of action of the additive or the manner in which the additive is metabolized, or other adequate evidence, including the use of risk assessment procedures when appropriate, determines that the risk of cancer to humans from exposure to the additive under the intended conditions of such use is negligible.”

TITLE VII—UNIFORMITY IN REGULATION

SEC. 701. UNIFORMITY IN REGULATION.

Chapter VII of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 701 et seq.) (as amended by sections 101 and 501), is further amended by adding at the end thereof the following new section:

SEC. 712. NATIONAL UNIFORMITY IN REGULATION.

(a) INTENT OF CONGRESS.—It is the intent of Congress to require national uniformity in all aspects of the regulation of food for human use, drugs, devices, and cosmetics in order to—

“(1) prevent interference with the objectives and purposes of Federal regulations;

“(2) to assure the primary jurisdiction of the Food and Drug Administration in protecting the public health with respect to such articles; and

“(3) to permit national marketing of such articles without jurisdictional barriers.

(b) FEDERAL EFFECT ON STATE REQUIREMENTS.—

“(1) **GENERAL RULE.**—No State or political subdivision of a State shall establish or continue in effect any requirement relating to the regulation of a food for human use, drug, device, or cosmetic unless such a requirement is also established pursuant to a statute for which responsibility for the administration or implementation has been delegated by law or by the Secretary to the Commissioner of Food and Drugs, and the State or local requirement is identical to the Federal requirement, except as otherwise provided for in this section.

“(2) **DEFINITION.**—As used in this section, the term ‘requirement relating to the regulation of a food for human use, drug, device, or cosmetic’ shall include—

“(A) any requirement or prohibition relating to the subject matter in any provision of any of the statutes described in paragraph (1); or

“(B) any requirement relating to the dissemination of information about a food for human use, drug, device, or cosmetic in any manner, such as by posters, public notices, advertising, or other means of communication.

“(C) **CONCURRENT JURISDICTION.**—Any State or political subdivision of a State may exercise concurrent jurisdiction with the Secretary over the regulation of a food for human use, drug, device, or cosmetic for the purpose of enforcing any requirement that is identical to a requirement established pursuant to the provisions of any of the statutes described in paragraph (1), or the administrative implementation thereunder.

“(D) **EXEMPTION.**—On application of a State or political subdivision of a State, the Secretary may by regulation, after notice and opportunity for written and oral presentation of views, exempt a proposed requirement relating to the regulation of a food for human use, drug, device, or cosmetic described in such application from the provisions of paragraph (b) under such conditions as the Secretary may impose, if the proposed requirement—

“(1) is justified by compelling and unique local conditions that do not exist elsewhere in the United States; or

“(2) (A) protects an important public interest that would otherwise be unprotected;

“(B) relates to a subject matter that is primarily local in nature and the Federal agency with responsibility over such is not exercising jurisdiction over the requirement;

“(C) would not cause any food, drug, device, or cosmetic to be in violation of any applicable requirement under Federal law; and

“(D) would not unduly burden interstate commerce.

(e) PETITION FOR REGULATION.—A State or political subdivision of a State may petition the Secretary for the adoption, by regulation, of an existing or proposed State or local requirement relating to the regulation of a food, drug, device, or cosmetic as a Federal requirement.

TITLE VIII—REGULATORY REVIEW MEDICINE TRAINING GRANTS

SEC. 801. REGULATORY REVIEW MEDICINE TRAINING GRANTS.

The Federal Food, Drug, and Cosmetic Act is amended by adding after subtitle IX (21 U.S.C. 391 et seq.) the following new subtitle:

“CHAPTER X—TRAINING GRANTS AND LOAN REPAYMENT

“Subchapter A—REGULATORY REVIEW MEDICINE TRAINING GRANTS

“SEC. 1001. AUTHORITY.

“The Secretary may make grants to, or enter into contracts with, any public or non-profit academic institution, including schools of medicine, dentistry, and pharmacy to enable such institutions to design and develop core curriculum programs that will be used to train individuals in the field of regulatory review medicine.

“SEC. 1002. REQUIREMENTS.

“(a) **IN GENERAL.**—No grant shall be awarded under this subchapter unless—

“(1) the institution has submitted to the Secretary an application for a grant and the Secretary has approved the application; and

“(2) the institution provides, in such form and manner as the Secretary shall by regulation prescribe, assurances satisfactory to the Secretary that individuals receiving funds through the institution under such grants will meet the service requirement of section 1004.

“(b) **APPLICATION.**—An application for a grant submitted under subsection (a) shall be in such form, submitted in such manner, and contain such information, as the Secretary may by regulation prescribe.

“SEC. 1003. USE OF GRANTS.

“An institution that receives a grant under this subchapter—

“(1) shall use such grant to—

“(A) design and develop a core curriculum program that has as its primary emphasis regulatory review medicine; and

“(B) train health professionals and scientists in regulatory review medicine; and

“(2) may use such grant to provide stipends, tuition, fees, and allowances (including travel and subsistence expenses and dependency allowances), to individuals who participate in the regulatory review medicine program developed with funds provided under this subchapter.

“SEC. 1004. REQUIREMENT OF SERVICE.

“(a) **IN GENERAL.**—Each individual who receives funds from an institution through a grant provided under this subchapter shall,

in accordance with subsection (c), serve an obligated period of time as an employee of the Food and Drug Administration.

(b) PERIOD OF REQUIRED SERVICE.—For each month for which an individual receives funds in accordance with subsection (a), such individual shall remain employed for two months with the Food and Drug Administration.

(c) COMPLIANCE.—The requirements of this section shall be complied with by any individual to whom it applies within such reasonable period of time, after the completion of such individual's training under the grant received under this subchapter, as the Secretary shall by regulation prescribe.

(d) FAILURE TO COMPLY.—If any individual to whom this section applies fails, within the period prescribed under subsection (c), to comply with such requirements, the United States shall be entitled to recover from such individual an amount determined in accordance with a formula prescribed through regulations issued by the Secretary.

“SEC. 1005. AUTHORIZATION OF APPROPRIATIONS.

“There are authorized to be appropriated to make grants under this subchapter \$4,000,000 for fiscal year 1989, and such sums as may be necessary for each of the fiscal years 1990 through 1991.”

SEC. 802. SCIENCE TRAINING GRANT LOAN REPAYMENT PROGRAM.

Chapter X of the Federal Food, Drug, and Cosmetic Act (as added by section 801 of this Act) is amended by adding at the end thereof the following new subchapter:

“Subchapter B—SCIENCE TRAINING GRANT LOAN REPAYMENT PROGRAM.

“SEC. 1010. SCIENCE TRAINING GRANT LOAN REPAYMENT PROGRAM.

(a) ESTABLISHMENT.—The Secretary shall establish a program to be known as the Science Training Grant Loan Repayment Program (hereinafter in this subpart referred to as the ‘Loan Repayment Program’) in order to assure—

“(1) an adequate supply of trained physicians, dentists, and pharmacists; and

“(2) an adequate supply of veterinarians and other health professionals as determined to be necessary from time to time by the Secretary.

(b) ELIGIBILITY.—To be eligible to participate in the Loan Repayment Program, an individual must—

“(1)(A) be enrolled—

“(i) as a full-time student in an accredited educational institution in a State; or

“(ii) in a training program in regulatory review medicine as described in regulations issued by the Secretary; or

“(B) have—

“(i) a degree in medicine, osteopathy, dentistry, or other health profession; and

“(ii) completed an approved graduate training program in regulatory review medicine, except that the Secretary may waive the completion requirement of this clause for good cause;

“(2) be eligible for employment with the Food and Drug Administration;

“(3) submit an application to participate in the Loan Repayment Program; and

“(4) sign and submit to the Secretary, at the time of the submission of such application, a written contract (described in subsection (f)) to accept repayment of educational loans and to serve (in accordance with this subtitle) for the applicable period of obligated service with the Food and Drug Administration.

(c) APPLICATION, CONTRACT, AND INFORMATION REQUIREMENTS.—

“(1) SUMMARY AND INFORMATION.—In disseminating application forms and contract forms to individuals desiring to participate in the Loan Repayment Program, the Secretary shall include with such forms—

“(A) a fair summary of the rights and liabilities of an individual whose application is approved (and whose contract is accepted) by the Secretary, including in the summary a clear explanation of the damages to which the United States is entitled under section 1012 in the case of the individual's breach of the contract; and

“(B) such other information as may be necessary for the individual to understand the individual's prospective participation in the Loan Repayment Program.

“(2) UNDERSTANDABILITY.—The application form, contract form, and all other information furnished by the Secretary under this subtitle shall be written in a manner calculated to be understood by the average individual applying to participate in the Loan Repayment Program.

“(3) AVAILABILITY.—The Secretary shall make such application forms, contract forms, and other information available to individuals desiring to participate in the Loan Repayment Program.

“(4) PRIORITY.—In determining which applications under the Loan Repayment Program to approve (and which contracts to accept), the Secretary shall give priority to applications made by—

“(1) individuals whose training is in regulatory review medicine and in a health profession or specialty determined by the Secretary to be needed; and

“(2) individuals who are committed to service with the Food and Drug Administration.

“(e) APPROVAL REQUIRED FOR PARTICIPATION.—

“(1) IN GENERAL.—An individual becomes a participant in the Loan Repayment Program only on the Secretary's approval of the individual's application submitted under subsection (b)(3) and the Secretary's acceptance of the contract submitted by the individual under subsection (b)(4).

“(2) WRITTEN NOTICE.—The Secretary shall provide written notice to an individual promptly on—

“(A) the Secretary's approving, under paragraph (1), the individual's participation in the Loan Repayment Program; or

“(B) the Secretary's disapproving the individual's participation in such Program.

“(f) CONTENTS OF CONTRACTS.—The written contract (referred to in this subchapter) between the Secretary and an individual shall contain—

“(1) an agreement that—

“(A) subject to paragraph (3), the Secretary agrees—

“(i) to pay on behalf of the individual loans in accordance with subsection (g); and

“(ii) to accept (subject to the availability of appropriated funds for carrying out this subchapter) the individual as being qualified for employment with the Food and Drug Administration; and

“(B) subject to paragraph (3), the individual agrees—

“(i) to accept loan payments on behalf of the individual;

“(ii) in the case of an individual described in subsection (b)(1)(A), to maintain enrollment in a course of study or training described in such subsection until the individual completes the course of study or training;

“(iii) in the case of an individual described in subsection (b)(1)(A), while enrolled in

such course of study or training, to maintain an acceptable level of academic standing (as determined under regulations of the Secretary by the educational institution offering such course of study or training); and

“(iv) to serve for a time period (hereinafter in this subchapter referred to as the ‘period of obligated service’) for a period of time described in regulations issued by the Secretary or such longer period as the individual may agree to, with the Food and Drug Administration;

“(2) a provision permitting the Secretary to extend for such longer additional periods, as the individual may agree to, the period of obligated service agreed to by the individual under paragraph (1)(B)(iv);

“(3) a provision that any financial obligation of the United States arising out of a contract entered into under this subtitle and any obligation of the individual that is conditioned thereon, is contingent on funds being appropriated for loan repayments under this subtitle;

“(4) a statement of the damages to which the United States is entitled, under section 1012, for the individual's breach of the contract; and

“(5) such other statements of the rights and liabilities of the Secretary and of the individual, not inconsistent with this subpart.

“(g) PAYMENTS.—

“(1) IN GENERAL.—A loan repayment provided for an individual under a written contract under the Loan Repayment Program shall consist of payment, in accordance with paragraph (2), on behalf of the individual of the principal, interest, and related expenses on government and commercial loans received by the individual for—

“(A) tuition expenses;

“(B) all other reasonable educational expenses, including fees, books, and laboratory expenses, incurred by the individual; or

“(C) reasonable living expenses as determined by the Secretary.

“(2) PAYMENTS FOR YEARS SERVED.—

“(A) IN GENERAL.—Except as provided in paragraph (3), for each year of obligated service that an individual contracts to serve under subsection (f) the Secretary may pay up to \$20,000 on behalf of the individual for loans described in paragraph (1).

“(B) REPAYMENT SCHEDULE.—Any arrangement made by the Secretary for the making of loan repayments in accordance with this subsection shall provide that any repayments for a year of obligated service shall be made no later than the end of the fiscal year in which the individual completes such year of service.

“(3) TAX LIABILITY.—In addition to payments made under paragraph (2), in any case in which payments on behalf of an individual under the Loan Repayment Program result in an increase in Federal, State, or local income tax liability for such individual, the Secretary may, on the request of such individual, make payments to such individual in a reasonable amount, as determined by the Secretary, to reimburse such individual for all or part of the increased tax liability of the individual.

“(4) PAYMENT SCHEDULE.—The Secretary may enter into an agreement with the holder of any loan for which payments are made under the Loan Repayment Program to establish a schedule for the making of such payments.

“(h) EMPLOYMENT CEILING.—Notwithstanding any other provision of law, individuals who have entered into written contracts with the Secretary under this section, while undergoing academic or other train-

ing, shall not be counted against any employment ceiling affecting the Department.

(i) REPORTS.—The Secretary shall, not later than March 1 of each year, submit to the Congress a report specifying—

“(1) the number, and type of health profession training, of individuals receiving loan payments under the Loan Repayment Program;

“(2) the educational institution at which such individuals are receiving their training;

“(3) the number of applications filed under this section in the school year beginning in such year and in prior school years; and

“(4) the amount of loan payments made in the year reported on.

“SEC. 1011. OBLIGATED SERVICE.

(a) GENERAL RULE.—Each individual who has entered into a written contract with the Secretary under section 1010 shall provide service as a full-time employee of the Food and Drug Administration for the period of obligated service provided in such contract.

(b) PROCEDURE FOR SERVICE.—

(1) DETERMINATION OF SERVICE.—If an individual is required under subsection (a) to provide service as specified in section 1010(f)(1)(B)(iv) (hereinafter in this subsection referred to as ‘‘obligated service’’), the Secretary shall, not later than 90 days before the date described in paragraph (4), determine if the individual shall provide such service as a member of the Commissioner Corps of the Public Health Service or a civilian employee of the United States.

(2) INFORMATION AND NOTIFICATION.—

(A) PROVISION OF INFORMATION.—If the Secretary determines that an individual shall provide obligated service as a Commissioned Officer, or a civilian employee of the United States, the Secretary shall, not later than 60 days before the date described in paragraph (4), provide such individual with sufficient information regarding the advantages and disadvantages of service as such a commissioned officer or civilian employee to enable the individual to make a decision on an informed basis.

(B) NOTIFICATION.—To be eligible to provide obligated service as a Commissioned Officer, an individual shall notify the Secretary, not later than 30 days before the date described in paragraph (4), of the individual’s desire to provide such service as such an officer.

(3) CIVILIAN EMPLOYEES.—If an individual provided notice by the Secretary under paragraph (2) does not qualify for appointment as a Commissioned Officer, the Secretary shall, as soon as possible after the date described in paragraph (4), appoint such individual as a civilian employee of the United States.

(4) NOTIFICATION DATE.—In the case of the Loan Repayment Program, if an individual is required to provide obligated service under such Program, the date referred to in paragraphs (1) through (3)—

“(A) shall, in the case of an individual who is enrolled in an approved training program in regulatory review medicine, be the date the individual completes such training program; or

“(B) shall be the date the individual enters into an agreement with the Secretary under section 1010.

(c) BEGINNING OF SERVICE.—An individual shall be considered to have begun serving a period of obligated service on the date such individual is appointed as either a Commissioned Officer or a civilian employee of the United States.

“SEC. 1012. BREACH OF CONTRACT.

The Secretary shall by regulation establish the penalties applicable to an individual that breaches the contract entered into under section 1010 by failing (for any reason) to begin his service obligation in accordance with an agreement entered into under section 1011, or to complete such service obligation.

“SEC. 1013. TRANSPORTATION EXPENSES.

The Secretary may pay an individual who has entered into an agreement with the Secretary under section 1010 an amount to cover all or part of the individual’s expenses reasonably incurred in transporting himself, his family, and his possessions to the location of his duty station.

“SEC. 1014. AUTHORIZATION OF APPROPRIATIONS.

“There are authorized to be appropriated to make grants under this subchapter \$2,000,000 for fiscal year 1989, and such sums as may be necessary for each of the fiscal years 1990 through 1991.”

TITLE IX—SCIENTIFIC REVIEW GROUPS

SEC. 901. SCIENTIFIC REVIEWS GROUPS.

Chapter IX of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 391 et seq.) is amended by adding at the end thereof the following new section:

“SEC. 903. SCIENTIFIC REVIEWS GROUP.

“The Commissioner of Food and Drugs may, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, establish such technical and scientific review groups as are needed to carry out the functions of the Administration, including functions under the Federal Food, Drug, and Cosmetic Act, and appoint and pay the members of such groups, except that officers and employees of the United States shall not receive additional compensation for service as members of such groups. The Federal Advisory Committee Act shall not apply to the duration of a peer review group appointed under this section.

SECTION-BY-SECTION ANALYSIS OF THE F.D.A. REVITALIZATION ACT

TITLE I—REAL PROPERTY

Section 101. Authorities Required By The Food And Drug Administration Regarding Real Property, Buildings, And Facilities

Section 701 amends Chapter VII of the Federal Food, Drug and Cosmetic Act (21 U.S.C. 371 et seq.) by adding authority for the FDA to acquire, manage, dispose of, make improvements to and acquire property to carry out the mission of the FDA. In addition, the FDA may accept gifts or donations of services or property as the Secretary determines is necessary to carry out the business of the FDA.

TITLE II—SENIOR BIOMEDICAL SCIENTIFIC SERVICE

Section 201. Biomedical Research

Section 201 amends part A of Title III of the Public Health Service Act by adding a new “Section 301A—Biomedical Scientific Service.” The Secretary is authorized to establish a Senior Biomedical Scientific Service, outside the competitive civil service, whose members are to be appointed based on their distinction and achievement in biomedical research or clinical research evaluation. Provisions are made for enhanced compensation rates and for continuity of service for purposes of retirement from the Public Health Service.

As used in this subsection, the term “biomedical research” is intended to apply broadly to the range of scientific disciplines which are relevant to the regulatory responsibilities of the FDA vis-a-vis food, drugs, medical devices, and cosmetics. Thus, the term embraces such disciplines as toxicology, nutrition, food science, and microbiology, as well as the array of other disciplines which are most relevant to the regulation of pharmaceuticals and medical devices.

TITLE III—INCREASED FTE AUTHORITY FOR STAFF

Section 301. Increased FTE Authority For Staff

Section 301 provides the authority to the Secretary of Health and Human Services acting through the Commissioner of Food and Drugs for the appointment of an additional 350 employees in addition to the number of employees assigned to the Food and Drug Administration on July 1, 1987. The appointment of such personnel shall be consistent with the civil service and classification laws.

TITLE IV—SMALL BUSINESS TRAINING AND TECHNICAL ASSISTANCE

Section 10 of the Medical Device Amendments of 1976 are amended to authorize up to \$18,000,000 in FY89 through FY91 for training and technical assistance to small businesses.

TITLE V—BIOTECHNOLOGY

Chapter VIII of the Federal Food, Drug, and Cosmetic Act is further amended to provide the Secretary the authority to establish and implement a demonstration project(s) and requires that regulations be issued describing how any public or private cooperative may use the facilities to perform the activities authorized under the Act.

TITLE VI—NEGIGIBLE RISK

Section 601. Negligible Risk for Food Additives

Section 601 provides the authority for the Secretary upon a petition containing scientifically adequate evidence to review that information and determine that the risk of cancer to humans from exposure to the additive under the intended conditions of such use is negligible.

Section 602. Negligible Risk For Animal Drugs

Section 602 provides the authority for the Secretary upon a petition containing scientifically adequate evidence may upon review of that information and determine that the risk of cancer to humans from exposure to the additive under the intended conditions of such use is negligible.

Section 603. Negligible Risk For Color Additives

Section 603 provides the authority for the Secretary upon a petition containing scientifically adequate evidence may upon review of that information and determine that the risk of cancer to humans from exposure to the additive under the intended conditions of such use is negligible.

The provisions would have no impact on the allocation of the burden of proof to demonstrate safety which exists under the Food Additives Amendment of 1958 and the Color Additive Amendments of 1960. Thus, in the case of a new additive for which FDA approval is sought, the proponent of use would continue to bear the burden of demonstrating that the additive is safe, including that the risk of cancer to humans under

the intended conditions of use is negligible. In the case of an approved additive about which significant questions are raised concerning its potential to induce cancer and the magnitude of the risk to humans, if any, once FDA articulates its scientific concerns in the Federal Register and solicits comment, the burden then shifts to the proponent of use to demonstrate anew that the additive meets the statutory standard for approval. The allocation of the burden of proof as between the FDA and the proponent of use remains as it is under current law.

Under the provision, the Secretary is expressly authorized to use risk assessment procedures as part of the safety evaluation of additives, when the data and circumstances warrant. The evaluation of the safety of additives embodies both a qualitative as well as quantitative assessment of the potential risks associated with exposure to an additive. The provision does not mandate nor encourage the Secretary to base decisions on the safety of additives solely on quantitative risk assessments. Rather, the Secretary should consider the totality of the relevant evidence and base his or her decision on all of that evidence.

TITLE VII—UNIFORMITY IN REGULATION

Section 702. National Uniformity In Regulations

Section 702 continues to express the intent of Congress to require national uniformity in all aspects of regulation of food for human use, drugs, devices and cosmetics.

TITLE VIII—TRAINING GRANTS FOR SCIENTISTS

Section 801. Train Grants For Scientists

This Title amends the Federal Food, Drug and Cosmetic Act by adding after Title IX a new title, Title X—Training Grants, and two Subtitles. Subtitle A—Regulatory Review Medicine Training Grants and Subtitle B—Training Grants for Scientist.

Subtitle A—Regulatory Review Medicine Training Grants

This new Subtitle A—Regulatory Review Medicine Training Grants gives the Commissioner of the Food and Drug Administration the authority to make grants to public and private non-profit institutions to develop programs to train health professionals and scientist in the field of regulatory review medicine. The programs developed under this subpart will also provide for support of a limited number of graduate students. Such programs will be part of a post-graduate curriculum in conjunction with health professions or science institutions.

As used in this subsection, the term "health professionals and scientist" is intended to apply broadly to the range of scientific disciplines which are relevant to the regulatory responsibilities of the FDA vis-a-vis food, drugs, medical devices, and cosmetics. Thus, the term embraces such disciplines as toxicology, nutrition, food science, and microbiology, as well as the array of other disciplines which are most relevant to the regulation of pharmaceuticals and medical devices.

Subtitle B—Training Grants for Scientist

This new Subtitle B—Training Grants for Scientist provides the authority for the Commissioner to enter into agreements for the repayment of loan obligations on behalf of individuals who have completed a curriculum leading to a specialty in regulatory review medicine and are willing and able to be assigned to a position by the Commissioner of the Food and Drug Administration

for a period of time commensurate with the level of loan repayment.

TITLE IX—SCIENTIFIC REVIEW GROUPS

Section 901. Scientific Review Groups

This amendment to Title IX of the Food, Drug, and Cosmetic Act provides authority for the appointment of peer review groups by the Commissioner of Food and Drugs. In addition, the amendment exempts such peer review groups from coverage by the Federal Advisory Committee Act.

By Mr. HEINZ (for himself and Mr. GRASSLEY):

S. 2469. A bill to amend chapters 83 and 84 of title 5, United States Code, to expedite the processing of retirement applications of Federal employees, and for other purposes; to the Committee on Governmental Affairs.

FEDERAL RETIREMENT APPLICATIONS PROCESSING ACT

• Mr. HEINZ. Mr. President, there is good news and bad news for Federal employees when they retire. The good news is they are eligible for retirement benefits. The bad news, however, is that first retirement check may not arrive for 6 months—or even longer.

Mr. President, try to imagine how a new retiree must survive—either on savings or loans—waiting for that first retirement check. Many retirees have begun their retirement years caught in just such a bureaucratic nightmare.

These delays have been caused not by a Government policy, for there is none governing timeliness, but rather bureaucratic laziness. Once payments actually begin, the retirement checks seldom miss a beat; the glitch is beginning the process—getting that first check.

Senator GRASSLEY and I have found that the check issuing agency, the Office of Personnel Management, is not at fault. OPM cannot initiate action until the retirement records have been received from the employing agencies. In fact, once these records are in hand, OPM adjudicates that first annuity check, the Treasury Department processes the check, and the Postal Service delivers the check within 20 to 24 days.

The problem rests with the agencies. Many agencies are letting their retirees down by unnecessarily delaying their records' submissions to OPM.

OPM statistics, based on March 1988 data, show that governmentwide only 45 percent of retirement applications are received at OPM within 30 days after the employee's separation. Another 29 percent are received within 31 to 60 days, and an astonishing 26 percent—more than one-fourth—are received after 60 days. Many applications are not received by OPM for several months after employees have retired.

As the figures following my statement indicate, these delays are not related to agency case load. For example, during one time interval the State Department, processing only 43 cases,

submitted just 4 files to OPM within 30 days. Twenty-seven cases, representing an astonishing 63 percent, were forwarded to OPM after 60 days. On the other hand, the Postal Service forwarded 81 percent of its 2,232 retirement applications to OPM within 30 days.

Yet another agency example indicates another trend. In September 1987 and in December 1987, the Department of Health and Human Services submitted 46 percent and 40 percent respectively of its caseload to OPM within 30 days. However, in March 1988, HHS issued forth only 1 percent of its caseload within 30 days. What happened during those 6 short months? Who was responsible for this shocking disregard for retirees? Forty to 46 percent submission rates are certainly nothing to brag about, but a 1-percent turnabout rate is shameful. These figures are simply unacceptable.

Fixing the current crisis requires urgent management attention. Government agencies must give their retirees the attention and priority they deserve. Retirement processing must be given a higher priority than is now the case. There must be more agency accountability.

With that goal in mind, Senator GRASSLEY and I are introducing legislation which would impose three requirements upon Government agencies: (1) timely and accurate record submissions, (2) retirement counseling, and (3) annual reports. Let me elaborate on each of these points:

1. Timely and accurate record submissions: Agencies would be required to submit the complete employment record of each employee to OPM within 30 days after the employee's departure date. To facilitate this process, the legislation stipulates that agencies be allowed to begin processing a retirement file up to 60 days prior to the employee's retirement date (agencies are currently prohibited from beginning their record processing until the employee's actual date of departure). Moreover, agencies would be required to compile an employee's complete employment record within 120 days of the employee's entrance on duty, thus streamlining the record-keeping at retirement time. Both these management techniques should facilitate agency compliance with the submission requirement of the legislation.

2. Retirement counseling: Each agency will be instructed to conduct retirement counseling seminars for interested employees. At these seminars, counselors would review the retirement process and stress the importance of the employees submitting their documents early. Such counseling should ultimately assist agencies in meeting their deadlines.

3. Reporting: OPM will also be required to prepare quarterly reports on agency compliance for distribution to departmental retirement managers as well as report annually to Congress. Agencies with less than a 90-percent compliance rate will be required to submit a corrective action plan to the agency's inspector general specifying actions to improve performance.

Mr. President, what Senator GRASSLEY and I are proposing are a set of "management tools" by which retirement managers will be held accountable. In the future, when agency heads testify before authorizing and appropriating committees, their retirement processes will be scrutinized. If there is a problem, Congress can help. Agencies would have to demonstrate a need, however, in relationship to other agencies with identical guidelines and similar resources.

OPM assures us that these proposals will work, and we are convinced these proposals will work. We must prevent the hardship situations currently facing too many of our Government

employees. We must make retiring from the Federal Government a good news situation and prevent bureaucratic bungling from contributing to the bad news waiting game. Our public servants deserve it.

Mr. President, I ask unanimous consent that the statistics mentioned earlier be printed in the RECORD.

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

CIVIL SERVICE SEPARATIONS—MARCH 1988 ANALYSIS

[Compiled by the Office of Personnel Management (OPM)]

	0 to 30 days		31 to 60 days		Over 60 days		Agency	September 1987	December 1987	March 1988	In percent
	Number	Percent	Number	Percent	Number	Percent					
Quarterly Analysis—June 1987 to March 1988											
June 1987	5,570	56	3,298	33	1,092	11	Veterans' Administration	82	68	77	1,166
September 1987	4,602	55	2,754	33	1,022	12	Post Office	78	83	81	1,802
December 1987	3,767	56	1,778	26	1,259	18	Air Force	63	75	54	917
March 1988	5,079	45	3,342	29	3,026	26	Army	59	45	40	2,588
							Interior	57	48	34	140
							Air Corps of Engineers	54	36	38	141
							Navy	48	44	30	1,161
							Health & Human Services	46	40	1	564
							Agriculture	39	44	26	427
							Transportation	35	30	29	221
							D.C. Government	13	5	5	164
							Treasury	6	1	2	783
							Justice	1	30	9	102

The "Big 13" agencies represent 93 percent of the records submitted in March 1988. Decreases or increases in submissions

AGENCY RETIREMENT STATISTICS—MARCH 1988

Days	0 to 30		31 to 60		Over 60		Total number of records
	Number	Percent	Number	Percent	Number	Percent	
House of Representatives	10	32	8	26	13	42	31
United States Senate	17	77	5	23	0	0	22
Architect of the Capitol	0	0	0	0	0	0	0
Library of Congress	0	0	12	63	7	37	19
Government Printing Office	3	43	4	57	0	0	7
General Accounting Office	3	60	1	20	1	20	5
Supreme Court	4	80	0	0	1	20	5
Administrative Office/U.S. Court	18	17	22	21	64	62	104
Treasury/White House	0	0	0	0	0	0	0
CIA	0	1	6	15	94	16	427
Department/Agriculture	110	26	149	35	168	39	140
Department/Commerce	0	0	0	0	5	100	5
Department/Interior	47	34	55	39	38	27	102
Department/Justice	9	9	65	64	28	27	103
Department/Labor	14	14	35	34	54	52	1,161
Department/Navy	352	30	429	37	380	33	2,232
U.S. Postal Service/MN	1,802	81	268	12	162	7	1,161
Department/State	4	9	12	28	27	63	43
Department/Treasury	17	2	131	17	635	81	783
Department/Army	1,025	40	1,202	46	361	14	2,588
U.S. Tax Court	0	0	0	0	2	100	2
National Credit Union Administration	0	3	75	1	1	25	4
Federal Communications Commission	0	3	33	6	67	9	9
Federal Reserve Board	0	0	0	0	0	0	0
Federal Trade Commission	0	0	0	1	100	1	1
Interstate Commerce Commission	0	0	0	1	100	1	1
Nuclear Regulatory Commission	5	33	6	40	4	27	15
Smithsonian Institution	0	0	0	0	0	0	0
National Gallery of Art	0	1	50	1	50	2	2
International Trade Commission	0	1	50	1	50	4	4
Veterans' Administration	896	77	253	22	17	1	1,166
ACTION	0	0	0	0	0	0	0
Equal Employment Opportunity Commission	0	7	39	11	61	18	84
General Services Administration	11	14	39	46	40	40	917
National Science Foundation	2	24	1	13	5	63	8
Securities and Exchange Commission	5	33	6	40	4	27	15
Federal Deposit Insurance Corporation	0	0	0	9	100	9	9
Department/Air Force	498	54	266	29	153	17	427
National Endowment/Arts	2	50	0	2	50	4	4
Railroad Retirement Board	2	67	1	33	0	0	3
Consumer Products Safety Commission	1	25	2	50	1	25	4
National Labor Relations Board	2	17	4	33	6	50	12
Tennessee Valley Authority	0	1	50	1	50	2	2
USIA	1	6	6	35	10	59	17
EPA	9	23	17	45	12	32	38
Department/Transportation	63	29	115	52	43	19	221
Overseas Private Investment Corporation	1	100	0	0	0	0	1
Agency/International Development	0	3	23	10	77	13	13
Small Business Administration	0	9	69	4	31	13	13
Department/HHS	6	1	59	10	499	88	564
Farm Credit Administration	0	0	0	3	100	3	3
NASA	16	22	20	29	34	49	70
Federal Home Loan Bank	1	16	4	67	1	17	6
Export-Import	1	50	1	50	0	0	2
U.S. Soldiers and Airmen	1	25	3	75	0	0	4
Department/Housing	16	64	6	24	3	12	25
Department/Energy	24	39	23	38	14	23	61
Selective Service System	0	0	0	3	100	3	3
Federal Mediation and Conciliation Service	1	100	0	0	0	0	1

may be directly attributed to the activities of any one "Big 13" agency or to a combination of these agencies.

"BIG 13" AGENCY PERFORMANCES/RECORDS SUBMITTED WITHIN 30 DAYS

Agency	September 1987	December 1987	March 1988	In percent		March 1988 records
				Number	Percent	
Veterans' Administration	82	68	77	1,166		
Post Office	78	83	81	1,802		
Air Force	63	75	54	917		
Army	59	45	40	2,588		
Interior	57	48	34	140		
Air Corps of Engineers	54	36	38	141		
Navy	48	44	30	1,161		
Health & Human Services	46	40	1	564		
Agriculture	39	44	26	427		
Transportation	35	30	29	221		
D.C. Government	13	5	5	164		
Treasury	6	1	2	783		
Justice	1	30	9	102		

AGENCY RETIREMENT STATISTICS—MARCH 1988—Continued

Days	0 to 30		31 to 60		Over 60		Total number of records
	Number	Percent	Number	Percent	Number	Percent	
Panama Canal Commission	17	77	5	23	0	22	
Army Corps of Engineers	53	38	37	26	51	36	141
D.C. Government	8	5	38	23	118	72	164
Total	5,077	45	3,340	29	3,025	26	11,442

● Mr. GRASSLEY. Mr. President, recently I have received considerable mail from just-retired Federal employees in my State complaining of the delays many of them experience in receiving their first annuity check from the Office of Personnel Management. Some of my constituents complain that they have had to wait up to 6 months before receiving that check.

For the individual who was in the middle or lower grades in the years when they were employed, and that is probably the vast majority of Federal retirees, to go 6 months without an annuity check can be a real hardship. Many of these individuals are not eligible for Social Security. Many have not made enough in their working lives to accumulate the resources to tide them comfortably over a 6-month period until they receive their first annuity check.

And, even if they have accumulated sufficient resources to do so, it is unconscionable for them to have to eat into savings just because the Government takes 6 months to send them their first check. This is equally true, Mr. President, for an individual just retired from a relatively high grade in the civil service.

Therefore, I am happy to join with my colleague Senator HEINZ, in introducing "The Federal Retirement Applications Processing Act of 1988," a bill designed to speed up the completion of the paperwork required to get first annuity checks in the hands of just-retired Federal employees. This bill has been a joint effort from the beginning and represents the hard work of both our staffs, the help of the congressional research service, and technical assistance from the Office of Personnel Management.

When we looked into the causes of the delays experienced by retirees in getting their checks we found that the problem does not lie at the Office of Personnel Management, which has made strenuous efforts to expedite getting retirement pay into the hands of retirees. Rather, the problem lies with the agencies which last employed the retiree.

Let me take a moment to explain. The job of completing an employee's retirement application and getting to that employee the first retirement annuity check is complex and requires actions by both the employing agency and the Office of Personnel Management.

The process begins in the employing agency's personnel office. Upon notification that an employee intends to retire, staff of that office review the individual's service history, documenting all Federal service. They counsel the employee about the relevance of time spent in military service for their Federal annuity and about the possible need to pay a deposit to ensure that that time is credited toward retirement. They document any choices the employee may make with respect to these matters. They verify that survivor benefit election and spousal consent forms are complete. They verify health benefits and life insurance coverages. They compile and certify life insurance documentation. They help the employee complete the retirement application. They process the personnel action to separate the employee for retirement.

When all of this is completed, the retirement package is sent to the agency's payroll office. That office certifies the total amount of the employee's retirement contributions at that agency, documents payment of all military deposit which might be needed, verifies sick leave and annual leave balances, certifies unused sick leave for the annuity computation, certifies the last day of pay, issues the final paycheck, issues a lump sum payment for accrued annual leave, and certifies the payroll office section of the retirement application.

This can be a time-consuming process, Mr. President. The checklist of necessary forms for a civil service retirement case, prepared by the Office of Personnel Management, lists 36 forms which could conceivably be required to complete a retirement application. Obviously, the prospective retiree must do his or her part in completing the paperwork required, and, therefore, employees themselves can be a source of delay. Furthermore, an employee may decide on any given day to retire and not come to work the next day giving the personnel office no advance notice of his or her intention to retire.

In any case, only when all of this is complete is the retirement package sent to the Office of Personnel Management's employee service and records center in Boyers, PA. In Boyers are stored, in an abandoned, underground limestone mine, some 100 million individual employee files. It is said that there are 612 file drawers of Smiths at Boyers. At Boyers, OPM

staff verify the financial data from the retirement packages they have received from the agencies. They assign a claim number to each retirement application. They search OPM files for pay records for prior Federal service. They review all documents to verify entitlement to annuity, health benefits coverage, and life insurance coverage.

They also screen the documentation provided by agencies to identify missing evidence and then prepare written requests for missing documentation. This is a very important part of the process, Mr. President, because if any agency sends to OPM incomplete retirement packages it can be very time consuming to complete the required documentation. And, according to OPM, only 50 to 52 percent of retirement claims it receives are complete. In some cases, it is nevertheless able to authorize interim payment; in some cases, it is not.

When the employing agency has finished its part in preparing the retirement application, it sends the file to the OPM facility in Boyers, PA. Once the Boyers facility gets a retirement application from the employing agencies, it is able to authorize an interim annuity payment of around 80 to 85 percent of the ultimate full benefit due an employee in within 12 to 14 days. It then takes the Treasury Department and the Postal Service 8 to 10 days to get a check into the mailbox of the retiree. Thus, from the time OPM gets the retirement package from the employing agency, it takes from 20 to 24 days for the retiree to get his or her first annuity check. Currently OPM is able to follow this time schedule for 95 percent of retirement cases. But again, this is only after it receives a retirement claim from the agency.

Immediately after the OPM Boyers facility authorizes an interim annuity payment, the case is forwarded to the Washington office of the Office of Personnel Management. There a final benefit determination is made. At this point also, if a retirement claim is incomplete, OPM staff must spend time to complete the required documentation.

Thus, it is apparent that OPM is doing a pretty good job of getting out retirement checks once they have received retirement packages from the agencies. How have the agencies been

about getting those retirement packages to OPM?

The answer is: Not very good. OPM, the Federal Government's personnel officer, thinks the agencies should be able to get an application claim to them within 30 days after the employee's date of separation.

But OPM data show that, over the last year, not more than 56 percent of retirement claims have reached OPM within 30 days after the employees' date of separation from service. In fact, the latest data—for all retirements in the month of March 1988—show that fully 26 percent of the total 9,960 retirement claims were submitted more than 60 days after the employee's separation date. The data cannot show how much longer than 60 days after separation it took the agencies to submit claims to OPM, but in view of the complaints I have received from new retirees, it seems clear that it took much longer than 60 days to submit some of these late claims.

The performance record of the 13 largest agencies, which account for 93 percent of the total records submitted to OPM, reflects this generally dismal performance. For that same month of March the Justice Department forwarded only 9 percent of its retirement claims within 30 days, the Treasury only 2 percent, the D.C. Government only 5 percent, the Department of Health and Human Services only 1 percent, although HHS had achieved 40 and 46 percent in the two preceding data collection periods.

That the job can be done better is evident from the performance of two of the largest agencies, the Post Office, with 800,000 employees, and the Veterans Administration, with 220,000 employees. These two agencies have regularly forwarded 80 percent of their retirement claims to OPM within 30 days.

Mr. President, I don't think there is any excuse for this kind of performance.

The legislation Senator HEINZ and I are introducing would do five things:

First, it would require agencies to update the personnel records of employees to reflect all former Federal employment within 120 days after an employee begins service with an agency. I understand that this should be standard operating procedure in any well-run agency. The problem is that not all of them do it. Then, when an employee begins the retirement process, the agency has to take the time to make sure that the employee's personnel file reflects all former Federal employment. This can delay completion of the retirement claim.

Second, the bill would require agencies to begin processing retirement applications as soon as an individual notifies his or her personnel office of their intention to retire. Although our expectation is that agencies would

begin such processing as soon as notified by the employee of his or her intention to retire, our bill would not require them to do this sooner than 90 days prior to the employee's separation date. Now, many agencies wait until virtually the last minute before beginning to process an employee's retirement claim. In some cases, they may even wait until an employee has actually retired. This enables the agency to have in hand final annual and sick leave time available to the employee when they begin to assemble the retirement claim. But there is no reason why the agency cannot begin as soon as an employee notifies them of his or her intention to retire.

Third, we have required each agency to hold retirement counseling sessions for all interested employees at least twice yearly. These would focus on the steps required before an employee can retire and on some of the typical problems employees can encounter in trying to complete the documents they must provide to the agency before they can retire. As I noted earlier, employees themselves can be a source of delay in completion of their retirement claim. If they are better informed about how the process works and what is expected of them they may do their part more efficiently. This may also help bring about more planful retirement and reduce the number of spur-of-the-moment departures.

Fourth, the bill would require each agency to file corrective action plans with their agency's inspector general in the event that OPM data show the agency failing, in any quarter, to forward at least 90 percent of their retirement claims to OPM, in complete form, and within 30 days of the date the employee separated. The inspector general will provide assistance to the agency so as to achieve a level of 90-percent complete and timely submissions.

Three points need to be emphasized with respect to this latter provision. First, most of the inspectors general have their own statutory authority. They are not beholden to agency heads. They are charged with responsibility for eliminating waste, fraud, abuse, and management inefficiencies. We think that if an agency's inspector general tells the agency's personnel office to shape up, there is a good likelihood that they will shape up.

Second, the retirement claims filed with OPM within 30 days must be complete. One source of delay in the past has been that the agencies forwarded to OPM incomplete records. In some of these cases, OPM may still authorize an interim partial retirement pay. But in all cases, delay will ensue before final retirement pay is determined because OPM has to spend time doing work the agencies should have done correctly in the first place. Our

intention here is to avoid an agency response which emphasizes getting retirement claims to OPM on time but incomplete.

Third, we do not intend that the inspectors general provide low level technical assistance, but rather to help the agency put in place the kind of management systems which will make it possible for them to achieve acceptable results.

The final provision of the bill would require the Office of Personnel Management to report to Congress not later than September 30 of each year on agency compliance with the requirement to submit at least 90 percent of their retirement claims within 30 days and complete. Thus, ultimately the oversight committees of the Congress would be able to see how the process is working and take steps to make it work better should that be necessary.

Mr. President, I think this program, if implemented, would greatly shorten the time it takes Federal retirees to get their first annuity checks, and thus would eliminate much inconvenience and some hardship caused by the way the present system works. ●

By Mr. METZENBAUM:

S. 2470. A bill to promote technology competitiveness and energy conservation in the American steel industry; to the Committee on Energy and Natural Resources.

STEEL TECHNOLOGY COMPETITIVENESS AND ENERGY CONSERVATION ACT

• Mr. METZENBAUM. Mr. President, today I am introducing a bill to help put the American steel industry back on its feet by expanding the Government's commitment to research and development. I am pleased that Senator HEINZ is joining me in this important effort.

Over the past two decades, the American steel industry has suffered through a grave depression. Hundreds of steel works were shut down, hundreds of thousands of workers lost their jobs, and one-fifth of the industry went into bankruptcy.

With nothing but red ink at the bottom line, the domestic steel industry could not afford to invest in R&D. The steel industry's research and development divisions ground to a halt, while their foreign competitors expanded their R&D investment with subsidies from their governments. Consequently, our foreign competitors surged ahead in productivity and quality.

Study after study emphasized that modernization of the domestic steel industry was crucial if it were to compete with foreign producers. President Reagan's own Steel Advisory Committee found that "modernization and increased productivity were essential to

the survival of the American steel industry."

That is precisely what the industry has done.

Despite losses of \$12 billion in the 1980's, American steelmakers invested \$4.3 billion in new equipment between 1982 and 1986. Now, most American steel is continuously cast, creating a higher quality product while using a third less energy.

But when it comes to developing state of the art technology, we are playing catchup to our foreign competitors. We are dependent on Japanese and German technology. America can once again become the world's leading steel maker, only if it takes the lead in technology development.

The American steel industry has done what it can with the resources it has at its disposal. The Federal Government must now demonstrate its commitment to American steel. It is time to forge a stronger Government-private sector partnership to enhance R&D efforts.

In 1986 we took a step in that direction. Congress approved a limited program to provide Federal funding for steelmaking technology research and development through the Department of Energy. This program, known as the steel initiative, teamed the resources of the Department of Energy's national laboratories with the talents of industry and university researchers. But the steel initiative will terminate at the end of this fiscal year.

We need to continue and improve the steel initiative if the American steel industry is to have any hope of retaking the lead in steelmaking technology. The bill I am introducing today will do just that.

This measure authorizes \$10 million in 1989, \$12 million in 1990, and \$15 million for each of the fiscal years 1991 through 1993 to the Department of Energy; and \$3 million for each fiscal year 1989 through 1991 to the National Bureau of Standards to provide the necessary technical support for the steel initiative.

It maintains the requirement that industry provide at least 30 percent of the costs of projects undertaken under the steel initiative. But nonprofit groups would be eligible to receive R&D funding without cost sharing.

This bill also provides the opportunity for the United States to receive a monetary return on its investment. All patent and licensing rights to information generated under the steel initiative would be vested in the Department of Energy. Domestic steelmakers would be required to pay royalty fees for licenses to patented information.

Companies participating in research efforts would receive licenses at a discount. These fees would be deposited in the U.S. Treasury.

Mr. President, a healthy steel industry is vital to our economic and nation-

al security. We cannot assume that foreign steel suppliers will meet our demand in times of crisis. Nor should we ever become dependent on foreign suppliers.

A National Academy of Sciences study found that for every steelworker, there are four other American workers whose jobs rely on a steady supply of steel. The automotive, construction, and basic manufacturing industries could not exist without an American steel industry.

Neither could the defense industry. Ships, tanks, rifles and even the infantryman's canteen are made from steel. Without a first rate steel industry, America cannot be a first rate military power. We cannot afford an ailing American Steel industry.

This bill offers the American steel industry a fighting chance to compete with foreign producers by becoming the most technologically advanced steelmaker in the world. With the help of the steel initiative, American steel can outcompete the competition.

Mr. President, I ask unanimous consent that the full text of the bill be printed at this point in the RECORD.

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

S. 2470

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 "Steel Technology Competitiveness and Energy Conservation Act of 1988".

SEC. 2. FINDINGS.

The Congress finds that—

(1) maintaining a viable steel industry is vital to the national security and economic well being of the United States; and

(2) the promotion of technology competitiveness and energy conservation in the American steel industry by the Federal Government is necessary to maintain a viable steel industry.

SEC. 3. ESTABLISHMENT OF SCIENTIFIC RESEARCH AND DEVELOPMENT PROGRAM TO DEVELOP COMPETITIVE STEEL MANUFACTURING TECHNOLOGIES AND INCREASE ENERGY EFFICIENCY IN THE STEEL INDUSTRY.

(a) **DEVELOPMENT AND PUBLICATION OF RESEARCH AND DEVELOPMENT PLAN.**—Within 90 days after the date of the enactment of this Act, the Secretary of Energy (hereinafter referred to as the "Secretary") shall develop and publish a management plan (hereinafter referred to as the "plan"), to be administered and carried out as a part of the Department's energy conservation programs, for the conduct of the scientific research and development necessary to carry out the purpose of this section. The management plan shall be subject to the following conditions:

(1) The Federal financial obligation shall not exceed 70 percent of the total cost of projects in which there is industry participation.

(2) The Federal contribution may be up to 100 percent of the cost of projects undertaken without industry participation but with the participation of independent laborato-

ries, universities, or non-profit organizations.

(3) In selecting projects, the Secretary of Energy shall give priority to projects which include cost-sharing or matching grants from State industrial development sources, industrial, and other non-Federal sources.

(4) National laboratories are not required to be involved in every research project.

(5) All proprietary rights of the American steel industry shall be protected as provided in section 4.

(b) **PRIORITIES.**—In the conduct of research and development activities under the plan, priority shall be given to projects primarily involving—

(1) the direct production of liquid steel from domestic materials;

(2) the production of near-net shape forms from liquid, powder, or solid steel;

(3) the development of universal grades of steel;

(4) the application of automatic processing technology;

(5) the removal of residual elements from steel scrap; and

(6) the treatment and storage of waste materials and other by products from steel production and processing.

SEC. 4. PROTECTION OF PROPRIETARY RIGHTS.

(a) **PROPRIETARY RIGHTS.**—Notwithstanding any provision to the contrary in subchapter II of chapter 5 of title 5, United States Code and except as provided in subsection (d), no trade secrets of the American steel industry or commercial or financial information furnished by representatives of such industry on a privileged or confidential basis shall be disclosed in the conduct of the plan or as a result of activities under the plan.

(b) **PATENT RIGHTS VESTED IN UNITED STATES.**—(1) All patent rights from inventions developed under the plan implemented pursuant to this Act shall be vested in the Department of Energy. The knowledge resulting for the research and development activities conducted under the plan shall be used to the benefit of the domestic steel industry.

(2) For purposes of this section, the term "domestic steel companies" means companies which are substantially involved in the United States domestic production of steel and have a substantial percentage of their operations located within the United States.

(c) **PATENT LICENSING.**—(1) Domestic companies which are not research participants under this Act may receive licenses from the Department of Energy to the information and patents generated under the plan. Licensees under this section shall not have the right to sublicense except as necessary for the sale of products or equipment. The Department of Energy shall charge a reasonable fee for such licenses. Royalty fees paid under this section shall be equitably distributed among the direct cost-sharing participants and the United States.

(2) Patents developed under the plan shall be licensed to participants at a discount in accordance with the percent contribution of the participant to the activity generating the patent.

(d) **EXCEPTION.**—The Secretary may exempt for five years any information which he determines would be harmful to the American steel industry if made public, generated as part of the steel initiative at Government laboratories or with Federal funding, from subchapter II of chapter 5 of title 5, United States Code.

SEC. 5. COORDINATION WITHIN DEPARTMENT OF ENERGY.

The Secretary shall coordinate the research and development conducted under the plan with other research and development being conducted by the Department of Energy, in order to increase efficiency and avoid duplication of effort.

SEC. 6. EXPANDED STEEL RESEARCH PROGRAM IN NATIONAL BUREAU OF STANDARDS.

The National Bureau of Standards, through its Institute for Materials Science and Engineering and in coordination with the Department of Energy, shall conduct an expanded program of steel research to provide necessary measurement, sensor, and other research in support of activities conducted under the plan.

SEC. 7. REPORTS.

The Secretary, in consultation with the Director of the National Bureau of Standards, shall prepare and submit annually to the President and the Congress (at the close of each fiscal year) a complete report of the research and development activities carried out under the plan during the fiscal year involved, including the actual and anticipated obligation of funds, for such activities, together with such recommendations as the Secretary may consider appropriate for further legislative, administrative, and other actions (including actions by the American steel industry) which should be taken in order to achieve the purpose of this section. The report submitted at the close of the fiscal year 1993 shall also contain a complete summary of activities under the plan from the first year of its operation, along with an analysis of the extent to which it has succeeded in accomplishing the purpose of this Act.

SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

(a) To the SECRETARY.—There are authorized to be appropriated to the Secretary, to carry out the functions of the Department of Energy under this Act, the sum of \$10,000,000 for the fiscal year 1989, \$12,000,000 for the fiscal year 1990, and \$15,000,000 for each of the fiscal years 1991, 1992, 1993.

(b) To the BUREAU.—There are authorized to be appropriated to the Director of the National Bureau of Standards, to carry out the functions of the Bureau under this Act, the sum of \$3,000,000 for each of the fiscal years 1989, 1990, 1991, 1992, 1993.

SEC. 9. EFFECTIVE DATE.

(a) IN GENERAL.—Subject to subsection (b), this Act shall take effect at the start of the fiscal year 1989.

(b) TERMINATION.—This Act and all authority under this Act shall cease to be effective at the close of the fiscal year 1993. ●

ADDITIONAL COSPONSORS

S. 376

At the request of Mr. ROTH, the name of the Senator from Idaho [Mr. SYMMS] was added as a cosponsor of S. 376, a bill to amend the Tax Reform Act of 1986 to restore the full deductibility of IRA contributions.

S. 714

At the request of Mr. SPECTER, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 714, a bill to recognize the organization known as the Montford Point Marine Association, Inc.

S. 1081

At the request of Mr. BINGAMAN, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 1081, a bill to establish a coordinated National Nutrition Monitoring and Related Research Program, and a comprehensive plan for the assessment of the nutritional and dietary status of the U.S. population and the nutritional quality of the U.S. food supply, with provision for the conduct of scientific research and development in support of such program and plan.

S. 1288

At the request of Mr. GARN, the names of the Senator from Ohio [Mr. GLENN] and the Senator from Mississippi [Mr. STENNIS] were added as cosponsors of S. 1288, a bill to designate July 20 of each year as "Space Exploration Day."

S. 1340

At the request of Mr. ROTH, his name was added as a cosponsor of S. 1340, a bill to provide for computing the amount of the deductions allowed to rural mail carriers for use of their automobiles.

S. 1817

At the request of Mr. KENNEDY, the names of the Senator from Montana [Mr. BAUCUS] and the Senator from Louisiana [Mr. JOHNSTON] were added as cosponsors of S. 1817, a bill to amend the Internal Revenue Code of 1986 to provide that gross income of an individual shall not include income from U.S. savings bonds which are transferred to an educational institution as payment for tuition and fees.

S. 1843

At the request of Mr. ROTH, the names of the Senator from Idaho [Mr. SYMMS] and the Senator from Illinois [Mr. SIMON] were added as cosponsors of S. 1843, a bill to provide for equality of State taxation of domestic and foreign corporations.

S. 1929

At the request of Mr. BUMPERS, the name of the Senator from Georgia [Mr. FOWLER] was added as a cosponsor of S. 1929, a bill to amend the Small Business Investment Act to establish a corporation for small business investment, and for other purposes.

S. 2042

At the request of Mr. DURENBERGER, the name of the Senator from Texas [Mr. BENTSEN] was added as a cosponsor of S. 2042, a bill to authorize the Vietnam Women's Memorial Project, Inc., to construct a statue at the Vietnam Veterans Memorial in honor and recognition of the women of the United States who served in the Vietnam conflict.

S. 2123

At the request of Mr. KENNEDY, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as a co-

sponsor of S. 2123, a bill to provide hunger relief, and for other purposes.

S. 2174

At the request of Mr. BURDICK, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of S. 2174, a bill to amend the Department of Transportation Act so as to reauthorize local rail service assistance.

S. 2188

At the request of Mr. PRYOR, the name of the Senator from Kentucky [Mr. FORD] was added as a cosponsor of S. 2188, a bill to amend section 307 of the Federal Employees' Retirement System Act of 1986.

S. 2195

At the request of Mr. HARKIN, the name of the Senator from Minnesota [Mr. BOSCHWITZ] was added as a cosponsor of S. 2195, a bill to authorize the Rail Service Assistance Program under the Department of Transportation Act through fiscal year 1991.

S. 2240

At the request of Mr. JOHNSTON, the names of the Senator from Wyoming [Mr. SIMPSON] and the Senator from Arizona [Mr. McCAIN] were added as cosponsors of S. 2240, a bill to amend the act to reauthorize the State Mining and Mineral Resources Research Institute Program, and for other purposes.

S. 2413

At the request of Mr. CONRAD, the name of the Senator from Missouri [Mr. BOND] was added as a cosponsor of S. 2413, a bill to establish regional centers for the commercial development of new industrial farm and forest products, and for other purposes.

S. 2430

At the request of Mr. KASTEN, the names of the Senator from Idaho [Mr. SYMMS] and the Senator from Colorado [Mr. ARMSTRONG] were added as cosponsors of S. 2430, a bill to amend the Internal Revenue Code of 1986 to provide tax incentives, to authorize the negotiation of a North American free-trade area, and for other purposes.

S. 2449

At the request of Mr. PRYOR, the names of the Senator from New York [Mr. D'AMATO], the Senator from Nevada [Mr. HECHT], the Senator from Nebraska [Mr. KARNES], the Senator from Alabama [Mr. SHELBY], the Senator from Kentucky [Mr. FORD], and the Senator from Pennsylvania [Mr. HEINZ] were added as cosponsors of S. 2449, a bill to amend title 39, United States Code, with respect to the budgetary treatment of the Postal Service, and for other purposes.

Mr. PRYOR. Mr. President, as a result of a clerical mistake on Friday, May 27, Senators D'AMATO, HECHT, and KARNES were not included as original cosponsors of S. 2449, legislation I introduced to remove the U.S. Postal

Service from the unified Federal budget. I want it made clear for the RECORD, that these distinguished colleagues were "on board" from the first on this legislation.

I thank the Senators involved for their cosponsorship of this legislation and for their understanding. I look forward to working with them and with other Senators to ensure that the Postal Service is able to maintain the universal postal system and to deliver the mail without fear of arbitrary cutbacks associated with general deficit reduction actions.

S. 2455

At the request of Mr. D'AMATO, the names of the Senator from Nevada [Mr. HECHT], the Senator from Virginia [Mr. TRIBBLE], the Senator from Nebraska [Mr. KARNES], and the Senator from Idaho [Mr. McCCLURE] were added as cosponsors of S. 2455, a bill entitled "Death Penalty in Case of Drug Related Killings."

SENATE JOINT RESOLUTION 141

At the request of Mr. NICKLES, the names of the Senator from Louisiana [Mr. JOHNSTON], the Senator from New Mexico [Mr. DOMENICI], the Senator from Utah [Mr. HATCH], the Senator from Idaho [Mr. McCCLURE], the Senator from Idaho [Mr. SYMMS], the Senator from Nebraska [Mr. KARNES], the Senator from North Carolina [Mr. SANFORD], the Senator from Washington [Mr. ADAMS], the Senator from Arkansas [Mr. BUMPERS], the Senator from North Dakota [Mr. BURDICK], the Senator from Florida [Mr. CHILES], and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of Senate Joint Resolution 141, a joint resolution designating August 29, 1988, as "National China-Burma-India Veterans Appreciation Day."

SENATE JOINT RESOLUTION 180

At the request of Mr. PRESSLER, the names of the Senator from Florida [Mr. CHILES] and the Senator from Georgia [Mr. FOWLER] were added as cosponsors of Senate Joint Resolution 180, a joint resolution designating the honeybee as the national insect.

SENATE JOINT RESOLUTION 248

At the request of Mr. QUAYLE, the names of the Senator from Maine [Mr. MITCHELL], the Senator from Nebraska [Mr. KARNES], and the Senator from Washington [Mr. ADAMS] were added as cosponsors of Senate Joint Resolution 248, a joint resolution to designate the week of October 2, 1988, through October 8, 1988, as "Mental Illness Awareness Week."

SENATE JOINT RESOLUTION 261

At the request of Mr. PRESSLER, the name of the Senator from Virginia [Mr. TRIBBLE] was added as a cosponsor of Senate Joint Resolution 261, a joint resolution designating the month of November 1988 as "National Alzheimer's Disease Month."

SENATE JOINT RESOLUTION 271

At the request of Mr. QUAYLE, the names of the Senator from North Carolina [Mr. HELMS], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Georgia [Mr. NUNN], and the Senator from Maine [Mr. MITCHELL] were added as cosponsors of Senate Joint Resolution 271, a joint resolution to designate August 20, 1988, as "Drum and Bugle Corps Recognition Day."

SENATE JOINT RESOLUTION 272

At the request of Mr. DURENBERGER, the names of the Senator from Kansas [Mrs. KASSEBAUM], the Senator from New York [Mr. MOYNIHAN], the Senator from Indiana [Mr. QUAYLE], the Senator from Louisiana [Mr. BREAUX], the Senator from Connecticut [Mr. WEICKER], the Senator from Michigan [Mr. LEVIN], the Senator from Idaho [Mr. McCCLURE], the Senator from Colorado [Mr. ARMSTRONG], the Senator from Nevada [Mr. HECHT], the Senator from Nebraska [Mr. KARNES], the Senator from Idaho [Mr. SYMMS], and the Senator from Maine [Mr. MITCHELL] were added as cosponsors of Senate Joint Resolution 272, a bill to designate November 1988, as "National Diabetes Month."

SENATE JOINT RESOLUTION 273

At the request of Mr. LUGAR, the names of the Senator from Florida [Mr. CHILES] and the Senator from Pennsylvania [Mr. HEINZ] were added as cosponsors of Senate Joint Resolution 273, a joint resolution designating October 6, 1988, as "German-American Day."

SENATE JOINT RESOLUTION 275

At the request of Mr. WEICKER, the names of the Senator from Alabama [Mr. SHELBY], the Senator from Kentucky [Mr. FORD], and the Senator from Maine [Mr. MITCHELL] were added as cosponsors of Senate Joint Resolution 275, a joint resolution to designate August 1-8, 1988, as "National Harness Horse Week."

SENATE JOINT RESOLUTION 291

At the request of Mr. COCHRAN, the names of the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Utah [Mr. HATCH], the Senator from Texas [Mr. BENTSEN], the Senator from Missouri [Mr. BOND], the Senator from Kansas [Mrs. KASSEBAUM], and the Senator from Arkansas [Mr. PRYOR] were added as cosponsors of Senate Joint Resolution 291, a joint resolution to designate the Month of September 1988 as "National Sewing Month."

SENATE JOINT RESOLUTION 294

At the request of Mr. TRIBBLE, the names of the Senator from Alaska [Mr. STEVENS], the Senator from North Carolina [Mr. HELMS], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Colorado [Mr. WIRTH], the Senator from Utah [Mr. GARN], the Senator from Louisiana

[Mr. BREAUX], the Senator from New York [Mr. MOYNIHAN], the Senator from Alabama [Mr. SHELBY], the Senator from Massachusetts [Mr. KERRY], the Senator from Vermont [Mr. STAFFORD], the Senator from Hawaii [Mr. INOUE], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Nebraska [Mr. KARNES], the Senator from Idaho [Mr. McCCLURE], and the Senator from Washington [Mr. ADAMS] were added as cosponsors of Senate Joint Resolution 294, a joint resolution designating August 9, 1988, as "National Neighborhood Crime Watch Day."

SENATE JOINT RESOLUTION 295

At the request of Mr. DECONCINI, the names of the Senator from Maine [Mr. MITCHELL], the Senator from Massachusetts [Mr. KERRY], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Arkansas [Mr. PRYOR], the Senator from Mississippi [Mr. STENNIS], and the Senator from Texas [Mr. BENTSEN] were added as cosponsors of Senate Joint Resolution 295, a joint resolution to provide for the designation of September 15, 1988, as "National D.A.R.E. Day."

SENATE JOINT RESOLUTION 296

At the request of Mr. SHELBY, the names of the Senator from Indiana [Mr. LUGAR] and the Senator from Georgia [Mr. NUNN] were added as cosponsors of Senate Joint Resolution 296, a joint resolution designating April 1989 as "National Outdoor Power Equipment Safety Month."

SENATE JOINT RESOLUTION 312

At the request of Mr. D'AMATO, the names of the Senator from Illinois [Mr. SIMON], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Nebraska [Mr. KARNES], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from North Carolina [Mr. SANFORD], the Senator from Idaho [Mr. SYMMS], the Senator from Michigan [Mr. RIEGLE], and the Senator from Hawaii [Mr. MATSUNAGA] were added as cosponsors of Senate Joint Resolution 312, a joint resolution designating the week beginning September 18, 1988, as "Emergency Medical Services Week."

SENATE JOINT RESOLUTION 314

At the request of Mr. BOSCHWITZ, the names of the Senator from Arkansas [Mr. PRYOR], the Senator from Nebraska [Mr. EXON], the Senator from Michigan [Mr. LEVIN], the Senator from Kansas [Mr. DOLE], the Senator from Texas [Mr. BENTSEN], the Senator from North Dakota [Mr. CONRAD], the Senator from Alabama [Mr. SHELBY], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Indiana [Mr. LUGAR], the Senator from North Dakota [Mr. BURDICK], the Senator from Nevada [Mr. REID], the Senator from Missouri [Mr. BOND], the

Senator from California [Mr. WILSON], the Senator from Louisiana [Mr. JOHNSTON], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Arizona [Mr. DeCONCINI], the Senator from Florida [Mr. CHILES], the Senator from South Carolina [Mr. THURMOND], the Senator from New York [Mr. D'AMATO], the Senator from Michigan [Mr. RIEGLE], and the Senator from Mississippi [Mr. STENNIS] were added as cosponsors of Senate Joint Resolution 314, a joint resolution designating October 1988 as "Pregnancy and Infant Loss Awareness Month."

SENATE JOINT RESOLUTION 315

At the request of Mr. DeCONCINI, the names of the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Oklahoma [Mr. NICKLES], the Senator from California [Mr. CRANSTON], and the Senator from Louisiana [Mr. JOHNSTON] were added as cosponsors of Senate Joint Resolution 315, a joint resolution designating 1989 as, "Year of the Young Reader."

SENATE JOINT RESOLUTION 318

At the request of Mr. ARMSTRONG, the names of the Senator from Michigan [Mr. LEVIN], the Senator from Rhode Island [Mr. CHAFFEE], the Senator from Nebraska [Mr. KARNES], the Senator from Arizona [Mr. McCAIN], the Senator from Nebraska [Mr. EXON], the Senator from South Dakota [Mr. PRESSLER], the Senator from Alabama [Mr. SHELBY], the Senator from New Jersey [Mr. BRADLEY], the Senator from Arkansas [Mr. BUMPERS], the Senator from North Dakota [Mr. CONRAD], the Senator from Virginia [Mr. WARNER], the Senator from Massachusetts [Mr. KERRY], the Senator from Louisiana [Mr. JOHNSTON], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Colorado [Mr. WIRTH], the Senator from Florida [Mr. CHILES], the Senator from New Hampshire [Mr. HUMPHREY], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Oklahoma [Mr. NICKLES], the Senator from New Mexico [Mr. DOMENICI], the Senator from New Hampshire [Mr. RUDMAN], and the Senator from Kansas [Mrs. KASSEBAUM] were added as cosponsors of Senate Joint Resolution 318, a joint resolution to designate the week of July 25-31, 1988, as the "National Week of Recognition and Remembrance for Those Who Served in the Korean War."

SENATE JOINT RESOLUTION 319

At the request of Mr. LEAHY, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of Senate Joint Resolution 319, a joint resolution to designate the period commencing November 6, 1988, and ending November 12, 1988, as "National Disabled Americans Week."

SENATE JOINT RESOLUTION 322

At the request of Mr. SHELBY, the name of the Senator from Texas [Mr. BENTSEN] was added as a cosponsor of Senate Joint Resolution 322, a joint resolution to designate the week of September 23-30, 1988, as "National American Indian Heritage Week."

SENATE JOINT RESOLUTION 331

At the request of Mr. SHELBY, the names of the Senator from Michigan [Mr. LEVIN], the Senator from Virginia [Mr. WARNER], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Nevada [Mr. REID], the Senator from Texas [Mr. BENTSEN], the Senator from Kentucky [Mr. McCONNELL], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of Senate Joint Resolution 331, a joint resolution to designate the week of June 19-25, 1988, as the "National Recognition of the Accomplishments of Women in the Workforce Week."

SENATE JOINT RESOLUTION 332

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of Senate Joint Resolution 332, a joint resolution to designate the period commencing December 11, 1988, and ending December 17, 1988, as "National Drunk and Drugged Driving Awareness Week."

SENATE CONCURRENT RESOLUTION 103

At the request of Mr. DeCONCINI, the names of the Senator from Massachusetts [Mr. KENNEDY], the Senator from Vermont [Mr. STAFFORD], and the Senator from Minnesota [Mr. DURENBERGER] were added as cosponsors of Senate Concurrent Resolution 103, a concurrent resolution expressing the sense of the Congress that the President should award the Presidential Medal of Freedom to Charles E. Thornton, Lee Shapiro, and Jim Lindelof, citizens of the United States who were killed in Afghanistan.

SENATE CONCURRENT RESOLUTION 107

At the request of Mr. LAUTENBERG, the name of the Senator from Georgia [Mr. FOWLER] was added as a cosponsor of Senate Concurrent Resolution 107, a concurrent resolution calling for a consolidated investigation into the operation of Texas Air Corp. and Eastern Air Lines.

SENATE CONCURRENT RESOLUTION 112

At the request of Mr. BAUCUS, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of Senate Concurrent Resolution 112, a concurrent resolution expressing the intent of Congress regarding certain provisions of Public Laws 100-202 and 100-223.

SENATE RESOLUTION 389

At the request of Mr. LAUTENBERG, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of Senate Resolution 389, a resolution to express the sense of the Senate regarding future fund-

ing of the Construction Grants Program of the Clean Water Act.

SENATE RESOLUTION 426

At the request of Mr. BAUCUS, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of Senate Resolution 426, a resolution expressing the sense of the Senate that the seven major industrial nations of the world must take immediate action to protect the Earth's stratospheric ozone layer.

SENATE RESOLUTION 432

At the request of Mr. MOYNIHAN, the names of the Senator from Pennsylvania [Mr. HEINZ], the Senator from North Dakota [Mr. BURDICK], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Hawaii [Mr. INOUYE], the Senator from Vermont [Mr. STAFFORD], the Senator from Arkansas [Mr. BUMPERS], the Senator from Rhode Island [Mr. PELL], the Senator from Mississippi [Mr. STENNIS], and the Senator from Connecticut [Mr. WEICKER] were added as cosponsors of Senate Resolution 432, a resolution to honor Eugene O'Neill for this priceless contribution to the canon of American literature in this the hundredth anniversary year of his birth.

AMENDMENTS SUBMITTED

SEWALL-BELMONT HOUSE
NATIONAL HISTORIC SITEJOHNSTON AMENDMENT NO.
2336

Mr. BYRD (for Mr. JOHNSTON) proposed an amendment to the bill (H.R. 2203) to increase the amount authorized to be appropriated with respect to the Sewall-Belmont House National Historic Site; as follows:

At the end of the Act, add the following new sections as follows:

"SEC. . . EXPANSION OF THE DELTA REGION PRESERVATION COMMISSION."

Section 907(a) of Public Law 95-625, as amended, is further amended as follows:

(1) In clause (6), strike "region; and" and insert "region;".

(2) In clause (7), strike "Arts." and insert "Arts; and".

(3) Add the following new clause:

"(8) one member who shall have experience as a folklorist and who is familiar with the cultures of the Mississippi Delta Region appointed by the Secretary of the Smithsonian Institution."

"SEC. . . (a) There is authorized to be appropriated to the Secretary of the Interior such sums as are necessary for construction of the Saipan harbor project in the Northern Mariana Islands, in accordance with the May 1987 draft feasibility report of the Honolulu District Engineer.

"(b) There is authorized to be appropriated such sums as are necessary for project planning, design and construction for replacement of the main breakwater and for

necessary dredging of the San Jose harbor on the Island of Tinian in the Northern Mariana Islands. The cost-sharing provisions of Public Law 99-662 shall apply to the project, and particular consideration shall be given to possible defense uses of the harbor in determining the benefits of this project."

NOTICES OF HEARINGS

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

Mr. BUMPERS. Mr. President, I would like to announce for the public that an additional measure has been added to the June 16 hearing before the Subcommittee on Public Lands, National Parks and Forests.

In addition to the measures listed in the original hearing announcement, the subcommittee will also receive testimony on H.R. 1975, a bill to protect caves resources on Federal lands and for other purposes.

SUBCOMMITTEE ON RURAL ECONOMY AND FAMILY FARMING

Mr. BUMPERS. Mr. President, I would like to announce that the Small Business Subcommittee on Rural Economy and Family Farming will hold a hearing on Wednesday, June 29, 1988, to identify prospects for economic development in rural America. The hearing will be held in room 428A of the Russell Senate Office Building and will commence at 9:30 a.m. For further information, please call Chuck Culver of the committee staff at 224-5175, or Tamara McCANN of Senator BAUCUS' office at 224-2651.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. CHILES. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Monday, June 6, at 2 p.m., for hearings on the subject AIDS: Health care services.

The PRESIDING OFFICER. Without objection, it is ordered.

SUBCOMMITTEE ON AGRICULTURAL RESEARCH AND GENERAL LEGISLATION

Mr. CHILES. Mr. President, I ask unanimous consent that the Subcommittee on Agricultural Research, and General Legislation of the Committee on Agriculture, Nutrition, and Forestry, be authorized to meet during the session of the Senate on Monday, June 6, 1988 at 2:30 p.m. to hold a hearing on S. 2413, the Agricultural Research Commercialization Act of 1988.

The PRESIDING OFFICER. Without objection, it is ordered.

ADDITIONAL STATEMENTS

THE MONTPELIER FOOD POLICY PROJECT BY THE MAIN STREET MIDDLE SCHOOL

● **Mr. LEAHY.** Mr. President, Kristin Committo, a sixth grade student from Montpelier, came into my Vermont office this week to give me a booklet entitled "The Montpelier Food Policy—A Project by the Sixth Grade Class of the Main Street Middle School, Montpelier, VT, 1988." She was proud of the project that her class had just completed. And after reading the booklet, I was proud, too.

The sixth graders of the Main Street Middle School tackled a job that I have been working on for years in the Senate Agriculture Committee—hunger and malnutrition. They recognized that hunger is not just a problem in Third World countries but that it also hits Montpelier, VT. They not only recognized the problem, but decided to do something about it.

They divided the six grade classes into committees: needs, education and promotion, food enterprise, land mapping, and action. These committees formulated game plans to raise public awareness of hunger in Montpelier and to call attention to the insufficiency of Federal, State, and local assistance to hungry families.

Nutrition education can help people understand proper nutrition, while classes in gardening can help Vermonters grow their own nutritious foods to help meet their needs. Food enterprise can establish projects that make money and create jobs for Vermonters through plant sales, bottle drives, community canning or freezing plants, farmers markets, and so forth. The money can be donated to the Montpelier Food Pantry and the Vermont Food Bank and can help establish community garden plots and publish pamphlets on hunger.

Land mapping could help convert open land in Montpelier to land used for planting and growing food.

Mr. President, I will ask that the introduction to the booklet be printed in the RECORD following my remarks.

The six graders at the Main Street Middle School not only see that hunger is a real problem but have taken action to help alleviate it. They are now talking with the mayor, the planning commission, and the city council in order to make their Montpelier Food Policy an alternative for the future.

I am proud of these students and I hope that their project becomes a reality.

I ask that the introduction to the booklet be printed in the RECORD.

The introduction follows:

THE MONTPELIER FOOD POLICY—A PROJECT BY THE SIXTH GRADE CLASS OF THE MAIN STREET MIDDLE SCHOOL, MONTPELIER, VT, 1988

INTRODUCTION

The sixth graders of Main Street Middle School were upset when we discovered, by visiting the food pantry, how much malnutrition there is in our community.

Many middle and working poor class families need Emergency Food to get by. There are several (high expenses) that need to get paid each month such as mortgage, rent, electric, and utility bills, and, if these bills are not paid, serious consequences like eviction may occur. However, there is one bill that may be cut back—food.

By the end of a month, Food Stamps, which supplement every meal and help many families make ends meet, run out. People who are faced with this problem every month need to find another way to get food, and many resort to the Montpelier Emergency Food Pantry, thus the pantry is used heavily and often runs short of food to distribute.

We wanted to help find the solution to this problem, and we started by writing letters and developing this policy, because we want more control over our food (how it is grown the use of herbicides, pesticides and fungicides, etc.) and we would like to help the hunger situation. We don't have any solution for this problem, but we have opened the gateway to the answer.

CHILDREN SPEAKING OUT

Many people say we are just children and we should wait until we are older to create anything like this.

However, we are the next generation. It's our own future, and if we analyze the malnutrition problem now, we'll have the answer well under way soon.●

THE 22D ANNUAL FLAG DAY PARADE

● **Mr. D'AMATO.** Mr. President, on the 14th of this month the citizens of Sunnyside, NY, will hold their 22d Annual Flag Day Parade. I rise today to commemorate this occasion and to pay tribute to the American flag.

Each year Americans reaffirm their respect and admiration for the ideals and principles represented by the Stars and Stripes, and to remember all those who have died in the struggle for liberty. By flying the flag over their homes, businesses, and schools, and by holding parades and other special events, Americans everywhere underscore the significance and history of the American flag.

Flag Day was first celebrated in 1877 to recognize the 100th anniversary of the adoption by the Continental Congress of the Stars and Stripes as the official flag of the United States. And, 1897 marks the first date New York State officially observed Flag Day.

This tradition has since been successfully continued. Each year the President signs a proclamation designating the 14th of June as Flag Day. Also, not long ago, the 99th Congress declared 1986 as "The Year of the Flag."

Mr. President, by encouraging community efforts to continue this fine tradition, Congress lends important support to an annual event that does not enjoy official national holiday status. I am pleased today to commend the folks of Sunnyside and to honor Old Glory.●

SEVENTH ANNUAL MEETING OF THE SMALL BUSINESS COMMITTEE'S NATIONAL ADVISORY COUNCIL

● **MR. BUMPERS.** Mr. President, on Wednesday and Thursday, May 25 and 26, 1988, the national advisory council to the Senate Committee on Small Business held its seventh annual meeting in Washington, DC, and unanimously passed 18 resolutions urging Congress and the President to take action on several pressing issues facing small business and the economy today.

The council, composed of 24 small business persons from around the country, provides the committee with grassroots insight into the problems and concerns of our Nation's small businesses. Established in 1981, the council is the only officially recognized advisory body in the Senate. Members come to Washington at their own expense to meet with committee members and discuss small business issues from their perspective as active, working members of the small business community.

On May 25, the first day of the meeting, the council had the opportunity to meet with Alan Greenspan, Chairman of the Federal Reserve Board, and with Dr. Robert Ortner, Commerce Department's Under Secretary for Economic Affairs. On the following day, the council held its formal working session with members of the committee and finalized and voted on its resolutions.

The agreed upon measures call for the President and Congress to take action on the budget deficit, on the issue of mandated benefits, increased Federal procurement for small business, on General and product liability reform, and on passage of the Prompt Payment Act Amendments of 1988 by the House of Representatives.

I especially want to call to the Senate's attention the council's resolution concerning the Federal deficit. This is the same resolution which was enacted 2 years ago, and the urgency of deficit reduction remains. I would like to quote from the resolving clause of the resolution, which demonstrates the thoughtfulness of members of the council:

Now, therefore, be it resolved that the National Advisory Council to the Senate Committee on Small Business calls upon the President and the Congress of the United States to take immediate action to address this budget crisis. In the consideration of specific actions no areas should be exempt, including tax increases, as well as substan-

tial reductions in defense spending, entitlement programs, including Social Security, and other domestic discretionary programs.

Mr. President, I commend the advisory council for the valuable contribution it has made not only to the Small Business Committee but the entire Senate. They have presented us with a number of issues which deserve our attention, and I urge my fellow colleagues to review these resolutions, as they are an important indicator of the thoughts and concerns of this country's 14 million small business owners and operators.

Mr. President, I ask that the full text of the 18 resolutions and a list of the council members who attended the meeting be printed in the RECORD, following this statement.

The material follows:

NATIONAL ADVISORY COUNCIL PARTICIPANTS 1988

Thelma Stevenson Ablan, Chicago, Illinois.
Asta Ball, Newington, Connecticut.
Herb R. Bowden, Sioux Falls, South Dakota.
Marcia Bystrom, Bloomington, Minnesota.
Daniel Dennis, Boston, Massachusetts.
Tim Fine, San Francisco, California.
Walter Floss, East Amherst, New York.
Bruce Hopewell, New York, New York.
Ray Lansing, Cheyenne, Wyoming.
Michael Lefkiades, Bay City, Michigan.
Judy McCoy, Dubuque, Iowa.
Frederic E. Mohs, Madison, Wisconsin.
Laverne Morrow, St. Louis, Missouri.
Shaw Mudge, Stamford, Connecticut.
Frederica Saxon, Cockeysville, Maryland.
Edward Smith, Pine Bluff, Arkansas.
Gwen Weihe, Norfolk, Nebraska.
Anthony Wilkinson, Stillwater, Oklahoma.
Robert Wiita, Concord, New Hampshire.

RESOLUTION OF THE NATIONAL ADVISORY COUNCIL ON MANDATED BENEFITS

Whereas, Congress has become more intrigued in introducing and pursuing non-competitive, costly, and prohibitive business legislation in the forms of mandated benefits and/or policies which are required as part of doing business, such as family and medical leave, right-to-know legislation, expanded medical insurance, equal opportunity legislation, advance notice of plant closings, and such proposals would put a sizeable burden on small businesses which cannot comply easily; and

Whereas, left on their own, the majority of small business employers will handle these matters in a sensible way, so as to meet the needs of both their business and their employees, and are free to make basic business decisions or select compensation packages appropriate for their employees, based on their type of business and region. Further, much of this legislation, which is specifically designed to reduce individual economic responsibility of the employee, is simply transferred to the shoulders of the small business person.

These artificial costs of doing business tend to make many small businesses non-competitive. Further, these fixed costs greatly interfere with the supply-and-demand equation and present an obstacle to operating a business as a free enterprise establishment.

These costs not only affect business but jeopardize the jobs of the people that they are designed to protect by (a) greatly reducing entry-level jobs and (b) increasingly causing many small business people to become reluctant to hire people on a full-time permanent basis.

Whereas, there is a trend of Congress intervening more and more into these areas of restrictive legislation; and

Whereas, it has been shown clearly over the years that the most efficient mechanism with which to distribute goods and services to our economy is through open-market, supply-and-demand mechanism: Now, therefore, be it

Resolved, That the National Advisory Council to the Senate Committee on Small Business urge the Committee to oppose mandated benefits for small business and to work to find ways for small business to better afford employee benefits under the free enterprise system: Therefore, be it further

Resolved, That a working group of the Council be appointed to study pending legislative proposals on mandated employee benefits and this group report to the Council not later than December 31, 1988, its recommendations and proposals for modification or amendments to these legislative proposals which will lessen the impact on small business of any new benefits which might be enacted.

RESOLUTION OF THE NATIONAL ADVISORY COUNCIL ON THE RECOMMENDATIONS ON THE 1986 WHITE HOUSE CONFERENCE ON SMALL BUSINESS

Whereas, almost two years ago, 1,823 small business owners attended the 1986 White House Conference on Small Business, by invitation of the President and Congress, and at their own expense; and

Whereas, during the five-day conference, these delegates prioritized the issues which hinder their ability to operate in a competitive manner and can be corrected by proper legislation in Congress; and

Whereas, the issues affecting small business should be of interest to Congress and the President, and should be acted on in a timely manner, in that:

1. 99 percent of all non-farm businesses are considered to be small businesses by SBA standards;

2. small Businesses employ 53 percent of the private work force, contribute 42 percent of all sales, and are responsible for 38 percent of the Gross National Product;

3. small businesses produced 4.39 million new jobs between 1980 and 1984, over 3½ times that of big businesses;

4. small businesses produce 2½ times as many innovations as big businesses relative to the number of persons employed;

Whereas, of the 60 final recommendations listed in order of priority, relatively few have been addressed appropriately. Further, there are many bills under consideration in the Congress which are totally contrary to the recommendations' intent; and

Whereas, millions of Small Business owners are beginning to believe that the costly efforts of the 1986 White House Conference on Small Business were merely a ploy to lull Small Business back into a sense of complacency: Now, therefore, be it

Resolved, That the National Advisory Council to the Senate Committee on Small Business calls upon the Congress and the President to:

1. Evaluate all pending bills which could possibly affect Small Business, based on the recommendations of the 1986 White House Conference on Small Business.

2. Draft legislation which addresses the balance of the top 10 recommendations of the 1986 White House Conference on Small Business immediately, with the next 20 recommendations to be addressed during the following year.

3. Support S. 818, to authorize the 1990 White House Conference on Small Business; and

4. Respond immediately to the recommendations which come out of the proposed 1990 White House Conference on Small Business, sending a message to those delegates that Congress understands the importance of Small Business to our country's economy and well-being.

RESOLUTION OF THE NATIONAL ADVISORY COUNCIL ON UNFAIR COMPETITION

Whereas, Government at many levels is competing increasingly with small business in providing goods and services; and

Whereas, the magnitude of this competition is difficult to measure because the competition is both direct and indirect and because the competition comes from two sources: (1) non-profit organizations performing unrelated commercial services; and (2) government organizations performing commercial services; and

Whereas, the government gives such non-profit organizations tax exemptions and other benefits, those organizations have a competitive edge over small business; and

Whereas, some government organizations operate with many statutory advantages over their private sector small business competitors; Now, therefore, be it

Resolved, That (1) The National Advisory Council to the Senate Committee on Small Business recommend to the Committee that Congress take immediate steps to stem the tide of unfair competition, and to create a level playing field where all who compete do so under the same rules; and

(2) The Senate Small Business Committee shall, while encouraging the non-commercial activities of non-profit organizations, study the competitive effect on small business of such organizations engaging in unrelated commercial activities while enjoying exemptions from certain government regulations and taxation.

(3) The Senate Committee on Small Business shall take an active role in overseeing the activities, policies and procedures of government organizations performing commercial services.

RESOLUTION OF THE NATIONAL ADVISORY COUNCIL ON GREATER AND EQUAL PARTICIPATION OF SMALL IN FEDERAL PROCUREMENT

Whereas, small businesses account for 42% of the Gross National Product (GNP); and

Whereas, small businesses provide 62% of the net jobs to the economy; and

Whereas, the government is the nation's single largest purchaser of goods and services; and

Whereas, government contracts serve as a major market for small and small disadvantaged business development and capitalization; and

Whereas, prime contractors and large subcontractors provide an excellent opportunity for small businesses to retain a more equitable share of Federal procurement; and

Whereas, small businesses account for 24% of all private sector sales for all products and services and only 14% of Federal

procurement of all products and services: Now, therefore, be it

Resolved, That the National Advisory Council to the Senate Committee on Small Business calls upon the Congress to investigate current barriers to small business participation in Federal procurement and to enact legislation that includes specific guidelines and procedures to insure that Federal purchases from small business matches small business private sector sales, by industry, thereby providing small business an overall "bigger piece of the government pie", with specific goals for women and disadvantaged businesses.

A RESOLUTION ON THE SMALL BUSINESS ADMINISTRATION'S LOAN PROGRAM

Whereas, the U.S. Small Business Administration's 7(a) loan program continues to fill a void in the capital markets for term loans to small businesses; and

Whereas, the GAO did an extensive survey of commercial banks in 1983 and concluded that the 7(a) program was the Federal Government's answer to small businesses need for long-term financing; and

Whereas, the maximum loan guaranty amount has been set at \$500,000 for several years; and

Whereas, Certified and Preferred Lenders of the Small Business Administration's 7(a) loan program have well performing loan portfolios and not all certified lenders are receiving loan application approvals from SBA district offices within the three day time period mandated by SBA regulation: Now, therefore, be it

Resolved, That (1) the Senate Small Business Committee Advisory Council supports the "Small Business Administration Reauthorization and Amendments Act of 1988" that specifically reauthorizes the agency and increases the maximum guaranty amount to \$750,000 from \$500,000;

(2) that any increases in budget authority needed be made to support the increase in the maximum loan guaranty; and

(3) that SBA take the necessary action to insure that loans from certified lenders be turned around by SBA district offices within a three-day period.

RESOLUTION OF THE NATIONAL ADVISORY COUNCIL ON THE MINIMUM WAGE

Whereas, small business is responsible for 70% of all new jobs in the United States; and

Whereas, two-thirds of all workers enter the workforce in a small business; and

Whereas, many workers are students, singles, and part-time workers; and

Whereas, raising the minimum wage would cause employers to hire fewer employees, and in marginal operations, lay others off; and

Whereas, holding the line on minimum wage would allow young, poor workers a better opportunity of getting and keeping a job: Now, therefore, be it

Resolved, That the National Advisory Council to the Senate Committee on Small Business: Urge the Committee to support holding the line on the minimum wage, to enable small business to continue to hire workers and to make a profit.

RESOLUTION OF THE NATIONAL ADVISORY COUNCIL ON H.R. 3436, PEPPER HOME CARE BILL

Whereas, many needy individuals are denied access to adequate health care; and

Whereas, demand for health care continues to increase; and

Whereas, the demographics of the U.S. population indicates that no lessening of demand for health care services, especially among the elderly, is likely to occur for decades; and

Whereas, health care costs continue to escalate faster than the general rate of increase in consumer prices; and

Whereas, small business owners, due to the labor intensive nature of their businesses and their employees, tend to bear a disproportionate share per capita of health care costs: Now, therefore, be it

Resolved, That the Senate Small Business Committee's National Advisory Council urges the Senate Committee on Small Business to hold hearings on health care access with special emphasis placed on the effectiveness and impact of H.R. 3436, the Pepper Home Care bill.

RESOLUTION OF THE NATIONAL ADVISORY COUNCIL ON THE BUDGET DEFICIT

Whereas, the total Federal debt has grown to trillions of dollars, and seriously threatens the majority of the nation's small businesses, which would be particularly hard hit by higher interest rates, renewed inflation and a stagnating economy; and

Whereas, the Congressional Budget Office estimates that without any corrective action by the President or Congress to immediately reduce these deficits and hold the line across the board on controllable spending, that a crisis is at hand for small business; and

Whereas, any effective debt reduction package should include necessary tax increases, while allowing for provisions that are favorable to the short and long-term planning of both small and agri-related businesses: Now, therefore, be it

Resolved, That the National Advisory Council to the Senate Committee on Small Business calls upon the President and the Congress of the United States to take immediate action to address this budget crisis. In the consideration of specific actions, no areas should be exempt: i.e., tax increases, substantial reductions in defense spending, entitlement programs (including Social Security) and other domestic discretionary programs.

A RESOLUTION OF THE NATIONAL ADVISORY COUNCIL ON PRODUCT LIABILITY REFORM

Whereas, State courts have over the past twenty-five years deviated from fault-based standards in product liability cases; and

Whereas, The plethora of State standards has created astronomical increases in liability insurance costs and reduction in availability of product liability coverage for manufacturers; and

Whereas, The uncertainty caused by differing State standards has caused new companies and companies with new products to find it most difficult to acquire product liability insurance, thus stifling innovation and growth in the business sector which provides the most international competitiveness for our Country; and

Whereas, The results have been unfair and excessive judgments against manufacturers and product sellers, judgments that have pushed small firms into bankruptcy, reduced the capacity of large firms to compete internationally, and driven up the cost of property-casualty insurance for everybody; and

Whereas, Individual states cannot by themselves address this problem since 75% of all manufactured goods are sold outside

of the state of manufacture in interstate commerce. A state enacting product liability reform legislation will therefore limit the liability of in-state sales: Therefore, be it

Resolved, That the Small Business Advisory Council supports legislation that would return the tort system to a fault-based standard in products cases, that would clearly define the limits on manufacturers' and sellers' liability by establishing appropriate legal defenses, that would establish fair rules of evidence, and that would establish appropriate procedural guarantees and supports guarantees restricting joint and several liability, establishing shorter statutes of repose, and encouraging settlement and arbitration: Be it further

Resolved, That copies of this Resolution be transmitted to the leadership of the Congress of the United States and to Senator Dale Bumpers, Chairman, and the members of the Committee on Small Business.

RESOLUTION OF NATIONAL ADVISORY COUNCIL ON CORRECTIONS ABUSES IN RICO

Whereas, the Congress in 1970 passed the Racketeer Influenced and Corrupt Organizations Act (RICO), Public Law 91-452, Title IX, in order to expand the panoply of federal law enforcement remedies against organized crime; and

Whereas, since that time, private civil actions brought under RICO have increasingly targeted legitimate business activities with no connection to organized criminal activity; and

Whereas, small businesses bear an onerous burden in defending their legitimate activities against claims brought under RICO; and

Whereas, a number of deficiencies in the language of RICO permit the unintended misuse of RICO to initiate litigation against legitimate businesses: Now, therefore, be it

Resolved, That legislation introduced and pending before Congress to correct some of the numerous shortcomings in RICO should be adopted by the Congress, to wit S. 1523, introduced by Mr. Metzenbaum, and H.R. 2983, introduced by Mr. Boucher.

RESOLUTION OF THE NATIONAL ADVISORY COUNCIL ON ANTITRUST AND MONOPOLY

Whereas, the Antitrust Division of the Department of Justice and the Federal Trade Commission have totally failed to enforce and carry out the antitrust laws of the United States during the last seven years; and

Whereas, the result of such failure to carry out the enforcement of the antitrust laws has caused serious harm to competition in the American economy and to small business in particular; and

Whereas, the Antitrust Division of the Department of Justice has urged the courts, through the filing of friend of the court (*amicus curiae*) briefs, to legalize vertical anticompetitive restrictions against small businesses, including resale price fixing, tie-in arrangements, and exclusive dealing; and

Whereas, in response to these developments the courts have recently made decisions against small businesses, particularly distributors, dealers and franchisees, such as the Supreme Court decisions in *Monsanto v. Spray Rite* and *Sharp Electronics* (which made it easier for large manufacturers to terminate dealers and distributors for not adhering to the manufacturers' suggested resale prices) and lower court decisions permitting the replacement of distributors by delivery agents in order to fix prices: Now, therefore, be it

Resolved, That the Small Business Advisory Council to the United States Senate Small Business Committee hereby calls upon the Congress to pass pending legislation by Senator Metzenbaum to restore the legal rights of American businesses to have the freedom to establish their prices and be free of vertical restraints against them and to enact new legislation to prohibit the destruction of independent wholesalers and distributors through the subterfuge of so-called independent delivery agents.

RESOLUTION OF THE NATIONAL ADVISORY COUNCIL ON BUSINESS OWNERS EXEMPTION FROM UNEMPLOYMENT INSURANCE

Whereas, current federal legislation denies states the option of allowing owners of businesses to choose whether or not they desire to pay unemployment insurance premiums on themselves; and

Whereas, Federal law dictates that small business owners must pay unemployment insurance premiums on themselves; the only time they may collect unemployment is when their business closes and ceases to exist; they are not permitted to lay themselves off during seasonal downturns in business; and

Whereas, the initiation and enactment of appropriate legislation correcting this current injustice would be most consistent with our government's expressed desire to eliminate unnecessary and encumbering regulations, regulations so punitive to those investing both time and capital in business endeavors; and

Whereas, currently, federal regulations work to prohibit individual states from initiating legislation making the payment of premiums a voluntary decision; if such legislation were enacted at the state level, the various states would lose eligibility for federal funds; and

Whereas, members of the small business community through the State of New York have expressed their desire to be excluded from eligibility for unemployment insurance; and

Whereas, insofar as the limited application of the current law is of minimal value to the owners of small businesses, it is the sense of this Advisory Board to urge that Congress initiate and yet enact legislation permitting states to allow the owners of businesses to choose whether or not they desire to pay unemployment insurance premiums on themselves; and

Whereas, the fiscal impact of such voluntary exclusions of the unemployment insurance fund would be negligible; and

Whereas, fully cognizant of its commitment to the sustenance and promulgation of an economic ambience conducive to future growth and development, this Advisory Board urges that the Congress of the United States initiate and yet enact legislation permitting business owners to choose whether or not they desire to pay unemployment insurance premiums on themselves: Now, therefore, be it

Resolved, That this Advisory Council pause in its deliberations and urge the Congress of the United States to enact legislation granting individual states the opportunity to extend a measure of just relief to business owners, namely, the right to choose whether or not they desire to pay unemployment insurance premiums on themselves: Be it further

Resolved, That copies of this Resolution be transmitted to the leadership of the Congress of the United States and to Senator Dale Bumpers, Chairman of the Senate

Small Business Committee and the members of the Committee on Small Business.

RESOLUTION OF THE NATIONAL ADVISORY COUNCIL ON THE COMBINED OMNIBUS BUDGET RECONCILIATION ACT

Whereas, the Combined Omnibus Budget Reconciliation Act of 1986, P.L. 99-272, requires employers to continue to make available to former employees a group health insurance program comparable to the program in effect on the former employee's termination date; and

Whereas, the Combined Omnibus Budget Reconciliation Act does not qualify the former employee on the basis of reason for termination of employment (i.e. resignation, lay-off, etc.); and

Whereas, any claims filed by the former employee during this required period are included in the insurance company's experience rating of the company; and

Whereas, America's small businesses are experiencing severe economic problems by continually increasing insurance rates; and

Whereas, the actions of a former employee and/or his family could consequently cause the employer's group health insurance program rates to increase unfairly or be terminated: Now, therefore, be it

Resolved, That the National Advisory Council to the Senate Committee on Small Business urges that the Combined Omnibus Budget Reconciliation Act should be amended to disallow the inclusion of COBRA claims in a company's experience rating by insurance companies.

RESOLUTION OF THE NATIONAL ADVISORY COUNCIL FOR THE PROTECTION OF THE FAMILY OWNED BUSINESS

Whereas, 175 of the largest 500 industrial companies in the United States are either owned or controlled by a single family; and

Whereas, many founders of the businesses during the World War II postwar period (when an unprecedented number of businesses were founded) are now transferring control and ownership of their businesses to family members to continue the tradition; and

Whereas, encouraging continuity of the family ownership of a small business maintains the traditions of service, ethical business standards, loyalty to employees and community involvement of family-owned small businesses; and

Whereas, most small businesses are family-owned and controlled; and

Whereas, upon the death of the business owner, many businesses must be liquidated in order to satisfy the estate and gift transfer taxes created by the transfer of business assets from one family member to another; and

Whereas, protection of Small Business ensures job creation, stable economies, product innovation, and initial job training: Now, therefore, be it

Resolved, That Congress should conduct hearings and enact legislation which will ease the burden of estate taxes for family-owned small businesses so that fewer such businesses will face liquidation or reorganization in order to pay estate taxes.

RESOLUTION OF THE NATIONAL ADVISORY COUNCIL ON THE DEDUCTIBILITY OF INTEREST ON DISPUTED TAX DEFICIENCIES

Whereas, interest deductions for individuals are being phased out. Interest on an alleged IRS tax deficiency, as a result of an Internal Revenue Service examination, will

not be deductible to an individual in future years under the most recent IRS regulations; and

Whereas, should the taxpayer prevail and be found correct (win) in his or her filing, interest income, if the disputed amount is invested in the interim by the individual, is taxable; and

Whereas, this situation will cause an inequity, and an uneven playing field for individuals—relative to gift taxes, estate taxes and other such cases, this inequity benefits and possibly encourages the Internal Revenue Service to delay hearings, actions, etc., and further provides the IRS unfair leverage to encourage or force unfair settlements; and

Whereas, interests expense on a corporate tax deficiency is deductible as a business expense; however, interest expense relative to a tax deficiency for a proprietorship, partnership or S Corporation is not deductible as this is passed through to the individual owners and taxed accordingly, resulting in another inequity; and

Whereas, many cases protested by taxpayers include simple valuations and other such matters requiring judgment where not negligence or fraud occurs or is even remotely intended; Now, therefore, be it

Resolved, That interest on disputed tax deficiencies should be a deductible item for individuals in matters where judgment is involved and where no negligence or fraud is found.

RESOLUTION OF THE NATIONAL ADVISORY COUNCIL ON SMALL BUSINESS DEVELOPMENT CENTERS

Whereas, certain small businesses offer services similar to those offered by Small Business Development Centers; and

Whereas, such small businesses question the ability of SBDC's to offer the follow-up services needed by their small business clients; and

Whereas, the Senate Small Business Committee has requested the General Accounting Office (GAO) to perform a study on the cost and effectiveness of the Small Business Administration's SBDC program: Now, therefore, be it

Resolved, That the National Advisory Council supports the Small Business Committee in its efforts to obtain the GAO report on the activities of and services provided by SBDC's and encourages the Committee to act promptly on any GAO findings.

RESOLUTION OF THE NATIONAL ADVISORY COUNCIL IN SUPPORT OF GENERAL LIABILITY INSURANCE REFORM

Whereas, the unavailability and unaffordability of liability insurance coverage for the small business community has continued at crisis proportions; and

Whereas, this crisis has substantially affected the ability of small business in our nation to continue to grow, thrive, and provide new jobs for our nation's citizens; and

Whereas, the various states have passed or are passing legislation which results in confusion as to the liability of both insurers and the insured; and

Whereas, the unpredictability of professional and commercial liability awards and doctrines has added considerably to the high cost of professional and commercial liability insurance by making the accurate prediction of risk virtually impossible; and

Whereas, the recent explosive growth in professional and commercial liability lawsuits and awards is jeopardizing the finan-

cial well-being of many professionals and is a particular threat to the viability of many of the Nation's small businesses: Now, therefore, be it

Resolved, That this advisory council recommends that the Senate Small Business Committee encourage Congress to:

(1) enact legislation embodying federal uniform professional and commercial liability standards retaining fault (not strict liability) as the standard of liability and specifically reforming tort doctrines in the area of joint and several liability and strongly discouraging frivolous lawsuits; and

(2) enact legislation introduced by Senator Metzenbaum, S. 1299, to limit the federal antitrust exemption provided to the insurance industry under the McCarran-Ferguson Act.

RESOLUTION OF THE NATIONAL ADVISORY COUNCIL ON S. 328, THE PROMPT PAYMENT ACT AMENDMENTS OF 1988

Whereas, the National Advisory Council to the Senate Committee on Small Business adopted a resolution during its meeting on October 25, 1985, which called for oversight of the implementation of "Prompt Payment Act of 1982", Public Law 97-177, and the consideration of remedial legislation to eliminate the ambiguities and loopholes that were being used by various Federal agencies to frustrate the clear intent of the Congress in enacting this important small business legislation; and

Whereas, the 1986 White House Conference on Small Business adopted Resolution No. 32, from an overall issue agenda that exceeded 400 items, which specified improvements to the Prompt Payment Act of 1982, including extending its protections to contractors performing for the United States Postal Service and state and local government recipients of Federal grants, and called for the vigorous enforcement of such a strengthened Act; and

Whereas, the Committee on Small Business conducted oversight hearings on the Act's implementation that resulted in the introduction of S. 2479, the "Prompt Payment Amendments of 1986", by Senator Paul Trible with the support of the entire Committee, and the bill's passage by the Senate during the closing days of the 99th Congress; and

Whereas, S. 328, the "Prompt Payment Act Amendments of 1987", was introduced in the opening days of the 100th Congress by Senator Sasser, with 56 original cosponsors including Senator Trible as the principal cosponsor, to renew the effort to attain needed improvements to the Prompt Payment Act; and

Whereas, S. 328, having garnered 91 cosponsors, was passed by the Senate on October 9, 1987 by a vote of 86-0; and

Whereas, the Subcommittee on Legislation and National Security of the House Committee on Government Operations, after conducting its own oversight and legislative hearings and making use of the oversight hearing record of the House Committee on Small Business, reported its version S. 328, the "Prompt Payment Act Amendments of 1988", on April 27, 1988; and

Whereas, the "Prompt Payment Act Amendments of 1988" strengthens the Senate-passed bill, and extends the Prompt Payments Act's protections to contractors performing for state and local government recipients of Federal grants: Now, therefore, be it

Resolved, That the National Advisory Council to the Senate Committee on Small

Business urges the swift and favorable consideration of S. 328, the "Prompt Payment Act Amendments of 1988", by the Committee on Government Operations, the U.S. House of Representatives, and the United States Senate, so that Recommendation 32 of the 1986 White House Conference on Small Business, pertaining to improving the Prompt Payment Act of 1982, may be fulfilled before the close of the 100th Congress.●

SENATOR LUGAR FITNESS AWARD

● Mr. LUGAR. Mr. President, 4 years ago I introduced in my home State of Indiana an award for those special citizens who have contributed greatly to the character and vitality of the Hoosier State through awareness of fitness and health.

I have always been an advocate of regular exercise and good nutrition. And healthy living not only serves as preventive medicine on a personal level, but also helps hold down national health care costs.

The annual Vitae Bonae Award—Latin for good living and good health—honors outstanding Hoosiers whose contributions to life in Indiana include coaching athletic teams, promoting innovative wellness programs and encouraging others to improve their physical condition.

The names of this year's winners will be added to those of previous winners listed on a permanent plaque in my office. The winners will also be honored at a special dinner in Indianapolis.

It is a pleasure to call to the attention of the U.S. Senate the names of the recipients of the 1988 Vitae Bonae Award: Clausell Harding of Gary; William Wilham of Indianapolis; Jack Winn Mansfield of Crawfordsville; Dr. Merrill Ritter of Indianapolis; and Terry Haynie of Evansville.

I ask you to join me in acknowledging their great service to Indiana and indeed our Nation by serving as fine examples and active promoters of a fit and healthy lifestyle.●

FREDERIC H. BERTRAND

● Mr. LEAHY. Mr. President, the National Life Insurance Co. of Vermont is one of the great business success stories of our State.

It recently experienced one of the most difficult business transition periods in its history, and successfully met the challenge.

The company's revitalization is a tribute to the brilliant and determined leadership of its president, Frederic H. Bertrand, a friend with a long and distinguished career in both the military and public life. We grew up together in Montpelier and Fred and his wife Elinor have always been special friends.

Mr. Bertrand is a graduate of Norwich University, one of the Nation's most respected military institutions.

He described his role in the National Life of Vermont turnabout as the skipper of a tanker attempting to change course in a turbulent sea.

Well, the good ship is back on course. Mr. Bertrand is still at the helm, and I would like to share the National Life story with the Senate and the public.

I ask that this business profile of Mr. Bertrand, written by Ross Sneyd of the Burlington Free Press and published on May 16, 1988, be printed in the RECORD in its entirety. It can be a lesson to all of us.

The article follows:

HE PILOTS NATIONAL LIFE INTO NEW ERA

(By Ross Sneyd)

MONTPELIER.—On the last day of March, National Life of Vermont threw a party for two of its employees and heaved a collective sigh of relief.

The pair was retiring, the last of about 90 who took advantage of the company's offer of early retirement.

The two parties on that Thursday afternoon marked the end of the two workers' careers and the end of trying time for National Life. The festivities also signaled what the company's management promises to be the beginning of new prosperity for the capital city's largest employer.

After nearly 18 months of depressing financial news and job uncertainty at the insurance company, National Life's staff was happy for the retirees but also relieved that the plan of bringing down expenses was over.

Frederic H. Bertrand, National Life's executive officer, some time ago took to comparing his company's difficulties to piloting a supertanker on the high seas.

In the midst of difficulties which had the company showing a net loss from operations of \$47.9 million last year, Bertrand told anyone who asked that the super tanker S.S. National Life had to be turned around, but that it takes a while to get such a huge ship heading in another direction.

Today, he is telling anyone who will listen that the tanker has reversed direction and is setting course for smooth sailing.

The ship's crew has been cut back, much of the crafts excess ballast has been dumped and the engines have been overhauled.

Still, Bertrand maintains, the storm through which the S.S. National Life has maneuvered was not as bad as many perceived it to be. The perception outside the headquarters building was that National Life was foundering. Not so, Bertrand says. Certainly, there was some rough sailing, but it never threatened the ship.

"I wouldn't want to say there've been no problems," he said, "but I think the focus has been on statutory accounting, the way regulators make us keep our books which is not the way another company keeps its books."

Indeed, he said, National Life has been a victim of its own success in many respects. Sales of new policies have increased steadily through this decade, reaching a record of \$151 million in premiums on new sales last year. At the end of last year, National Life had more than \$26 billion of policies in force. In an insurance company, though,

that does not translate into automatic profits.

Instead, it translates into increased expenses for a home office staff to administer the new policies and for reserve funds to cover the new policies. For example, on a new policy, \$10 of a policyholder's premium might cost the company \$12 to cover the increased staff expenses and to place more money in reserves, the accounts from which the insurance firms pays policy benefits, Bertrand said.

The company still has the money—some \$3 billion in reserves—to invest, but because it is technically an expense, those funds have to be deducted from the bottom line. Reportable profits do not begin rolling in for several years. Nearly \$270 million was set aside for future claims last year alone.

At the same time, a mutual insurance company such as National Life pays its policyholders an annual dividend. Traditionally those payments have increased each year. The dividend payment expense for the company that is increasing sales by leaps and bounds, therefore, also balloons.

Those factors added up for National Life and the bottom line showed a net loss, which is technically correct but not altogether illuminating, Bertrand said.

The firm's "net gain before paying dividends," which means the amount of money before it had to pay out those dividends, was \$104 million, Bertrand said.

Nonetheless, the appearance has been that National Life was a little shaky.

"I can see why the public perceived that," Bertrand said, adding that perception and reality frequently part company.

"That is not to say that I think things were going along rosy," he said.

Problems began with the steadily increasing sales which caused what Bertrand refers to as "surplus strain." The accompanying increase in expenses had to be met out of the company's surplus, the financial core of an insurance firm.

"We have to expense everything in the first year" of a new policy sale, he said. "The fact that we had done so very well in sales caused surplus strain. We said, 'We'll live with that. I'll explain that somehow.'"

Then bond yields started to drop, "for the first time dramatically since the Depression," Bertrand said.

Suddenly, the income to pay annual dividends was dipping below the required payment and for the first time since 1933, National Life decided it has to lower its dividends.

"I don't know of any major company that hasn't lowered its dividend by now," Bertrand said. "If you're paying a dividend based on an 11 percent yield and you net 9 (percent), you have to pay it out of pocket."

Finally, the growth in sales caused expenses for administration in Montpelier to shoot up. "We were doing so well we were adding a lot of people," Bertrand said.

The original home office expenses budget for 1987 was more than \$100 million.

Management decided those costs had to be reined in and a decision was made to "down-size." It was that decision that caused so much anxiety inside the headquarters building and down the hill in the community. By the time downsizing was complete, National Life had spent just \$89.7 million.

The downsizing program eliminated roughly 200 positions from the company. That was interpreted as the loss of 200 jobs, which never happened. Instead, National Life decided to cut the positions through attrition, through an early retirement program and through limited layoffs.

About 90 people took advantage of early retirement, about 150 vacant positions were eliminated and roughly 40 employees were told their jobs were being eliminated. Those workers were told they could seek other jobs in the company or would be let go. Montpelier staffing was brought down to 1,250.

About 30, collecting severance pay, still have not found a new position in National Life. "I'm sorry that happened but I guess I'm comforted that the number is so low," Bertrand said.

With the S.S. National Life back in better seas, Bertrand is looking for some new ports of call. He now talks about "a new marketing mission for National Life which will significantly change the way we look at our business. We need to become . . . a market-driven company."

His goal is to guide National Life's staff to a new way of thinking and selling insurance. "It seems to me we're spending lots of money on bells and whistles," he said. "We have to look at a business owner or professional and say, 'What do you want from us?' . . . It's a different focus."

THE BERTRAND FILE

Name: Frederic H. Bertrand.

Age: 49.

Occupation: President, chairman and chief operating officer of National Life of Vermont.

Family: wife Elinor Pierce; son Michael, 18; daughter Kimberly, 27.

Education: Norwich University, 1958; Marshall-Wythe School of Law, College of William and Mary, 1967; Carnegie-Mellon University, 1968.

Other pursuits: Lieutenant, U.S. Army Corps of Engineers; project officer with the Central Intelligence Agency; former Montpelier mayor, alderman and city council president.●

INFORMED CONSENT: FLORIDA

• Mr. HUMPHREY. Mr. President, in addition to taking the life of an unborn child, abortion may also leave physical as well as emotional scars on the mother. For many, the wounds take years to heal. For others, a permanent scar of infertility may prevent them from ever conceiving a child again. Whether permanent or temporary, the scars of abortion are avoidable. This is especially true for the thousands of women who would never have consented to an abortion if the whole truth had been told. I'm not talking about subjective information, but factual, medically relevant information concerning the risks and alternatives to this procedure. Women are at least entitled to this. They are at least entitled to make an informed choice. I hope my colleagues will agree and will support my bills, S. 272 and S. 273. I ask that six letters from Florida be inserted into the CONGRESSIONAL RECORD.

The letters follow:

DEAR SENATOR HUMPHREY: Thank you for trying to make our legislators and general public aware of the problem of the lack of informed consent for women considering abortion.

In 1974, when I had my abortion, I, as well as thousands of other women, was not informed of the risks as well as deaths, not to mention the mental strain. I was told it was blob and not human.

Since then, I have found out through the precious Word of God that it was murder, and that blob has a soul and is in heaven. I know I have been forgiven, but human as I am, I can't help but to feel sad about my unborn child.

I pray that the Lord will give you wisdom in making these crucial problems known. I was fortunate. God in His mercy has given us a healthy daughter, now 10, and son 6.

God Bless you Mr. Humphrey!

SUE ORTIZ,
Lake Placid, FL.

DEAR SENATOR HUMPHREY: In January of 1981, as a young co-ed at Eckerd College, St. Petersburg, Florida, I found that I was pregnant with my first child. I was ecstatic. I loved my boyfriend and he had often expressed his desire for a baby. But my boyfriend was not happy. He went out and got drunk. I suddenly felt very alone: No marriage proposal. No offers of love or support. I needed help—counsel. I called "All Womens Health Center" here in St. Pete. They scheduled me for an abortion. I thought that I could think it over, back out, . . . whatever, but when I arrived at the clinic, I was rushed through the process: fill out this form, pay the \$200 cash (no checks), listen to the counselor, put on this sheet, lie here, go home. The counselor told me that it was a terrible situation; that my boyfriend should have taken more responsibility. There was no information on the development of my baby, no warning of the common complications of abortion (in fact, she told me that it was safer than childbirth!), and no mention of the emotional aftermath. I was told that even a gynecologist wouldn't be able to tell that I had an abortion. No one told me that each birth certificate that I have filled out for my two beautiful subsequent children would ask if I had any previous miscarriages or abortions. No mention that I could have easily miscarried my other children or have been completely sterilized. Why is there such a conspiracy against women? The horrible effects of abortion, birth control pills and devices are withheld from us. Why?

I cried throughout the counseling, throughout the "procedure", and for the next month. For one month I lay in bed, facing the wall, crying. I left my bed twice—to attempt suicide. Both attempts obviously failed. I wanted nothing more than to die for years later. Finally, in 1984, my husband prayed and fasted for me and the severe depression and urges to kill myself left. I had become a Christian since the abortion.

The Supreme Court was wrong to make abortion legal. I would never have gone for an illegal abortion. The Supreme Court was wrong, again, to make it illegal to require information to a woman considering an abortion. I wish that I had known, then, what I know now. I understand that our government was founded with "checks and balances". Surely the legislature will right this horrible wrong—the mutilation of women and children alike.

Sincerely,

REBECCA O. WHARRIE,
St. Petersburg, FL.

MARCH 2, 1987.

DEAR SENATOR HUMPHREY: I am a Concerned Woman of America and four years

ago I had an abortion. Unmarried, 17, and very scared, I took the advice of my father who thought it would ruin my life to keep the baby. My father had plenty of money and did send me to a good OBGYN, but there was no counseling.

I felt as though they were looking down on me. I didn't want to have the abortion, and if just one person would have talked to me about keeping my baby, I would have in a minute.

As soon as they told me I was pregnant, they said "You are going to have an abortion, aren't you?" Nobody was willing to help me keep my baby and my father wouldn't let me come home if I didn't have the abortion. I hope that you can help girls in the future who get in trouble. Nobody should be forced into having an abortion.

Thank you,

Mrs. LAURA M. EDSALL,
Gibson, FL.

MARCH 3, 1987.

To the Honorable Gordon J. Humphrey:

I feel a great need to write. Back in 1973, I was 18 and had an abortion in Buffalo, N.Y. The father of the baby is the man I am married to now. He took me from Rochester to a clinic in Buffalo, as my gynecologist referred us to it. My doctor wouldn't perform the "aspiration" as it was against his beliefs, but yet he gave us the name and address of the clinic.

Upon arriving, I was nervous, full of anxiety, and overwhelmed with guilt, even though I didn't recognize it as such. As I entered the clinic, a nurse rushed me back to the conference area. Other young women as well as married, were all sitting around a table full of cookies and beverages. We all had our cards because we would have our abortions on a first come first serve basis.

Another nurse entered carrying a plastic uterus. She simply showed us how our uterus would contract. After our "tea-talk" the same nurse handed us gowns and showed us where we were to change into them.

One by one we were called—same manner of that in a meat market. I remember the doctor physically. He was a thin black man—no personality, totally hardened to his profession. The nurse in assistance kept making flattering comments about my figure etc. . . . Anything was said to detour my thoughts from what was actually taking place.

As I sat up on the table, I noticed the Dr. quickly folding over a plastic garbage bag that was inside a container. I got weepy, and the nurse said, "It's all over honey, there's nothing to worry about."

Nothing to worry about? I was emotionally a mess. The psychological problems immediately followed. I started hearing a baby cry as I lay on my bed during the night. I felt like my body had been violated by a machine. My cramping was tremendous, and the "discharge" was nothing I could even imagine.

A year later I was married and pregnant, but later suffered a miscarriage. Later, my Dr. walked in and said "Sometimes these things happen especially if your body has already been previously disrupted in any manner." I could hardly believe it—why wasn't that said prior to the abortion?

I urge you to evaluate what is presented to women in these clinics. Also, I urge you to find out the truth as to what happens to many of the fetuses and babies after their mothers leave the operating table.

God bless you in your endeavors.

REBECCA A. METCHICK,
Hollywood, FL.

FEBRUARY 13, 1987.

DEAR SENATOR HUMPHREY: I had an abortion 6 years ago, I was 17, and I regret that awful day. When I was lying while they murdered by baby, and yes, now I know that it was indeed a baby. What is sad is that a year later I married the father of that unborn child. I now have 2 beautiful children. I shouldn't say that is sad because—God has blessed me with 2 beautiful children. It is sad however, that I could have had the one I threw away.

At the time I was told it was only a seed and nothing more, and of course that is a lie. I am happy to say since then the Lord has helped me a great deal and knowing that I have been forgiven, means so much to me. I've written a poem of my abortion which is enclosed. It is not a happy poem but then neither is getting an abortion. I'd like to share it with you.

In God's Name and His Love,

JANET ASSAD,
Palm Harbor, FL.

MARCH 5, 1988.

Senator GORDON HUMPHREY,
Hart Senate Office Bldg., Washington, DC.

DEAR SENATOR HUMPHREY: It has come to my attention via our local pro-life group that you are interested in hearing from women who have had abortions. When I was 17 years old, I became pregnant out of wedlock. This was 6 months before abortion was legalized. My boy friend didn't want the baby and even tried to choke me to death when I suggested to him that even without the benefits of marriage, I would like to keep the baby. I contacted the local home for unwed mothers only to be informed that I would need in excess of 2,000 dollars to stay there and I would need to be signed in by my parents because I was still a minor. I tried to tell my mom that I was pregnant, but after seeing her shock and horror at the situation that I'd gotten myself into, I said that I had lied and it was just part of a psychology project I was doing on stress and reactions to it. My next attempt to find help was at a Planned Parenthood clinic in Silver Springs, Maryland. The only advice they gave me was for me to obtain false ID and they would arrange for me to have an abortion in New York. I didn't have the money. Even though I told them that I'd like to have the baby and put it up for adoption, they never gave me the names of any persons or places to contact—their only answer to my pregnancy was to terminate it. Somehow I found out that it was legal for me to get an abortion in Washington, D.C. if I were 18 years old and could come up with \$250. My boy friend's sister gave me her birth certificate and I used her name to get an abortion. Not once did the abortion clinic ask for any more proof of age than that birth certificate—not even my driver's license. With all my other options gone and no place to live, I made arrangements to abort my baby. On that Saturday in the first of October, I took the life of my first child. If I had had anybody who would have stood by me and helped me through my time of need, I never would have done it, but everybody wanted money and I simply didn't have it. In fact, I borrowed \$150 as the down payment for the abortion, they never received the rest of the money. Right after the abortion, which I went by myself to get, my boyfriend didn't even come with me, my

boy friend wanted to have sex. The last thing on a woman's mind after she's just killed her baby is having sex, in fact the whole thought of it is repulsive. Plus, why would I want to make love with the very person who said he'd kill me if I didn't destroy, the product of that love? I don't understand why studies haven't been done finding out how many relationships falter and die as a result of abortion. I think too that an investigation should be made into exactly what information is given to a woman planning to abort her child. When I had my abortion, I was told that the baby wasn't developed at all, that it was just tissue. The fact of the matter is, I was 12 weeks along, and the baby I destroyed had brainwaves, a heartbeat, ten perfect little toes and worse of all, she could feel pain. Why wasn't I told this?

Within a month of my abortion, my boy friend broke up with me. He had found someone else to sleep with who wouldn't put the burden of birth control on him. By the way, she also became pregnant by him and had an abortion. As a result of the break-up, especially so soon after killing my baby, I tried to commit suicide, thankfully, I wasn't successful.

I have been married for 16 years, to a fine man who knew my past and accepted me any way. I have three children, all healthy and doing well. However, I have been pregnant six times and have miscarried three of those times. My doctor says that it is probably a result of the abortion. Again I ask, why aren't women told of the dangers of abortion? Why is the news media so reluctant to print the stories of the women who die from abortion and the ones who will never become pregnant again because of the sloppy work of some abortionist? Why don't the abortion clinics have to tell these women that the fetal remains could wind up being used in cosmetics or being experimented on or being eaten by dogs, as happened outside at Jacksonville, Fl. abortion clinic? Why is it legal to treat aborted babies as though they are just so much garbage to dispose of as the abortionist sees fit? It isn't even legal to mistreat dogs and cats or to dispose of their remains in an unhealthy way, but bags of aborted babies are picked up by the trashmen every day of the week. Why don't the American people have ALL the facts on abortion? If pictures of dismembered babies appeared on billboards all around this country, the number of abortions would drop. As long as people can't hear the baby's screams or have to face exactly what abortion does to the baby, then abortion will continue. The pro-abortion folks always scream that a women should have all her options, but they never mention the baby's options and they don't seem awfully inclined about educating the public to the reality of abortion.

Maybe this letter will help save a baby's life. When you've had an abortion, you never forget the time, the place, when the baby would have been born or if the baby would have been a boy or a girl. PLEASE, help put an end to the slaughter of the innocents.

Sincerely,

JEANETTE VAN NEWKIRK.¹•

ULRIC HAYNES, JR.

• Mr. SIMON. Mr. President, one of the distinguished public servants that this Nation has produced in recent decades is Ulric Haynes, Jr., former Ambassador to Algeria.

He played a key role in the negotiations that led to the release of our hostages held in Iran.

When he was in Algeria, I had the opportunity to visit him and learned to have great appreciation for him.

Recently, he spoke to the graduating class at Butler University in Indiana. What he has to say is good, solid advice for the graduates at Butler University and for all American citizens.

I do not agree with every sentence in his speech, but his advice is sound. I urge my colleagues to read his message, which I ask to insert in the RECORD at this point.

The remarks are as follows:

[Commencement Speech at Butler University, May 15, 1988]

THE ENIGMA OF AMERICAN FOREIGN POLICY
(By Ambassador Ulric Haynes, Jr.)

I would not think of facing a "captive audience" like you graduates, your proud families and friends, the Butler University faculty and administration and anyone else who will listen to me without seizing the opportunity to do a bit of proselytizing. Well may you ask to what I want to convert you.

Let me admit from the very outset that I want you to share my concern for the enigma that is American foreign policy—a policy whose implementation is directly responsible for our country's diminished leadership role in the world community of nations.

I choose to address my remarks to you graduates because many of you will be embarking on careers in a global environment that differs radically from anything this world has known before. It is an environment characterized by the economic interdependence of all the nations of the world. It is an environment in which the political domination of the world by blocs of nations must give way to the sharing of power—a concept which both we of the free world and those of the communist world are finding it difficult to accept.

To what would I like to convert you young people? I would like to convince you that concern for foreign affairs can no longer be the exclusive province of a small intellectual elite. No nation, least of all our own with its weakened dollar and unfavorable balance of trade, can any longer exist in isolation or total self-sufficiency. More important, the ability to make sense out of the enigmatic foreign policy which is my generation's legacy to you lies in your hands. So, bear with me while I describe some of our mistakes and suggest some things that you can do to correct them.

As the United States Senate approaches the ratification of the INF Treaty, the mere negotiation of the terms of such a treaty has generated a lot of optimism. The world is in a state of euphoria over the Intermediate-Range Nuclear Forces Treaty (INF) that we and the Soviets had agreed upon to eliminate short and medium-range nuclear missiles from Europe and Asia. But, the most important lesson to be drawn from this agreement is that it is possible to develop and implement a foreign policy based on peaceful accommodation rather than military confrontation.

Permit me to return to an experience that I was privileged to have back in 1980-1981 to further justify my general optimism about the kind of foreign policy your generation must have. I am referring to the successful

peaceful negotiations for the release of the 54 American Embassy hostages in Tehran. As a result of my participation in those negotiations, I have come to recognize a common denominator between the resolution of the Iran hostage crisis and today's US/Soviet missile pact agreement.

That all-important common denominator is that recourse to the process of peaceful negotiations can resolve major international conflicts. Indeed, my involvement with the Iran hostage negotiations has made a "qualified pacifist" of me. In other words, I have come to firmly believe that peaceful negotiations should be our government's first resort in approaching the solution to all international conflicts. The process of peaceful negotiations must be exhausted well before we consider such mutually dangerous actions as economic sanctions or military intervention.

While you are turning that thought over in your minds, I want you to keep in mind that an element essential to the successful outcome of peaceful negotiations is the ability of the negotiators to understand why their adversaries are reacting the way they do. Mind you, I did not say that a negotiator must agree with his adversary's viewpoint.

The failure to base our foreign policy on such simple premises has pushed American prestige around the world to an all-time low and is directly responsible for our rapidly decreasing ability to influence the course of world events in places like South Africa, the Middle East, Nicaragua . . . and, currently and most conspicuously in Panama. And, lest you accuse me of playing party politics in my comments, let it be clear from the outset that what I see as the enigma of American foreign policy has been perpetrated by BOTH Republican and Democratic Administrations in Washington.

PRINCIPLES UNDERLYING US FOREIGN POLICY

The United States is one of the few—if not the only—countries in the world that publicly claims that its foreign policy is guided by principles. Indeed, these underlying principles are so frequently enunciated in our patriotic rhetoric that they have become an identifiable part of our national value system recognized and acknowledged by the whole world.

There is a distinct advantage to having a foreign policy based on recognized "principles" because it allows the American people to rally behind their government's international initiatives because the people understand the principles that motivate those initiatives. Seen from the viewpoint of foreign nations dealing with us, a US foreign policy based on principles endows our government's behavior on the international scene with a large degree of predictability.

But, woe be unto the country's political leaders whose conduct of foreign policy is shown to be "un-principled". When this occurs, the American people protest and exercise the power of the ballot to express their displeasure. The reaction of foreign nations to an unprincipled American foreign policy is the loss of trust and the refusal to be influenced by our positions.

Let's examine the list of some of those foreign policy principles that I have in mind. I know they will have the ring of familiarity to you:

Relations between nations must be based on the rule of law;

The sovereignty of all nations must be respected;

The fundamental human rights of all people must be nurtured and protected;

All subject peoples have the right to self-determination:

The goal of world peace must be pursued; Regional solutions to regional problems are to be encouraged;

As signatories of the United Nations Charter, we adhere to its principles and are pledged to support the United Nations and its specialized agencies;

We are opposed to international terrorism in all its forms and we do not negotiate with terrorists;

We oppose totalitarianism and political repression; and

We favor peaceful solutions to international crises.

However, as we measure US foreign policy in practice against these principles, we will find that not all Americans and their elected officials accept them. We will also find that the implementation of our foreign policy in accordance with these principles is so selective that our policy does not have the predictability it should have.

US FOREIGN POLICY IN PRACTICE

It is when we see how US foreign policy is actually put into practice that the "enigma" emerges. At that point, the question becomes, "... in practice is our foreign policy the embodiment of one or more of the principles I have just enunciated?" Let's consider some specific examples from current events with which you may not be so familiar:

The Western Sahara—Thirteen years ago, Morocco walked in and occupied the former Spanish Sahara when Spain abandoned the colony. The Moroccan occupation was achieved without consultation with the people of the territory and is maintained to this day by force of arms,—arms supplied to Morocco by both the Carter and Reagan Administrations in open defiance of a finding by the International Court of Justice that Morocco's occupation of the Western Sahara is illegal. Repeated calls by the Organization of African Unity for a plebiscite in the territory have been ignored by Morocco. Meanwhile, tens of thousands of refugees from the Western Sahara have fled to neighboring countries and lives are being lost daily as the people of the territory fight for their freedom.

In this case, it is an enigma for me how the US reconciles its support of Morocco in this conflict with our time-honored foreign policy principles of support for self-determination, respect for the rule of law, protection of human rights, encouragement of regional solutions, opposition to oppression and resort to peaceful solutions to international conflicts. On the face of it, we are violating six important principles of our own foreign policy.

Angola—This former Portuguese colony in West Africa is governed by a democratically-elected Marxist government. Our own government has never given diplomatic recognition to Angola and, therefore, there is no American Embassy in that country. At the same time, the United States is Angola's principal trading partner and main source of hard currency earnings by virtue of the presence of several American oil companies (and American citizens) drilling for and exploiting Angola's substantial oil reserves. Compounding the enigma is the fact that our American oil installations are guarded by CUBAN troops with SOVIET military advisors. But, the enigmatic circle is not closed yet. Against whom are those Cuban troops protecting American commercial interests? Why they are protecting them against UNITA, an anti-Communist Angolan guer-

illa movement armed and aided by the governments of the Republic of South Africa and . . . the United States of America. (Politics does, indeed, make strange bedfellows.)

Mozambique—While you are trying to sort that one out, let me throw at you the enigma of American foreign policy in Mozambique. Like Angola, this is also a former Portuguese colony in Africa and it is also governed by a popularly elected Marxist regime. However, unlike Angola, the US not only maintains diplomatic ties with Mozambique, with an American embassy in its capital city, but we also supply Mozambique with economic aid. Now in Mozambique there is also a local anti-communist guerrilla movement known as RENAMO which is again supported by South Africa. However, this time the American government opposes the anti-communist rebels. But, take heart, all is not lost. The rebel RENAMO movement which our government opposes had a Washington Office housed in the headquarters of the Heritage Foundation where it enjoyed the support of Senators Jesse Helms and Robert Dole.

Nicaragua—Without siding with either the Sandinistas or the Contras, let me draw your attention to what appears to be our enigmatic and unprincipled foreign policy in Nicaragua. Briefly, the US recognizes the sovereignty of Nicaragua and the legitimacy of the Sandinista government by maintaining diplomatic relations and an American Embassy in Managua. At the same time, we are publicly dedicated to the violent overthrow of the government to which our American Ambassador is accredited.

Let me quickly mention a few more American foreign policy enigmas just to give you a far-from-exhaustive idea of their scope.

For nearly a decade, we have opposed the Khomeini regime in Iran and we are currently in violent confrontation with them in the Persian Gulf; yet, last summer we imported some \$700 million in crude oil from Iran; . . . just whose war effort are we supporting?

When the International Court of Justice ruled against our government in our attempt to close the PLO office in the US and to mine Nicaraguan ships in their harbor, our official reaction was to refuse to abide by the court's ruling; is this respect for the rule of law?

How can we support repressive dictatorships in Paraguay, Chile and Pakistan while, at the same time, intervening to overthrow repressive regimes in Nicaragua, Grenada and Cuba?

The enigma of US foreign policy offers many examples. But, there are some things that can be done to remove the enigma.

SOLUTIONS TO THE ENIGMA OF U.S. FOREIGN POLICY

In the context of the present presidential campaigns, it is essential that we voters carefully study the foreign policy positions of the candidates for the presidency to make sure that they are based on clearly articulated principles.

In this same connection, we must recognize that the job of President of the United States has become so complex that, when we take the measure of the presidential candidate, we must also evaluate the so-called experts that constitute his advisors. There is an all-too-fresh recollection of how third-rate presidential advisors have served recent Presidents badly.

Certainly, one of the important criteria in this evaluation should be prior experience in the international arena. The lack of such experience is what got us into the Iran-

Contra mess. And it is no wonder when you consider that none of the major players in this caper has lived or worked abroad or speaks a foreign language. That goes for President Reagan, George Bush, George Shultz, Casper Weinberger, Edwin Meese, Lt. Col North, Admiral Poindexter, Robert McFarland, . . . not even Fawn Hall. Contrast our team's lack of experience with the cosmopolitan sophistication of the players who did us in like Adnan Kashoggi and Mr. Hakim.

It is absolutely essential that we infuse the international experience into our educational curricula from nursery school through graduate school. I find it unpardonable that many of our schools have dropped compulsory foreign language requirements. Last year, I spent a good deal of time in the Asia/Pacific region where I was astonished to learn that:

There are 40 million students studying English in the Peoples Republic of China;

In the public secondary schools of the major cities of Australia and New Zealand, courses in Chinese and Japanese language are being routinely offered.

Watch your television newscasts for several nights running and count the number of foreign public figures who speak fluent English, whether they be Polish shipyard workers, Sandinista and Contra leaders, Japanese businessmen or Soviet diplomats. It is no wonder that they know us so much better than we know them.

Above all, we Americans—especially young Americans—must seize every opportunity to travel abroad. You will return home with a first-hand understanding that the rest of the world does not think like Americans!

Essential to our ability to remove the enigma from our foreign policy is the requirement placed upon us to consult with our allies in this wholly inter-dependent world of which we are just a part. Compromise is an element of such consultations to which we must accustom ourselves.

Subject to the approval of the President, the formulation and execution of American foreign policy must reside with our Secretary of State and the State Department. They must be the "custodians" of the principles underlying our policies. We are courting even greater disaster than we have already seen by fragmenting foreign policy formulation and implementation between the State Department, the National Security Council, the CIA, the Defense Department, the Justice Department and others.

To ensure that only the most qualified experts in international affairs serve future Presidents in the foreign affairs area, I would even go so far as to advocate that the President's National Security Advisor be subject to Senate confirmation.

CONCLUSION

Some of you may be asking yourselves what my remarks have to do with you on the day of your commencement. I have deliberately focussed on the enigma of American foreign policy with YOU because it is YOUR generation that will meet the challenge of straightening out our country's currently confused international role. My aim today is simply to stimulate some thought about the need to remove the enigma from our international activities and to persuade you that you will all be better off for becoming active in the process.

I only ask that in your moments of greatest frustration, do not think too harshly of MY generation that messed things up so

well for you. We did it out of ignorance. So, learn from our mistakes . . .

ARMY DAYS PROCLAMATION, 1988

• Mr. WILSON. Mr. President, the role of the 6th U.S. Army during times of national defense, natural disaster, and emergency has historically been one of support to the Constitution and support in relief and assistance to the citizens of the Bay Area, CA and the Nation.

Army Days 1988 is a community-sponsored, public service event dedicated to fostering better communication and understanding between the 6th U.S. Army, headquartered at the Presidio of San Francisco, and the citizens of northern California.

The Army played an important emergency preparedness role during the 1906 San Francisco earthquake and fire, and is prepared to do so today and on into the future. Army Days was conceptualized to coincide with the anniversary of the 1906 earthquake and fire; 1988 marks the 82d anniversary of the Army's assistance to the community during this natural catastrophe.

Designed around the theme, "When we were needed, we were there," Army Days focuses on the Army's continuing commitment, not only to national defense, but to community assistance. It is designed to provide the public with an opportunity to participate in the continuing celebration of the Constitution and to become better acquainted with their Army.

It is appropriate that we acknowledge the significance of the Army and its historic connections with the citizens of northern California during the third annual Army Days celebration. •

CONSUMER PRODUCT SAFETY

• Mr. SIMON. Mr. President, the Consumer Product Safety Commission voted recently to ban most lawn darts. I applaud the Commission for its decision although it came too late for three children, aged 4, 7, and 13, who were killed in accidents involving the darts. The darts have also sent thousands to hospital emergency rooms. In this case, the CPSC acted decisively but belatedly. In a recent column, I wrote of the CPSC's intended mission of protecting the public and the lack of enthusiasm on the part of Commission Chairman Terrence Scanlon in carrying it out. I ask that my column be reprinted in the CONGRESSIONAL RECORD.

The column follows:

SAFETY PANEL LACKS WILL TO PROTECT PUBLIC

Back in 1981, when the huge tax bill passed, a small item tucked in that measure took away the authority of the Consumer Products Safety Commission to inspect permanent amusement parks in this nation.

I accidentally found out about it some time later when checking out the cause of increased accidents at amusement parks.

And I learned then that one of the members of the commission who seemed more interested in protecting certain industries than in protecting the public was a Democratic appointee to the commission, Terrence Scanlon.

When I publicly protested what was happening within that agency, and its failure to protect the public, some commission employees quietly came to me and said that Scanlon represented everything that commission is not supposed to represent.

Then in 1985, the President nominated a new chairman for the commission, and guess who was named? Terrence Scanlon.

I opposed his nomination on the Senate floor, and I was joined by Sen. William Proxmire of Wisconsin. But Scanlon is the nephew of a former, highly respected member of the Senate, and his nomination breezed through 63-33.

Now the same commission sides with the lawn dart industry, by a 2-1 vote, and against public safety.

Lawn darts have steel points that have sent 6,100 people to hospital emergency rooms in the last eight years, half of them children under age 10. Three have died.

The commission is ignoring those kind of statistics.

Newsweek recently had an article by reporter Steven Waldman with this interesting paragraph about another matter before the commission:

"Toys with small parts that can be swallowed pose less obvious but more serious risks. They were linked to 12,000 injuries and 18 fatalities in 1985—most involving children who choked. Last year the Consumer Federation of America charged that the CPSC had ignored its own 1983 study showing that children were choking on toy parts that met federal safety guidelines. Finally in February the commission voted to reconsider the standards. Scanlon says the agency waited so long because it was looking into industry claims that problems cited in the 1983 report had been eliminated. Yet the person who wrote that study said she needed only a few hours to reanalyze the data and to conclude that the danger remained. The CPSC should have acted much faster, says Anne Graham, a Republican CPSC commissioner who often opposes Scanlon. 'It's a matter of choking kids.'"

Scanlon argues his commission does not have enough money to do the job adequately. There is a problem, but that's not the chief deficiency.

I don't think he's fooling too many people with that argument.

The major problem at the Consumer Product Safety Commission is not a lack of money but a lack of will. Republican member Graham is doing a good job.

Scanlon and his other commissioner obviously do not believe in the mission of the Consumer Product Safety Commission. They have that right. But they should step aside and let someone who believes in protecting the public run the agency. •

BEN FRIEDMAN, SANTA ROSA, CA

• Mr. WILSON. Mr. President, I stand before you to offer a brief but well-deserved testimonial honoring the 70th birthday of Mr. Ben Friedman of Santa Rosa, CA.

Mr. Friedman, a Santa Rosa resident for his entire life with the exception of the time he spent serving in the Pacific during World War II, utilized the \$4,000 he saved while in the armed services and created one of the largest and most respected hardware businesses in the State of California. In doing so, he was elected president of the California Retail Hardware Association.

A true believer in paying back the community that helped him reach his place in life, Mr. Friedman has devoted his talent and encouragement to numerous projects with which he has been affiliated. In order to raise money for big charities, he became an auctioneer and was suitably commended with the title of colonel by the Governor of Kentucky. He also is one of the 12 original families that purchased the facility that became the Luther Burbank Center for the Performing Arts.

Throughout his life, Mr. Friedman has continually involved himself in a variety of clubs and organizations, including the Rotary Clubs of Santa Rosa and Petaluma, the American Cancer Society, the Sonoma County Shrine Club, and the "We Tip Anonymous" program which supports law enforcement. Appropriately, he was honored by the Santa Rosa Police Department for his efforts in this program and for his 20-plus years in the police reserves.

It is most fitting that Mr. Friedman has been awarded a certificate of merit for outstanding community service by the city of Santa Rosa and its Department of health and human services.

Mr. Friedman has, in the truest sense, accommodated many hundreds of people through his commitment to enrich others and his community. He demonstrates the characteristics of a true humanitarian.

Mr. President, I know I am joined by Mr. Friedman's family, friends and community in celebrating his 70 charitable years. •

AILING BRIDGES

• Mr. SIMONS. Mr. President, recently, the New York Times ran a story under the heading "Rust Specialists Bash Away at Ailing Bridge" written by Kirk Johnson. A subhead of the story reads "Piles of Pigeon Manure Are Found Painted Over."

I ask that this story be printed in the RECORD.

Every other day a bridge somewhere in the United States is either closed or collapses. The Williamsburg Bridge is 1 of nearly 1,000 bridges in New York City added to over 130,000 across the Nation now labeled "structurally deficient." But the list grows longer. A much larger number of local bridges are

now off limits to a new generation of longer, wider, heavier trucks. Some are not even open to the schoolbus or the firetruck or the ambulance.

The New York Times article underscores the ballooning costs of neglect and obsolescence. As economist Pat Choate keeps reminding us, we build, but we do not maintain. We are going to have to invest more funds in bridge repair, maintenance, and construction and in highway construction and maintenance as well.

At the same time, millions of people are unemployed, despite the overly optimistic comments about the recent unemployment rate. It makes more sense to hire and train people to inspect and repair bridges, roads, and utility systems before they fail. Instead we are faced with the staggering list of unmet infrastructure needs which we are going to pay for, one way or another, sooner or later.

We ought to have the good sense to move on our problems, put people to work, do it on a pay-as-you-go basis, and we will be a richer Nation.

The article follows:

[From the New York Times, Apr. 30, 1988]

RUST SPECIALISTS BASH AWAY AT AILING BRIDGE

(By Kirk Johnson)

NEW YORK, April 29.—Rasool S. Attar stood in the cherry-picker, his upturned face concealed by safety glasses, aspiration mask and hard hat, and did his best to smash a hole through the bottom of the Williamsburg Bridge.

The beating, conducted with a sharpened hammer intended for the purpose, produced a shower of thick, encrusted rust and paint chips called lamination. But it is only the first step in Mr. Attar's inspection. Once the lamination has been examined and removed, the more important question looms: How much of the original steel is left?

Mr. Attar, an engineer for the consulting concern that is inspecting the closed bridge for the state, said the answer often saddens and angers him. In an area of the Brooklyn-bound roadway that Mr. Attar and his partner, John J. Bost, checked Thursday, for example, a floor-beam section that was three-eights of an inch thick when the bridge was built in 1903 was missing two-thirds of its steel by the time the pounding stopped.

CORRODED BEAM IS FLAGGED

The beam, its thickness measured with an ultrasonic testing device, was marked as "flag condition"—bad enough to merit immediate notification to city and state transportation officials, who must then confirm they received the notice. With the inspection of the bridge about 85 percent complete, engineers like Mr. Attar and Mr. Bost have found about 100 flags. Although most of the problems have been repaired or downgraded after further analysis by other engineers for the firm, city officials said the bridge will remain closed this Tuesday, which was the tentative reopening date.

"They could have maintained this bridge and it would have been a beautiful bridge," Mr. Attar said today, removing his mask after the demonstration. "This is due to negligence."

Other inspectors and supervisors agreed that regular and proper cleaning and paint-

ing by the city—the bridge's owner—could have prevented much of the damage that inspectors have found recently. A tour of the structure today, for example, showed three- to four-inch-high mounds of pigeon droppings on some beams that inspectors said had simply been painted over and never cleaned away. Pigeon manure is laden with acids that attack metal.

But the same experts also agreed that much of the decay is due to the way the bridge was built and then modified over the years. In particular, they criticized the laying of concrete roadways in the late 1940's and early 1950's without water-drainage channels. For as long as 40 years, water from the roadways—mixed with highly corrosive salt in the winter—has poured thorough the expansion joints where the sections of roadway are joined and down through the metal latticework, where it ate away the steel. Much of the worst corrosion on the bridge has been found directly below those joints.

BRIDGES NOW BUILT REDUNDANTLY

"These things are just not done now," said Kenneth P. Serzan, an engineer who is supervising the 20 two-man inspection teams for the lead engineering firm, Steinman Boynton Gronquist & Birdsall. Mr. Serzan said modern bridge-construction techniques call for sealed drainage systems that carry water away through non-corrosive conduits.

The Williamsburg Bridge was also constructed in what is called a "non-redundant" engineering style. Modern bridges use redundant construction, which means that, if any one section fails, the bridge is still held up by other beams sharing the same load.

In the floor-beam section found by Mr. Attar on Thursday, for instance, the corroded area was on the "webbing," or vertical section of the beam, which helps the bridge withstand side-to-side and end-to-end stress. •

TREASURY STUDY SAYS CAPITAL GAINS CUTS RAISE REVENUE

• Mr. KASTEN. Mr. President, opponents of restoring the capital gains exclusion eliminated by the Tax Reform Act of 1986 have argued that it would be a substantial revenue loser and that the only way to pay for it would be to raise marginal tax rates.

Their argument is based on the Joint Committee on Taxation's view that a capital gains rate below the current 28 or 33 percent would lose Federal revenue. The historical data, on the other hand, shows that lower capital gains taxes have coincided with higher tax receipts. The reason for this is quite simple: Lower taxes on capital gains increase the willingness of property owners—shareholders, homeowners, businesses—to realize their capital gains because the tax cost of selling their property is lower. Greater realization of capital gains, in turn, has translated into greater revenue for the Federal Government. When the top capital gains tax was cut in 1978 and 1981 from 50 to 20 percent, tax revenues from capital gains taxes rose 184 percent from 1978 to 1985. Revenues from capital gains during this period rose twice as fast as the Dow Jones av-

erage and the gross national product. Economic growth and inflation cannot fully account for this dramatic increase in Federal revenues coinciding with a dramatic decrease in capital gains tax rates.

A study by Harvard Prof. Lawrence Lindsey using models developed by reputable nongovernment economists found that the revenue maximizing capital gains tax rate is between 9 and 20 percent—substantially below the current 33 percent top tax rate. Lindsey estimates that a 15-percent capital gains tax rate would increase revenues by \$31 billion over the next 3 years.

A newly issued study by the Treasury Department entitled "The Direct Revenue Effects of Capital Gains Taxation: A Reconsideration of the Time-Series Evidence" provides even more evidence of the revenue raising potential of a lower capital gains tax. The new study builds upon the 1985 Treasury Department report on capital gains by using revised and more recent data, and by improving the specification of the regression model. Using the improved model, Treasury estimates that the combined effect of the rate reductions in 1978 and 1981 directly increased tax revenues by \$4.692 billion. More important, the study concludes "the Federal revenues obtained directly from the taxation of capital gains could be enhanced by reducing rates from their current high levels."

The Treasury study ignores the so-called supply side effect of lower capital gains tax rates—that is, the positive impact of lower rates on economic growth and thus, tax revenues. However, the study does note that it is "reasonable to expect further indirect revenue impact from the positive impact of rate reductions on economic growth in general."

Mr. President, the overwhelming weight of historical experience and analytic work—and just plain common sense—suggests that a capital gains tax rate cut will increase—not decrease—Federal tax revenues. Perhaps more important, by increasing the after-tax reward of investment, a capital gains cut will spur capital formation, encourage entrepreneurial risk taking, enhance America's international competitiveness and spark a new wave of economic growth and job creation.

I ask that the text of the Treasury study be inserted at this point in the RECORD:

The text of the study follows:

[Research Paper No. 8801]

THE DIRECT REVENUE EFFECTS OF CAPITAL GAINS TAXATION: A RECONSIDERATION OF THE TIME-SERIES EVIDENCE

(Prepared by Michael R. Darby, Robert Gillingham, and John S. Greenlees, Department of the Treasury, May 24, 1988)

EXECUTIVE SUMMARY

In this paper we reconsider the evidence from time-series regression studies on the degree of taxpayer responsiveness to tax rate changes. This econometric issue has direct implications for the current debate surrounding the revenue impact of tax rate reductions. Opponents of capital gains rate reductions often point to previous time-series studies as evidence in support of their position. Joseph Minarik of the Urban Institute has recently testified that time-series results in the 1985 Treasury Department Report to Congress on the Capital Gains Tax Reductions of 1978 offer definitive proof that a tax rate reduction would result in a federal revenue loss. Another recent analysis by the Congressional Budget Office (CBO) entitled *How Capital Gains Tax Rates Affect Revenues: The Historical Evidence* concludes that a revenue loss would be likely to result from lowering the top marginal rate to 15 percent.

Our research proceeds in two stages. First, we build upon the Treasury work by using revised and more recent aggregate data, and by improving the specification of the regression model. Second, we present historical simulations based on the CBO regression model, using the Treasury approach to revenue simulation instead of the CBO's, which we consider to be inappropriate. Both of these analyses have the effect of transforming the implications of the prior time-series research: that is, our results are much more in line with cross-section econometric evidence in implying that federal revenues obtained directly from the taxation of capital gains could be enhanced by reducing rates from their current high levels.

We do not urge that our time-series regressions provide conclusive evidence on taxpayer responsiveness to capital gains tax laws. In fact, we believe that cross-section regressions, with their large sample sizes and detailed wealth and demographic detail, are the most reliable bases for inferences. What our results do demonstrate is that time-series analyses, which have been cited as evidence that revenue will be lost if tax rates are lowered, could provide even stronger support for the opposite view.

Among the many important topics in capital gains tax law, such as its influence on stock market volatility or the proper treatment of inflation, the issue of revenue estimation remains the subject of greatest controversy and debate. Researchers and policymakers continue to dispute whether instituting a percentage exclusion for long-term gains, or placing a cap on the marginal tax rate, would increase or decrease Federal income tax revenues.

Accurate revenue estimation requires an understanding of the degree of taxpayer responsiveness to tax rate changes. On this issue, however, the econometric evidence has been viewed as mixed. There have been a number of cross-sectional or panel studies of tax-return microdata; most of these have estimated a relatively high elasticity of realizations with respect to the marginal capital gains tax rate. Consequently, these studies imply that the Federal revenues obtained directly from the taxation of capital gains could be enhanced by reducing rates from

their current high levels. (In the remainder of this paper we will analyze only these direct revenues.)

Opponents of capital gains rate reductions, on the other hand, point to the apparently contradictory implications of published time-series regressions. For example, in the 1985 Treasury Department Report to Congress on the Capital Gains Tax Reductions of 1978, revenue simulations of the 1978 Revenue Act and the 1981 Economic Recovery Tax Act (ERTA) using time-series parameter estimates were much less favorable than alternative simulations based on cross-section estimation. Joseph Minarik of the Urban Institute has recently testified that these results are definitive proof that a capital gains tax rate reduction would result in revenue loss ("Raising Federal Revenues through a Reduction in the Capital Gains Tax," statement before the Ad Hoc Committee on the Taxation of Capital Gains, February 2, 1988). Jane Gravelle has also used the Treasury report and other time-series results to argue against a rate cut ("Will Reducing Capital Gains Taxes Raise Revenue?" Tax Notes, July 27, 1987). More recently, the Congressional Budget Office (CBO) has released a report entitled *How Capital Gains Tax Rates Affect Revenues: The Historical Evidence*, in which realization parameters are estimated using time-series regressions and simulated using microdata. The simulations in the CBO study imply that a revenue loss would be likely to result from lowering the top marginal rate to 15 percent.

In this paper we reconsider the time-series evidence presented in the Treasury and CBO studies. First, we build upon the Treasury work by using revised and more recent aggregate data, and by improving the specification of the regression model. Second, we present historical simulations based on the CBO regression model, using the Treasury approach to revenue simulation instead of the CBO's, which we consider to be inappropriate. Both of these analyses have the effect of transforming the implications of the time-series research: that is, our results are much more in line with cross-section evidence in implying a relatively low revenue-maximizing tax rate and a more favorable revenue effect from proposed tax rate reductions.

Please note that we do not contend our results are definitive. Rather, they demonstrate that time-series analyses, which have been cited as evidence that revenue will be lost if capital gains tax rates are reduced from current levels, could provide even stronger support for the opposite view. More definitive results await a more sophisticated analysis of capital gains realizations behavior, which we believe should build on the detailed cross-sectional analysis presented in the Treasury report.

I. RECONSIDERATION OF THE 1985 TREASURY REPORT TIME-SERIES ANALYSIS

In this section, the time-series specification presented in the 1985 Treasury report is reestimated and resimulated, first using the original 1954-82 sample data base, second using data revisions published later. We then extend the regression sample through 1985, adding 3 years of data that were not available at the time the report was written. Finally, since hindsight allows us to identify serious problems in the basic regression specification, we also present results using the Treasury tax rate variable but with several alternative functional forms taken from the 1988 CBO study.

Reestimation with new data. The first column of table 1 displays ordinary least squares (OLS) coefficient estimates derived from the original 1954-82 Treasury data set (Coefficients originally reported by the Treasury were obtained via instrumental variables (IV) estimation. Since the differences between OLS and IV parameter values were not statistically significant for any of our regressions, we report only OLS estimates.) The variable names are those taken from the Treasury report: the dependent variable CG is the change in net capital gains realizations in millions of current dollars, CRGNP and CIGNP refer to the real and inflationary components of GNP change in billions of dollars, CSTK represents the change in the value of household corporate stock holdings in billions of dollars, and CTX and CTX-(1) refer to the current and lagged changes in the capital gains tax rate. Column 2 presents estimates of the same specification but based on revised 1954-82 data from the National Income and Product Accounts and the Flow of Funds accounts. (An appendix displays the revised and updated data used to analyze the Treasury model.)

The results in columns 1 and 2 demonstrate that data revisions are of little importance. The GNP and corporate equity variables are all significantly positive, as expected. More importantly, in both regressions a percentage-point increase in the marginal tax rate is estimated to reduce realizations by almost \$1.7 billion in the first year. When we use revised data, the second-year offset in this tax effect indicated by the lagged CTX coefficient is somewhat larger (\$970 million vs. \$843 million). These tax rate effects are also close to the Treasury report's estimates of \$1.705 billion and \$814 million.

Column 3 of table 1 reports on the same specification extended through 1985, but tells a very different story. With three additional data points added, the coefficient on lagged CTX becomes small and statistically insignificant. The long-run impact of a percentage-point tax rate change, as measured by the difference between the two CTX coefficients, increases from \$714 million in column 2 to \$1.294 billion in column 3. As we will demonstrate below, this has important implications for the estimated impacts of the 1978 and 1981 tax law changes.

A difficulty with the Treasury regression specification is that the real-inflationary decomposition of GNP change is anomalous. As defined in the Report, the real component of GNP, CRGNP, is the change in constant (1972) dollars, while the inflationary component, CIGNP, is the remainder of the nominal change. This produces an inflationary component with no apparent intuitive meaning; it is negative in several sample years of positive inflation, and would be non-zero outside the base year even if there were no price change. We avoid this problem by redefining CIGNP as lagged nominal GNP multiplied by the percentage change in the GNP deflator, and letting CRGNP be the residual growth variable. CRGNP then measures real GNP change in current dollars, which seems a more useful definition for present purposes. The results of this modification using the 1954-85 sample period are shown in the last column of table 1. The statistical fit of the equation improves in terms of R^2 and D-W statistics as compared to the Treasury report specification in column 3. The inflationary change variable is, perhaps surprisingly, now insignificant, while the tax rate effect becomes

even more pronounced. The total effect on realizations of a percentage-point rate change is now estimated as \$1.744 billion after 2 years.

The impacts of the new coefficient estimates are demonstrated in table 2, which approximates the simulation methodology used in table 4.12 of the Treasury report to estimate the year-by-year revenue effects of the 1978 and 1981 tax acts. The columns of the table show simulated revenue gains or losses from the tax law changes based on the four sets of regression coefficients reported in table 1.

The Treasury report simulated revenue impacts by comparing actual capital gains tax revenues in each year to estimates of the revenues that would have been achieved in that year under prior tax regimes. The hypothetical alternative revenues were obtained by first using parameter values to estimate total capital gains realizations, then using historical data by six income groups to calculate revenues given realizations. Not having access to all of the historical data, we modified the second step, calculating aggregate simulated revenues in a manner which is methodologically and empirically equivalent to the Treasury's income group method.

The major implication of table 2 is that extension of the regression sample through 1985 sharply increases the estimated revenue gains from the 1978 Act. In particular, Minarik's assertion that "by 1980, the revenue gain from the 1978 law had essentially evaporated" is only true when the incomplete sample is used. Based on column 3 of the table, the 1978 rate cuts increased revenue significantly until 1982; in column 4 the gains are even larger and continue through 1984. Meanwhile, the extended sample and superior GNP decomposition also yield much less severe revenue losses from ERTA than do the regressions based on 1954-82 only. When both adjustments are made, we estimate that the combined effect of the two laws was a direct revenue increase of \$4.692 billion.

Reconsideration of the Treasury specifications. The careful reader will have noted the other implication of table 2: the estimated budget effects of both acts deteriorate noticeably over time. In particular, their combined effect is highly negative by 1985 under all four specifications. However, this is entirely an artifact of the regression model's formulation in nominal and linear rather than real and logarithmic terms. As noted above, the coefficients in the Treasury report imply that a 1-percentage-point change in the marginal capital gains rate decreases realizations by \$1.705 billion in the first year; the long-run impact is \$891 million. Because these effects do not vary with the magnitude of realizations, the equation has the implausible implication that an increase from 25 to 30 percent in the tax rate in 1957 would have been sufficient to entirely eliminate realizations, since actual realizations were only about \$8.1 billion. By 1985, when realizations were \$171 billion, the tax rate could have gone to 100 percent with a permanent loss in realizations of only about 42 percent.

One could object that it is unfair to criticize the report by applying regression coefficients to extreme data points. However, this is in fact what the Treasury revenue simulations themselves do. The functional form of the regression forces the elasticity of realizations with respect to the tax rate to decline by almost 70 percent between 1978 and 1982, since the same absolute

impact is applied to a larger denominator of total nominal realizations. (As shown in figure 1, the absolute value of the first-year point elasticity implied by the parameters in the Treasury report falls from 1.15 in 1978 to 0.61 in 1980 and 0.38 in 1982.) Therefore, simulations applied to 1978-82 will necessarily underestimate the revenue gains from a rate cut (or overestimate the gains from a rate increase). For the same reason, the Treasury simulation methodology artificially induces a year-to-year deterioration in the impact of the 1978 and 1981 acts.

Alternative functional forms. The Treasury regression equation can be improved through price deflation and logarithmic transformation of variables. To accomplish this in table 3 we present estimates based on 1954-85 data, using the Treasury measures of capital gains realizations and marginal capital gains tax rate but with four alternative functional forms taken from table A-3 of the CBO study. The dependent variable RCG is the logarithm of realized capital gains. PRICE is the logarithm of the GNP price deflator. RGNP is the logarithm of constant-dollar gross national product, and RLSTKS is the logarithm of the end-of-year stock of household corporate shareholdings minus PRICE.

The equations differ in their inclusion of the marginal tax rate MTRTRES, as in column 1, or a transformation of that variable. In column 2 ATTRTRES is the logarithm of the after-tax share—i.e., one minus the marginal tax rate. The quadratic model in column 3 includes both MTRTRES and its square MTRTRESQ, while the constant-elasticity form in column 4 uses the logarithm of the marginal tax rate, LMTRTRES. (The purpose of the TRES suffix is to emphasize that the tax rate variable is the marginal tax rate for high income taxpayers used in the Treasury report rather than the average effective marginal tax rate on all capital gains employed in the CBO study. It might be argued that the CBO tax rate is more appropriate. Use of the CBO functional forms with the Treasury tax rate simplifies comparison with the actual CBO regressions analyzed in section II below.)

The choice of the tax rate variable has essentially no impact on the explanatory power of the regression; the summary statistics in table 3 are virtually identical. Despite the similarity in explanatory power, however, the four specifications do not all imply the same relationship between the level of the marginal tax rate and the elasticity of realizations with respect to changes in this level. Figure 2 graphs this pattern for each of the equations. Specifications 1, 2, and 3 yield similar positive relationships between the marginal tax rate and the realizations elasticity, while specification 4 estimates a constant elasticity of -0.672.

Table 4 repeats the simulation analysis of table 2 for the redefined specifications. Substitution of the logarithmic functional form yields more favorable revenue impacts for both the 1978 and 1981 acts than does the Treasury specification. In all four simulations the 1978 act is a consistent direct revenue gainer, and even ERTA has direct revenue-enhancing effects after 1981. For every year in the simulation, the total revenue impact of the two laws is highly favorable despite the significant reduction in marginal rates.

II. RECONSIDERATION OF THE CBO CAPITAL GAINS REALIZATIONS STUDY

The central conclusions of the 1988 CBO study, or at least the conclusion that has re-

ceived the most attention, is that a reduction in the top capital gains tax rate to 15 percent would very likely lose tax revenue relative to the tax schedule imposed under the 1986 Tax Reform Act (TRA). By contrast, in our above analysis we found that historical simulation of the CBO functional forms applied to the Treasury data set yields positive estimated revenue gains from previous capital gains tax cuts. There are several possible explanations for this apparent anomaly, and in this section we will examine each in turn.

Measurement of tax rates and realizations. As noted above, the CBO uses a different measure of the effective tax rate than does the Treasury. In particular, the Treasury variable applies only to high-income taxpayers, while the CBO's is a weighted average of estimated rates for six Adjusted Gross income groups. This difference is potentially important, since tax rates have not always moved in parallel for rich and poor taxpayers. The Treasury regression model also differs from the CBO's in that the former includes short-term as well as long-term capital gains realizations in the dependent variable. However, it appears that these two distinctions do not change the qualitative results of the revenue simulations.

Table 5 repeats the simulation experiment of table 4 for the four alternative regression specifications, but in this case using the tax rate variable and parameter estimates taken from the CBO study. Again, the 1978 act is a solid revenue gainer, and ERTA gains revenue under all but the quadratic specification. The combined effect of the two acts is positive for all specifications, though much smaller than those reported in table 4. Apparently, the particular choice of rate and realization variable does not affect the qualitative implications of the regressions.

Characteristics of the proposed rate reductions. A second possible explanation for the CBO study's unfavorable revenue simulations is that the proposed 15-percent cap represents a change that is outside historical experience. In that case, simulations of the 1978 and 1981 acts provide no guide to future revenue effects. Upon close inspection this explanation also appears to have little basis.

The marginal rate variable used in the CBO study fell from 22.7 percent in 1978 to 14.8 in 1982 and 13.9 in 1985. Our results above indicate revenue gains from this change. The CBO also estimates that the marginal capital gains rate under TRA is 25.4 percent. This suggests that a rate reduction to a level around 15 percent would also increase direct revenue. That is, the post-1978 experience appears to offer a reasonable guide to the evaluation of proposed rate reductions.

Simulation method. The final explanation for the contrasting revenue implications is the difference between the CBO's micro-level simulation technique and our (i.e., approximately the Treasury reports) aggregate method. Ordinarily, it might be assumed that microsimulations are preferable, since they take account of the distributions of incomes, gains, and tax rates as well as their average levels. Unfortunately, this argument ignores the fact that the parameter values used in CBO simulations were taken from aggregate, not micro-level, regressions. It is inappropriate to infer from the CBO's aggregate regressions how individual taxpayers would respond to changes in capital gains tax rates.

To make this argument clear, assume that, for each taxpayer, a 1-percentage-point change in the marginal tax rate on gains results in a 0.032 reduction in the logarithm of realizations. This is representative of the operational assumption used in the CBO simulations that, at the individual taxpayer level, the log of realizations is a function of the level of the marginal tax rate. If this were true, however, and one estimated a time-series regression of the logarithm of total realizations on the marginal tax rate and other variables, the coefficient on the tax rate would not be 0.032! Individual logarithmic relationships such as the CBO specifications do not add up to an aggregate logarithmic relationship. Therefore, the CBO simulation model cannot be correct if its regression model is correct, and vice versa.

A second, and perhaps even more serious, problem with the CBO simulations is that they require employment of the response parameter far outside the range of estimation. Specifically, the CBO rate variable ranges between approximately 14 and 23 percent during the estimation period. By contrast, the most important taxpayers in their simulations will have tax rates at the 28- or 33-percent level under TRA. As noted in the CBO study, the four functional forms in our table 3 are indistinguishable in terms of historical explanatory power. They can be expected to have very different implications in microsimulations, however, because they imply very different realization elasticities at higher tax rates. (This phenomenon is illustrated in figure A-1 of the CBO study and implicit in our figure 2.)

To summarize, we feel that the contrast between our favorable revenue simulations and the CBO study's more negative conclusions is a result of the difference between our simulation methods. While we do not argue that the Treasury simulation approach is perfect, the CBO method is internally inconsistent at the theoretical level. It is inappropriate to use their time-series parameter values in microsimulations; cross-sectional simulation requires an individual response model, not an aggregate model.

III. INTERPRETATION OF TIME-SERIES REGRESSIONS

That our results imply revenue increases from tax reductions may seem surprising, given previous summary comments on time-series capital gains studies. Jane Gravelle, for example, noted that an elasticity of realizations with respect to the tax rate "with an absolute value less than one . . . would indicate that small increases in tax rates would result in revenue gains." Gravelle then characterizes the Treasury time-series results as implying an elasticity of -0.77, and a previous CBO analysis a considerably smaller -0.25. These values are much lower than the typical elasticities estimated from cross-sectional regression work.

However, Gravelle's elasticity criterion is misleading because elasticities computed from regression coefficients usually refer to some marginal tax rate variable, while the unitary elasticity requirements refers to the average capital gains tax rate, a considerably different concept in both level and variability. In 1980 the average tax rate was 16.7 percent, compared to 18.6 percent for the effective rate variable used in the CBO study and 26.7 percent for the marginal rate used in the Treasury report. By 1983, the average rate had fallen by about one-tenth, while the marginal rate measures had fallen by roughly one-quarter. As a result, even though capital gains realizations may be in-

elastic with respect to the marginal rate, the elasticity of capital gains tax revenues can still be negative, indicating the possibility of a revenue-enhancing rate reduction. This is not just a theoretical possibility but, in fact, the empirical conclusion that can be drawn from our regression and simulation results.

There are a number of economic explanations for these mathematical results. First, the tax cuts we analyzed did not reduce the marginal tax rate by the same proportion for each taxpayer. Second, even for a given taxpayer, average and marginal tax rates did not have to change proportionately, because of movements along the rate schedule. Finally, cross-sectional evidence reveals that capital gains realizations are generally much more elastic at high than low rates. This relationship implies that a proportionate reduction in marginal tax rates will increase the share of gains taxed at the highest rates, so that average tax rate falls less than proportionately. So long as revenue gains at high rates predominate over revenue losses at lower rates, Gravelle's criterion on the realization elasticity need not be met for a tax rate cut to increase revenues.

Thus, the revenue impact of a tax law change cannot be determined merely by examining regression coefficients. That is why both reports included revenue simulations as part of their analysis of time-series results. It is also inappropriate to compare directly the CBO and Treasury regression elasticities, or to contrast time-series and cross-section regression elasticities, since different rate variables are used in each study.

It is also important to note that several factors are outside the scope of all of the analyses discussed in this paper. First, the regressions treat both GNP and the level of household equity holdings as exogenous. This ignores the effect of lower capital gains rates on both economic growth and capital asset prices. Results presented in the Treasury report indicated that the impact of tax rates on the stock market had an important revenue effect that should not be ignored. It is also reasonable to expect a further indirect revenue impact from the positive supply-side impact of rate reductions on economic growth in general.

Second, the impact of any differential taxation of capital gains on tax revenue from other income sources is also outside the scope of all the analyses we consider. Taxpayers might adjust the mix of capital gains and ordinary income when the difference between the capital gains and ordinary income tax rates changes. Capital gains tax rate changes would then have an indirect impact on tax revenue from, for example, dividend income, partially offsetting the direct impact on capital gains tax revenue.

Finally, the standard focus of both time-series and cross-sectional analyses has been on taxpayers with gains. The implication is that revenue estimates apply only to those taxpayers. In each year, however, some taxpayers declare net long-term losses. Any rate reduction will have direct revenue-enhancing results if taxpayers do not for some reason increase their losses in response to lower tax rates.

IV. CONCLUSION

In his recent statement, Joseph Minarik of the Urban Institute takes a strong stand for using the Treasury time-series analysis as the definitive empirical basis for rejecting capital gains preferences. In Minarik's view, the revenue estimates from time-series regression are "much more meaningful"

than the cross-sectional estimates which "make no use of the actual experience following the recent tax cuts." Summarizing the time-series results, he argues that "The 1978 law experience thus gives no backing to claims of an ongoing revenue pickup," while "the 1981 capital gains tax cut was a revenue loser from day one." In sum, "the heart of the issue is revenue. And here, there is no doubt."

This paper demonstrates that updating the Treasury sample to reflect even more recent "actual experience" reverses Minarik's conclusions. When we extend the original Treasury regression specification through 1985, the results imply that the 1978 act produced large and continuing direct revenue gains. Extension of the sample and correction of a flaw in the Treasury report's measurement of inflationary GNP dramatically reduce the estimated losses from the 1981 changes. Finally, substitution of clearly superior regression specifications taken from the 1988 CBO study yields the conclusion that both acts were significantly revenue-enhancing. We further find that the CBO's own conclusion that capital gains preferences would be likely to lose revenue is essentially an artifact of their simulation method, rather than being a straightforward implication of their regressions.

In contrast to Minarik, we do not argue that our time-series regressions provide conclusive evidence on taxpayer responsiveness to capital gains tax laws. In fact, we believe that cross-section regressions, with their large sample sizes and detailed wealth and demographic detail, are the most reliable bases for inferences. What the results presented here do indicate is that when the sample is extended to fully reflect the experience of the 1980s, Minarik's own line of argument leads to a conclusion opposite to his: namely, that the time-series data, like the cross-section data, provide considerable evidence supporting the likelihood of direct revenue gains from reductions in capital gains tax rates.●

BILL DOWNING, OAKLAND, CA

• Mr. WILSON. Mr. President, I stand before you today to offer a brief, but well-deserved testimonial. When our Nation first gained its independence, Americans strove to meet what were then commonly referred to as "republican principles," that is, subordinating personal interests for the good of the republic. Today, we still value those individuals who enthusiastically lend their assistance in public endeavors. One such individual is Bill Downing, who has generously given so much of his life to enrich the community of Oakland.

Since March 1982, Mr. Downing has served as the unparalleled president and chief executive officer of the Oakland Chamber of Commerce. As a co-founder and president of the Coalition of Labor and Business, he represents over 100 business and labor organizations and trade associations. He brilliantly administered development of a plan to dispose of solid waste from Alameda and San Francisco Counties and deposit it in excavated gravel pits. In addition, Mr. Downing also has

served two terms as president of the Aggregate and Concrete Association of Northern California, and is a former secretary for the Oakland-Alameda Coliseum Board. An avid sports fan, he has worked extremely hard to promote sports in the San Francisco area. His other outstanding achievements include organizing the first fundraising drive for the Oakland Symphony, and different local campaigns for public office.

Mr. President, over the years, Bill Downing has provided invaluable assistance and leadership for the Oakland community. However, his career in public service is now in jeopardy of being cut short. He is currently undergoing a very serious battle with cancer. Yet, Bill is not one to give up in the face of adversity, and I expect that we have not heard the last of his accomplishments. Today, I take great pride in honoring Mr. Downing for his public service and recognizing his exemplary leadership in the community. He stands as a model for us all.●

CONGRATULATIONS TO ELYSE SANCHEZ

● Mr. MOYNIHAN. Mr. President, last Thursday, June 2, the New York Post led with a remarkable story, a story of triumph for the Sanchez household of the Bronx, N.Y. Like so many other families this time of year, the cause for celebration was a graduation. But this particular graduation was something special. Elyse Sanchez, a welfare mother with four children, completed her college education at Lehman College, graduating Phi Beta Kappa.

Ms. Sanchez is now off the welfare rolls and on to the University of Iowa where she has received a full fellowship to study for a Ph.D. in English literature, following which she hopes to teach at the college level.

No mean feat under ideal circumstances. Unfortunately, Ms. Sanchez's situation was less than ideal. Her husband had abandoned her, leaving her with four children and no income. Ms. Sanchez credits her four children's unwavering support with helping her to complete her education. She is too modest to note her own formidable talents and discipline.

Mr. President, S. 1511, the Family Security Act, will soon come to the Senate floor. The Finance Committee ordered the bill favorably reported by a vote of 17 to 3. We now have 62 co-sponsors. Our legislation would strengthen child support enforcement mechanisms. Fathers must help support their children, not abandon them as did Ms. Sanchez's husband. The Family Security Act also will assist welfare recipients like Ms. Sanchez in obtaining the education and skills necessary to pursue their dreams and to enter the work force. The new Job Op-

portunities and Basic Skills Training Program [JOBS] would allow States to make a wide range of education, work, and training activities available to welfare recipients, including postsecondary education as is appropriate.

Ms. Sanchez's achievements are remarkable and I offer her and her family my heartiest congratulations and best wishes for continued success. Should the Family Security Act become law, I expect that we will be hearing many more such success stories in the future.

Mr. President, I ask that the text of the New York Post's June 2 story, by Ann V. Bollinger, be inserted in the RECORD at this point.

The article follows:

[From the New York Post, June 2, 1988]

(By Ann V. Bollinger)

"Today is one of the happiest days of my life," said a beaming Elyse Sanchez, the welfare mother who graduated Phi Beta Kappa from Lehman College yesterday.

"I keep saying to myself, 'This can't be happening to me,'" she said. "Not a lot of good things have happened in my life."

Tears welled in her eyes as she glanced over at her four bright-eyed children seated in the audience during the ceremony on the school's Bronx campus.

She was an instant celebrity.

"That's my mom up there," her 10-year-old daughter Hope told a battalion of reporters, photographers and television camera crews.

"She's famous. We're all famous," she said. "Now I know what Joan Collins goes through."

Sanchez, who appeared on the front page of yesterday's Post, was hunted by reporters all day—even Good Morning America and Morton Downey wanted her.

"I'm proud of my mom," said 8-year-old Kimberley. "She worked hard to graduate. I'm going to start calling her Professor Mom."

In July, the Sanchez family is leaving The Bronx for Iowa and going off the welfare rolls.

Both mom and her 17-year-old daughter Rochelle will attend the University of Iowa, where Sanchez has accepted a four-year, six figure teaching fellowship.

She'll be working on her Ph.D and plans to teach English on the College level.

Five years, Sanchez never dreamed she'd be a college grad.

She moved into a crack-infested Bronx neighborhood—where she still lives with her kids.

Her husband, who abused her, walked out and her mother died, leaving her with no family.

And she had no income.

"I was devastated. I felt like I wasn't worth anything," she said.

Determined to feed her kids and make something of herself, Sanchez enrolled in Lehman College and plowed through her English literature requirement in three years.

When asked what it took to get where she is, she said: "Four children pushing you."

"When Walt Disney won the Academy Award for Snow White, he got one big Oscar and seven little ones for the dwarfs," she said. "I feel like I should have four little diplomas for the children."

Over their first restaurant meal in four years, the family dreamed of the future:

"In Iowa," Sanchez said, "they have air conditioning and carpeting and mini-blinds. I can even take aerobics classes."●

NATIONAL AIDS POLICY RECOMMENDATIONS

● Mr. WEICKER. Mr. President, I rise to commend the Chairman of the Presidential Commission on the Human Immunodeficiency Virus Epidemic on the Draft National AIDS Policy recommendations he released last week. Admiral Watkins came into a difficult job, perhaps one of the most difficult of his distinguished career. He has had to navigate through the shoals of philosophy to achieve a result that is both scientifically sound and full of understanding of the leadership needed to save lives now.

The Chairman's recommendations call for the application of existing Federal handicapped antidiscrimination laws to the private sector to include protection for all individuals with disabilities, including people with HIV infection, from losing their jobs, educational opportunities, and homes. This recommendation comes as no surprise to those of us who are Members of the Senate Labor and Human Resources Committee and have repeatedly heard the horror stories of discrimination against people with all kinds of disabilities, including HIV infection, ARC, and AIDS. It was in response to the injustice of discrimination on the basis of handicap that my good friend, Senator HARKIN and I, along with 14 of my colleagues, introduced S. 2345, the Americans With Disabilities Act of 1988. This legislation, also cosponsored in the House by 72 Representatives, will ensure civil rights protections for persons with disabilities, including people with HIV infection, in housing, private sector employment, and public accommodations. Parallel in scope of coverage to the other civil rights statutes which ensure nondiscrimination on the basis of race, sex, and national origin, this legislation is critical to assuring that discrimination on the basis of handicap will not be tolerated in our society.

The Senate Labor and Human Resources Committee has also heard expert testimony regarding the need to ensure greater protections of confidentiality and nondiscrimination as part of any efforts to expand voluntary AIDS testing and counseling. We have been told that fear of losing a job or a home will serve as a major disincentive toward encouraging those who may have engaged in high-risk behavior to seek AIDS testing and counseling. This past winter, Senator KENNEDY and I, along with others, introduced S. 1575, the Federal AIDS Policy Act. This bill expands the avail-

ability of voluntary testing and counseling, protects the confidentiality of AIDS testing and counseling records, and prohibits discrimination against those who test positive for HIV, or have ARC or AIDS. Certainly this Senator will do all that he can to see that this bill is reported out of committee and considered by the full Senate as soon as possible.

I was also particularly pleased to see that many of Admiral Watkins' recommendations are met in the provisions of S. 1220, the AIDS bill that passed the Senate just a little over a month ago. Specifically, the Chairman's report states "It is the opinion of the Commission that the provision of HIV education in our schools is of vital importance and must be introduced across the Nation immediately ***. The decision about appropriate content and methods of instruction should be determined at the local level; however, both elementary and secondary school students should receive such education." Mr. President, this is entirely consistent with testimony that has been presented to both the authorizing and Appropriations Committee, and it is entirely consistent with the education provision of S. 1220 which was included in the bill at my request.

Mr. President, I would also like to take this opportunity to commend the Centers for Disease Control for the outstanding job they have done on the AIDS mailer which has gone out to every household in this country. It was more than 1 year ago that Senator CHILES and I directed that such a mailer be developed and distributed. Thanks to the usual moralizing and posturing by certain nonscientists in this administration, the mailer was delayed and only sent out last week. I can only wonder how many people were infected with the AIDS virus during that time who might not have been, had they received the information and education we know is so vital to preventing the spread of AIDS.

Mr. President, many of us read about another report that was released last week by the Institute of Medicine. This report is an update of the original Institute of Medicine report entitled "Confronting AIDS" published in 1986. The updated report, like the Commission's report, called for protections against discrimination and increased efforts in AIDS education and prevention. It also stated, in response to the rider included on last year's Labor-HHS appropriations bill, the same rider recently agreed to by the Senate on S. 1220, "explicit information on the risks associated with gay sex and the way those risks can be minimized does not promote or encourage homosexual activities."

Mr. President, education is our front-line defense against the spread of AIDS. The President's Commission

knows it, the Institute of Medicine knows it, the Centers for Disease Control know it. The job now is to turn this knowledge into programs and public policy that works.

The Chairman of the President's Commission has stated that "The foremost obstacle to progress raised was the discrimination faced by those with HIV." The job before the President and the Congress is to remove this obstacle and expand the protections against discrimination for all those with disabilities, including HIV infection, ARC, and AIDS.

The Chairman of the President's Commission and his staff have done an outstanding job in drafting a blueprint for a national strategy for combating AIDS. I commend Admiral Watkins and I urge all of the members of the Commission to adopt the recommendations and send them to the President to endorse and implement in a manner which reflects the life and death urgency this epidemic demands.●

CONGRATULATIONS TO CHESTERFIELD, MISSOURI

● Mr. DANFORTH. Mr. President, Chesterfield, MO, became a city officially at noon on Wednesday, June 1, 1988.

Chesterfield before Tuesday, April 5, was unincorporated, but a vital part of West St. Louis County in Missouri. On April 5, more than 75 percent of the voters in this community voted in favor of incorporation.

Chesterfield is now a sprawling city of more than 26 square miles. It will become Missouri's 15th largest city. Geographically, it will be one of the two largest cities in St. Louis County and will be the third largest in population, with more than 33,000 residents. It will have a tax base of approximately \$500 million.

"Chesterfield—A City Whose Time Has Come", is the slogan which the city has rallied around. Fredric Steinbach, appointed by the county council as interim mayor, said, "What I hope to accomplish is placing proper individuals on the city staff who can set the city in motion and prepare us for the 21st century."

In recognizing the incorporation of the city of Chesterfield, my distinguished colleague, Senator BOND and I would like to extend our hearty congratulations to the people of Chesterfield. May their good fortune continue and their city prosper and grow.●

DEPARTMENT OF DEFENSE AUTHORIZATION BILL

● Mr. DODD. Mr. President, in the interest of saving the time of my colleagues in the last day in session before the Memorial Day recess I refrained from making a statement on

the final passage of S. 2355, the defense authorization bill of 1989. I would like to use this opportunity, however, to state my views on the bill passed 10 days ago.

Before discussing some of the specifics, I would like to commend the bill's managers, Senators NUNN and WARNER. Along with the able deputy managers, they deserve congratulations for the outstanding job they did in shepherding this crucial piece of legislation through the Senate. In spite of some last minute snags delaying the vote on final passage, we finished this authorization bill in a relatively short time.

But beyond the great competence and prestige of the leaders of the Armed Services Committee, there were at least two additional factors that helped us to complete this bill in an expeditious fashion.

One was the fact that for the first time in several years, the administration submitted a responsible and realistic defense budget to Congress. I cannot speculate on how much of this was due to the constraints of last fall's budget agreement and how much can be attributed to the new leadership in the Pentagon. I simply commend the fact that this year's defense budget was not declared "dead on arrival." It was a reasonable and acceptable basis of discussion.

The other factor simplifying our work was the fact that, contrary to previous years, a rather broad based consensus exists across the Nation and within Congress about the direction, management, and progress of our arms control policies. It is obvious that arms control does not have to be a bitterly contentious issue in the Senate as long as the President provides adequate leadership.

The overall funding level of this bill was pretty much locked in by the budget compromise. I cannot say that I find this level ideal, but under the circumstances, I find it adequate. In the first place, I believe we sufficiently provide for strategic modernization. As a result, I am certain that the President will not be hampered in his negotiations for a major strategic arms reduction agreement by an insufficient will of Congress to maintain the strength and credibility of our strategic deterrent.

I support a robust research program on strategic defenses—SDI—but believe that in light of confusion about the priorities in that program, it is rather generously funded at this point. For some of my colleagues, SDI has assumed a quasi-religious nature. They take its greatness on faith. Criticism of it is sacrilegious. I am willing to continue to support a substantial effort on this field but I am unwilling to suspend the scrutiny that I must apply to any spending program of this

magnitude. For this reason I voted for the amendments of Senators JOHNSTON and LEVIN to transfer funds to space programs and conventional programs, respectively, and reduce SDI funding to a more balanced level. The administration has to do a better job in sorting out the priorities of this program before this Senator will vote for a substantial funding increase. I refuse to be apologetic about having tried to cut funding to a level that is still close to \$4 billion. This stance hardly qualifies me as an opponent of this program.

My vote for the Levin amendment indicates that I would certainly like to see more funds directed to conventional programs, operation and maintenance in particular. To short-change these accounts in easy expediency in the short run but a dangerous irresponsibility in the long run.

Finally, on the subject of arms control amendments, I voted for the test ban moratorium—Kennedy-Hatfield amendment—and for interim restraint on MIRV'd systems—Bumpers-Leahy amendment. I am not particularly distressed that both of these amendments were tabled. As long as the administration conducts a serious negotiating effort for a strategic agreement, as well as for curbs on nuclear testing, I much prefer negotiated arms control measures to those imposed by Congress. I have voted for these amendments because I agree with their purpose and because they are good indicators of the disposition of Congress on these questions.

Mr. President, under our budgetary constraints, this is a good, solid, responsible piece of legislation and I am pleased to have supported it.

SEWALL-BELMONT HOUSE NATIONAL HISTORIC SITE

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 688.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 2203) to increase the amount authorized to be appropriated with respect to the Sewall-Belmont House National Historic Site.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 2336

Mr. BYRD. Mr. President, on behalf of Mr. JOHNSTON, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD], for Mr. JOHNSTON, proposes an amendment numbered 2336.

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

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

The amendment is as follows:

At the end of the Act, add the following new sections as follows:

SEC. . EXPANSION OF THE DELTA REGION PRESERVATION COMMISSION.

Section 907(a) of Public Law 95-625, as amended, is further amended as follows:

(1) In clause (6), strike "region; and" and insert "region;".

(2) In clause (7), strike "Arts." and insert "Arts; and".

(3) Add the following new clause:

"(8) one member who shall have experience as a folklorist and who is familiar with the cultures of the Mississippi Delta Region appointed by the Secretary of the Smithsonian Institution."

"SEC. . (a) There is authorized to be appropriated to the Secretary of the Interior such sums as are necessary for construction of the Saipan harbor project in the Northern Mariana Islands, in accordance with the May 1987 draft feasibility report of the Honolulu District Engineer.

"(b) There is authorized to be appropriated such sums as are necessary for project planning, design and construction for replacement of the main breakwater and for necessary dredging of the San Jose harbor on the Island of Tinian in the Northern Mariana Islands. The cost-sharing provisions of Public Law 99-662 shall apply to the project, and particular consideration shall be given to possible defense uses of the harbor in determining the benefits of this project."

Mr. JOHNSTON. Mr. President, the first section of this amendment adds one member to the Delta Region Preservation Commission, a commission established in 1978 in section 907 of Public Law 95-625 which created the Jean Lafitte National Historical Park and Preserve in Louisiana to advise the Secretary of the Interior in the selection of sites for inclusion in the park, in the development and implementation of a general management plan, and in the development and implementation of a comprehensive interpretive program of the natural, historic, and cultural resources of the region. Moreover, the Commission was also given the duty of informing interested members of the public, the State of Louisiana and its political subdivisions, and interested Federal agencies about existing and proposed actions and programs which have or could have a material effect on maintaining a high quality natural and cultural environment in the region.

Since its inception, the Commission has served a key role in both developing support for this park and, equally important, in assuring that a creative approach to interpretation of the rich, varied, and unique resources, including cultural resources, has been taken in the development, management, and interpretation of the park. One of the

more farsighted recommendations of the Commission, for example, was the establishment of centers for the interpretation of Louisiana's Acadian heritage in Eunice, Lafayette, and Thibodaux, for which a mandate was provided in section 901(5) of Public Law 95-625. The Commission was also instrumental in furthering the cooperative agreement with the first such center, the Islenos Center, in St. Bernard Parish which has a successful and highly regarded program for the interpretation of the many contributions to Portuguese settlers to the Delta region's culture as well as the cooperative agreement with the Chitimacha Indians who are well known for, among other skills and contributions, exceptional basket weaving skills.

As the Jean Lafitte Park matures, I am convinced that the Commission will continue to play an important role in furthering the creative interpretive approach to Public Law 95-625's mandates, and particularly the mandate in section 901 that resources in the Mississippi delta region be interpreted "in such manner as to portray the development of the cultural diversity in the region." To increase the Commission's ability to play a role in carrying out this mandate, I believe that including as a member a folklorist who is familiar with the many resources of this region is needed. My amendment provides for such a member, to be appointed by the Secretary of the Smithsonian Institution which is well known for its important work in preserving American cultures and traditions. In the past, the Smithsonian has from time to time provided technical assistance to the park in the interpretation of folklife, and I believe the Secretary of the Smithsonian is best suited to select this new member. Having the Secretary of the Smithsonian involved in the selection will also, I believe, help the Commission in its mandate to keep interested Federal agencies and interested members of the public apprised of existing and proposed programs and activities having a material effect on the cultural environment of the region.

Mr. President, I believe this minor change will help strengthen and improve the Jean Lafitte Park and I urge the Senate to adopt it.

Mr. President, the second section of this amendment to H.R. 2203 would authorize appropriations for two harbor development projects in the Commonwealth of the Northern Mariana Islands [CNMI], on the islands of Saipan and Tinian.

Subsection (a) would authorize appropriations for the offshore, or dredging, component of the Saipan harbor development project. It is anticipated that the CNMI government will finance the construction of the onshore facilities of this project at an

estimated cost of \$35 million, as well as one-third of the cost of the offshore component. The total cost of the offshore component was estimated, in a May 1987 draft feasibility report of the Honolulu District Engineer, to be \$21 million. The report proposed that the Federal share of the cost of this component be two-thirds, or \$14 million. This authorization intends that the Federal/non-Federal cost share will be as proposed in the May 1987 report.

It is particularly important for both components of this project to proceed concurrently. The corps has estimated that the overall cost of the project would be reduced by \$8 million if both components are constructed together, because the dredge spoils from the offshore component can be used as fill for the onshore component.

A second reason that this project must be initiated promptly, is that the lack of adequate harbor facilities in Saipan is causing a serious bottleneck in the CNMI's economic development plans. Under the terms of the Covenant with the CNMI the United States has provided 7 years of guaranteed financial assistance to the CNMI, including \$126 million for capital improvements. The completion of many of the anticipated improvements under the CNMI's development plans, such as expansion of power facilities, buildings and roads, would proceed more smoothly and at less cost if the harbor facilities could adequately handle the offloading of necessary equipment and materials. Currently, many ships must lighter materials and equipment from offshore. An additional benefit of improved harbor facilities is that cruise ships would be able to stop in Saipan and thus contribute to further development of the local tourist industry.

United States assistance in improving the Saipan harbor has been anticipated by both governments. This authorization will allow economic development to proceed as planned.

Subsection (b) of this new section would authorize appropriations for the planning, design and construction of improvements to the breakwater and necessary dredging at San Jose Harbor on Tinian Island in the CNMI.

Tinian Harbor, unlike Saipan Harbor, has a breakwater which protects the docks from ocean waves. This breakwater, built by U.S. military forces in World War II, has since deteriorated to such an extent that at one area, it has been completely breached. Again, economic development plans anticipated assistance from the Federal Government. The local government is expected to finance one-third of the cost of this project, and it will be responsible for financing any onshore harbor development. Because no formal review of the project has yet been conducted, there are no formal

cost estimates. Informal estimates put the cost at \$20 million, however.

Improvements to the Tinian Harbor would allow for economic development of Tinian, particularly as a transshipment and replenishment stop for fishing vessels in the area. But, perhaps more importantly, this harbor is essential to the Federal Government if the United States ever decides to increase its military presence on the island. The United States has much of Tinian under military lease. Considering our ongoing negotiations with the Republic of the Philippines, and the possibility of a United States military redeployment in the region, it would be wise to begin the planning and design for improvements to the harbor. Because of the potential military benefits of this project, this authorization specifically allows that the defense uses of the harbor may be considered when evaluating the benefits of the project.

Mr. President, I would like to thank the chairman of both the House and Senate, Public Lands Subcommittees for their consideration in accepting this amendment. I had hoped that, as is usually the case, an omnibus territories bill would be available as a vehicle for this amendment, but that was not the case. I appreciate, and I'm sure the Government of the CNMI appreciates, the cooperation of the subcommittees in enacting these authorizations and keeping the economic development plans of the islands underway.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2336) was agreed to.

Mr. CONRAD. Mr. President, I am pleased to see the Senate take action on H.R. 2203, a bill to increase the amount authorized to be appropriated with respect to the Sewall-Belmont House National Historic Site, in Washington, DC. I introduced S. 1682, similar legislation, last September with my colleague from Maryland, Senator MIKULSKI, and it was favorably reported by the Senate Committee on Energy and Natural Resources on May 24, 1988. Representative LINDY BOGGS, of Louisiana, introduced this important legislation, which the House approved on May 23, 1988.

The Sewall-Belmont House has been designated a national historic site by the National Park Service since 1972. The house has significant value, both as an American historic monument and as a symbol of the women's rights movement. In 1801, this house was rented to Albert Gallatin, Secretary of the Treasury under Presidents Jefferson and Madison. According to the history books, he worked out the financial matters concerning the Louisiana Purchase there. The house is also believed to be the only site of active resistance to the British Army in the

attack on the Capitol after the Battle of Bladensburg in 1814. The property dates back to an original land grant to Cecilius Calvert, the second Lord Baltimore, from King Charles in 1632.

Specifically regarding the women's movement, the Sewall-Belmont House has a richly unique history. It has been the headquarters of the National Woman's Party, founded by Alice Paul, since 1929. Alice Paul was a leading advocate and activist in securing passage of the 19th amendment in 1920—the amendment which guaranteed women the right to vote. Her persistent efforts to eliminate discrimination against women remain an inspiration today.

Over 10,000 people visit the Sewall-Belmont House annually for public tours. The house features Susan B. Anthony's desk and the silver tea service of Clara Barton. There are busts of several suffragists who played prominent roles in the women's movement. The Sewall-Belmont House is clearly a place of historic interest and importance—and deserves to be maintained as a public site.

The original line-item appropriation for restoration and maintenance of the house was limited to \$500,000 for 5 years under the 1974 act (Public Law 93-486), which designated the building as a national historic site. The line item was subsequently dropped, and the Park Service covered maintenance costs from its overall appropriation. By now, expenditures have exceeded the \$500,000 cap by over \$600,000. It should be noted that even with the additional expenditures, the complete costs of maintaining the house are not covered. Much of its maintenance is financed through private donations.

The Park Service requested and received line-item appropriations of \$53,000 for fiscal years 1987 and 1988. H.R. 2203 would increase the cap from \$500,000 to \$2 million, to assure that the National Park Service has the authority to continue to maintain this building. This would eliminate the need for line-item appropriation requests in the future.

The Sewall-Belmont House is an important historic site and symbol of the modern women's movement. I would like to thank the distinguished chairman of the Energy Committee, Senator JOHNSTON, for his help in moving this legislation through the Senate expeditiously. I urge my colleagues to approve this measure, and assure that this building is preserved for the benefit and enjoyment of future generations.

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

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

The bill was read the third time, and passed.

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

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

The motion to lay on the table was agreed to.

THE CALENDAR

Mr. BYRD. Mr. President, I inquire of the distinguished acting leader on the other side of the aisle as to whether or not the following items on the Calendar have been cleared for action: Nos. 684, 694, 699, 700, 701, 703, 707, 709.

Mr. ARMSTRONG. Mr. President, I am glad to report that each of those items has been cleared on our side.

Mr. BYRD. I thank the distinguished Senator.

Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the foregoing measures.

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

EXTENSION OF EXPIRATION DATE OF TITLE II OF THE ENERGY POLICY AND CONSERVATION ACT

The Senate proceeded to consider the bill (S. 2203) to extend the expiration date of Title II of the Energy Policy and Conservation Act, which had been reported from the Committee on Energy and Natural Resources, with an amendment:

On page 1, line 5, strike "1983", and insert "1990".

S. 2203

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 281 (42 U.S.C. 6285) of the Energy Policy and Conservation Act is amended by striking "1988" both places it appears and inserting "1990" in its place.

Mr. McCLURE. Mr. President, I support enactment of S. 2203. This measure, as amended by the committee amendment, would extend for 2 years a critical authority that is integral to the U.S. capability to respond to a severe interruption of international energy supplies.

What energy emergency preparedness we possess as a nation relies on the Energy Policy and Conservation Act. Without these fundamental authorities the evolutionary process for upgrading our national and international capability to respond to a severe energy supply interruption would be nonexistent.

I continue to believe that the evolution of our energy emergency pre-

paredness must be a dynamic, not static, process. The IEA continues to provide a catalyst in this process. Their continuing tests of the IEA oil sharing program have added significantly to its potential effectiveness. The recent IEA exercise to test coordinated stock drawdown demonstrated the benefits to be achieved from the Strategic Petroleum Reserve during an emergency if such drawdowns are initiated early in an emergency on a coordinated basis. Further improvements of this caliber in the IEA emergency response system are to be encouraged.

But what I sense is a growing lack of interest from certain IEA member countries and from many of the people who will benefit most from the IEA emergency response system. Instead, increased attention is being devoted by the IEA on issues that are more appropriately addressed in other international forums. U.S. participation in the IEA, and the membership of the U.S. delegation, was not structured with the intent that IEA deliberations should extend to policy formulation on such issues as the environment and acid rain, or issues of trade.

That is not to say that consideration of such issues should not be reflected in IEA discussions of energy emergency. Indeed, trade barriers can raise the cost or limit the utilization of alternative fuels. Similarly, environmental regulations can affect the choice of fuels. And these, and other factors, can directly impact on the energy security of IEA members. Thus, the proper role of the IEA is to bring an energy security perspective to trade and environmental policy questions.

If the IEA is to be effective when needed, it must continue to concentrate its efforts in the areas for which it was constituted: the emergency response system and strategic stocks. Strategic stocks held in IEA member countries are now equivalent to more than 160 days of 1986 net imports, compared to the minimum legal obligation of 90 days. However, further improvements are needed in strategic stocks by several IEA members who continue to fail to meet their IEA obligations in this regard.

I raise these points not to be critical of the IEA but because there is a tendency, in the present political environment where energy issues do not receive the attention they deserve, to reflect on our accomplishments to date.

We must not lose sight of the significance of the rising oil imports that we are now experiencing. In this regard, the IEA information system would benefit by drawing on all available sources of information and data regarding international oil market. In my judgment, the IEA information system would be strengthened if it were to be expanded to incorporate information on international oil markets

obtained from producers, in addition to the present sources of information from the perspective of consumers.

A critical component of the U.S. energy emergency preparedness program is maintaining a continuing commitment to the International Energy Program. Only effective U.S. participation in the International Energy Agency can assure our mutual energy preparedness in the event of a severe interruption of international oil supplies. All of us are fully aware of the mutual and critical interdependence of the economic and energy security of the world and we must not lose sight to that fact.

Mr. President, I urge Senate approval of this measure, S. 2203.

The amendment was agreed to.

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

FEDERAL EMPLOYEES' RETIREMENT SYSTEM ACT AMENDMENTS

The bill (S. 2188) to amend section 307 of the Federal Employees' Retirement System Act of 1986, was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 2188

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 307 of the Federal Employees' Retirement System Act of 1986 (Public Law 99-335; 100 Stat. 607) is amended to read as follows:

"SEC. 307. USE OF 'NORMAL-COST PERCENTAGE'.

"Notwithstanding any other provision of law, the normal-cost percentage (as defined by section 8401(23) of title 5, United States Code, as added by this Act) of the Federal Employees' Retirement System shall be used to value the cost of such System to the Civil Service Retirement and Disability Fund for all purposes in which the cost of the System is required to be determined by the Federal Government. For any comparisons between the cost of performing commercial activities under the contract with commercial sources and the cost of performing such activities using Government facilities and personnel, the cost of the System shall include the cost of such System to the Civil Service Retirement and Disability Fund as specified in the preceding sentence, the cost of the thrift savings plan under subchapter III of chapter 84 of title 5, United States Code, and the cost of social security."

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

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

The motion to lay on the table was agreed to.

HISTORIC SITES, BUILDINGS, AND ANTIQUITIES ACT AMENDMENTS

The Senate proceeded to consider the bill (S. 1690) to amend the Historic Sites, Buildings, and Antiquities Act of 1935, and for other purposes.

Mr. CONRAD. Mr. President, I am pleased to present S. 1690, a bill to authorize the Secretary of the Interior to provide financial assistance under the Historic Sites, Buildings and Antiquities Act of 1935, for the reconstruction of Fort Abraham Lincoln, in Mandan, ND. The Senate Energy and Natural Resources Committee reported the bill favorably by a vote of 19 yeas and 0 nays.

The Historic Sites, Buildings and Antiquities Act of 1935 declares that it is a national policy to preserve for public use sites and buildings "of national historical significance." Subsections 2(e) and 2(f) of the act authorize the Secretary to restore, reconstruct, and rehabilitate those sites.

Fort Abraham Lincoln is a site of national historical significance because of the important role that it played in the settlement of America's West, and because of the historical insights that it offers to one of America's most controversial and legendary military commanders, Gen. George Armstrong Custer. It was from Fort Abraham Lincoln that General Custer led his ill-fated campaign against the Plains Indians to the Battle of the Little Bighorn, and it was at Fort Abraham Lincoln that the steamer *Far West* docked with its wounded soldiers and shattering tidings from the legendary battle.

Fort Lincoln is a befitting and picturesque reminder of the pivotal role that the Federal Government played in the settlement of the West. The infantry post, sitting high atop a bluff overlooking the expansive Missouri River Valley, and the cavalry post, situated below on the banks of the river, provide a captivating setting for the fort.

The Lewis and Clark expedition, which passed the site of the future fort in 1804 and 1806, proved the feasibility of an overland route to the area. Congress later enacted the Homestead Act in 1862, and settlers were lured in mass to the region by the offer of cheap land. Meanwhile, Congress granted a charter to the Northern Pacific Railroad, offering it 40 sections of land per mile of track laid through the territories.

These developments meant that the Indian inhabitants of the Plains would resent the intrusion of white settlers and the railroad into their lands, and that prompted the Federal Government to establish a system of military forts, including Fort Lincoln, to protect "the public interest."

Owing to the large number of Indians sighted in eastern Montana Territory, the Army decided that further

survey work in 1873 would require a larger military presence. The 12 companies of the 7th Cavalry, which were scattered throughout the Upper Midwest, were ordered to unite and proceed to the Dakota Territory in early 1873. Since existing posts in the Dakota Territory had room only for those men stationed there before the arrival of the 7th Cavalry, the Federal Government decided to expand Fort Lincoln, making it an infantry and a cavalry post.

Fort Lincoln quickly became the supply and distribution center for the area and the place where troops gathered for various campaigns, such as the 1874 Black Hills expedition and the ill-fated 1876 expedition from which Custer never returned.

The most famous historical period at Fort Lincoln began with the arrival of the 7th Cavalry in September 1873 and continued through the remainder of the 1870's, the time during which the post was the supply center for the Department of the Dakota activities and the nucleus of the Indian campaigns. During this period Fort Lincoln played a preeminent role in the expansion of western communication routes and settlement.

The fort is also known as the home for 3 years to George and Libby Custer. Hero or villain, bold leader or petty tyrant, George Armstrong Custer lives in minds of everyone who has studied the settlement of the American West. As author and historian Robert M. Utley said:

The story of the Little Bighorn has endured, in part, because of Custer himself—dashing, flamboyant, gold-braid-bedecked cavalier who inspired love or hate in acquaintances but never indifference, major general at 25, captain then lieutenant colonel in the Regular Army at 26, court-martialed and disgraced at 28, lionized for a brilliant Indian victory at 29, controversial explorer, hunter, plainsman, sportsman, publicist of the West, author, Indian fighter, crusader against political corruption, personification of the U.S. Cavalry, ideal husband—dead on the Little Bighorn at 36. Surely this brief career, climaxed so dramatically and amid such mystery, contains enough elements to hold the attention of a hero-worshipping public and eternally feed the fires of controversy.

Historian Paul A. Hutton offers the following assessment of Custer:

A tenacious, fierce fighter, Custer was utterly fearless but was as careless with the lives of other men as he was with his own. Custer quickly emerged as the symbolic hero of the Army in the West and was lionized throughout the following fifty years. Recent shifts in the popular mood regarding the plight of the Indians have led to Custer, still ever the symbol, becoming identified as a villainous figure. Despite this shift in popular opinion, Custer and his last battle continue to fascinate the public.

While still alive Custer nurtured this public fascination. Custer was one of the most flamboyant officers ever to serve in the Army, and most observers failed to understand him, blinded by either the gallant

cavalier or the eccentric egomaniac. But to many who rode with him on the western plains he was "an incarnate fiend" and a "complete example of petty tyrant," who spared neither man nor beast in his search for glory. (General) Sheridan, who perhaps knew him best, fondly remembered that "if there was any poetry or romance in war Custer could develop it."

General Custer and the 7th Cavalry arrived at Fort Lincoln in the fall of 1873, and it was from Fort Lincoln on May 17, 1876, that Custer and the 7th Cavalry rode out on the now infamous mission to the Little Bighorn. In the interim, however, Custer and his wife Libby made Fort Lincoln their home.

In February 1874, only a few months after they had arrived at the fort, the Custer home burned to the ground. The army issued blueprints and authorized a budget to reconstruct a replacement residence that was larger and better suited for the military and social entertaining expected of a commanding officer and his wife.

Extensive research in the Old Army and Navy Division of the National Archives here in Washington has established that an authentic reconstruction of the fort, including the Custer home, is possible. The military kept accurate, detailed, and extensive records of all the proceedings at the fort, and historians have uncovered architectural drawings, and the journals kept by the construction quartermaster confirm the drawings' authenticity and accuracy.

In short, Fort Abraham Lincoln holds tremendous potential to offer rich insights into the settlement of the American West and intriguing enlightenment of the life and times of an authentic American legend.

The residents of the area have formed the Fort Lincoln Foundation, an organization designed to reconstruct the entire fort. The foundation has developed a comprehensive plan for reconstruction and restoration of the cavalry post, the infantry post and the On-A-Slant Mandan Indian Village located nearby. The foundation has already raised thousands of dollars, and reconstruction of the Custer home is nearly complete. Much work remains, however, and the foundation would like to finish the project in time for North Dakota's centennial in 1989.

S. 1690 will expedite completion of the project and enrich America's frontier heritage. The bill represents a unique opportunity to recreate for generations to come the settlement of the West and the story of a legend, and I urge my colleagues to take advantage of this opportunity.

The bill was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 1690

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

furtherance of the purposes of subsections 2(e) and 2(f) of the Act of August 21, 1935 (49 Stat. 666), the Secretary of the Interior is authorized to provide financial assistance for the restoration and reconstruction of Fort Abraham Lincoln and related structures located in Fort Lincoln State Park, Mandan, North Dakota.

(b) Authority to enter into contracts or cooperative agreements, to incur obligations, or to make payments under this Act shall be effective only to the extent, and in such amounts, as are provided in advance in appropriation Acts.

The title was amended so as to read: "A bill to provide financial assistance to Fort Abraham Lincoln and related structures located in Fort Lincoln State Park, Mandan, North Dakota, and for other purposes".

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

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

The motion to lay on the table was agreed to.

CORONADO TRAILS STUDY ACT

The Senate proceeded to consider the bill (S. 1693) to amend the National Trails System Act to provide for a study of the Coronado Trail, and for other purposes, which had been reported from the Committee on Energy and Natural Resources, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italics.)

S. 1693

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 "Coronado National Trail Study Act of [1987] 1988".

SEC. 2. FINDINGS.

The Congress finds that—

(1) Francisco Vasquez de Coronado led an expedition from Compostela on the Southwest Coast of Mexico, into the American Southwest in search of the legendary Seven Cities of Cibola between 1540 and 1542;

(2) Coronado's expedition of approximately 300 Spanish soldiers and 1,000 Indian allies and servants marched through the State of Arizona, then through the States of New Mexico, Texas, Oklahoma, and Kansas;

(3) Coronado and his troops found Pueblo Indian settlements, including the Zuni villages of western New Mexico, Acoma along the Rio Grande River, as far north as Taos, and east to Pecos, as well as those of the Hopi in Arizona and Plains groups in Texas, Oklahoma, and Kansas; and

(4) members of the Coronado expedition became the first Europeans to see the Grand Canyon in Arizona, the Palo Duro Canyon in Texas, and many other Southwestern landmarks.

SEC. 3. DESIGNATION OF TRAIL.

Section 5(c) of the National Trails System Act (82 Stat. 919; 16 U.S.C. 1244(c)) is amended by adding at the end thereof the following new paragraph:

"(31) "32) Coronado Trail, the approximate route taken by the expedition of the

Spanish explorer Francisco Vasquez de Coronado between 1540 and 1542, extending through portions of the States of Arizona, New Mexico, Texas, Oklahoma, and Kansas. The study under this paragraph shall be prepared in accordance with subsection (b) of this [section, except that it shall be completed and submitted to the Congress with recommendations as to its suitability for designation not later than one calendar year from the date of enactment of this paragraph.] section. In conducting the study under this paragraph, the Secretary shall provide for (A) the review of all original Spanish documentation on the Coronado Trail, (B) the continuing search for new primary documentation on the trail, and (C) the examination of all information on the archeological sites along the trail."

The amendments were agreed to.

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

The title was amended so as to read: "A bill to amend the National Trails System Act to provide for a study of the Coronado Trail, and for other purposes".

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

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

The motion to lay on the table was agreed to.

COLUMBIA RIVER STUDY ACT

The Senate proceeded to consider the bill (S. 1850) to amend the Wild and Scenic Rivers Act to designate a section of the Columbia River in Washington as a study area for inclusion in the National Wild and Scenic Rivers System, and for other purposes, which had been reported from the Committee on Energy and Natural Resources, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italics.)

S. 1850

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

SECTION 1. AUTHORIZATION OF STUDY.

Section 5(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1276) (hereafter in this Act referred to as the "Act") is amended by adding the following new paragraph at the end thereof:

"(96) COLUMBIA, WASHINGTON.—The segment extending from one mile below Priest Rapids Dam downstream approximately [57] 51 miles to the McNary Pool north of Richland, Washington, as generally depicted on the boundary map entitled 'Proposed Columbia River Wild and Scenic River Boundary' dated [1, 1987, which is on file at the] May 17, 1988, which is on file with the United States Department of the Interior.". SEC. 2. COMPLETION DATE.

Section 5(b) of the Act [(16 U.S.C. 1274(b))] (16 U.S.C. 1276(b)) is amended by adding the following at the end thereof:

"(8) The study of the river named in paragraph (96) of subsection (a) shall be carried out by the Secretary of the Interior, in con-

sultation with the Secretary of Energy, and shall be completed not later than [one year] three years after the date of enactment of this paragraph".

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

Paragraph (4) of section 5(b) of the Act (16 U.S.C. [1274(b)]) 1276(b)) is amended by adding at the end thereof the following: "There are authorized to be appropriated for the purpose for conducting the study of the river named in paragraph (96) \$150,000."

SEC. 4. SPECIAL PROVISIONS.

The provisions of section 7(b) of the Act (16 U.S.C. 1278(b)) shall extend for a period of 8 years from the date of enactment of this Act with respect to the segment of the Columbia River proposed for inclusion in the National Wild and Scenic Rivers System in this Act.

The amendments were agreed to.

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

The title was amended so as to read: "A bill to amend the Wild and Scenic Rivers Act to designate a segment of the Columbia River in Washington for study to determine its suitability for inclusion in the National Wild and Scenic Rivers System, and for other purposes."

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

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

The motion to lay on the table was agreed to.

APPROVAL OF DESERT LAND ENTRY IN DINOSAUR NATIONAL MONUMENT

The bill (S. 1927) to provide for the approval of a desert land entry in the vicinity of the Dinosaur National Monument, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 1927

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law or any order of land classification based thereon, the Secretary of the Interior is authorized to consider an application for desert land entry covering approximately 280 acres of public lands, 105 of which constitute a part of a scenic easement area of the Dinosaur National Monument, Utah, as identified on a map entitled "Desert Land Entry—Dinosaur National Monument—October 1, 1987.". If the applicant meets the requirements of section 2 of this Act, the Secretary shall issue a patent to the applicant in accordance with the Desert Land Entry Act (43 U.S.C. 321 et seq.). Such patent shall reserve to the United States a right-of-way 200 feet in width for the Dinosaur National Monument entrance road.

SEC. 2. The Secretary shall not issue a patent to the lands described in section 1 until the applicant has: (a) complied with the requirements of the Desert Land Entry Act; and (b) conveyed to the United States, at no cost, title to scenic easements for pur-

poses of Dinosaur National Monument on lands identified by the National Park Service as tracts 07-114, south half; 07-115, the complete tract.

Sec. 3. The scenic easements acquired by the Secretary and any patents issued by him under this Act shall be subject to the restrictions set forth in the scenic easement deed dated March 16, 1967, and filed in the records of Moffat County, Colorado, at pages 2 and 3 of book 341 of the deed of records of the county.

The title was amended so as to read: "A bill to provide for the consideration by the Secretary of the Interior of a desert land entry in the vicinity of Dinosaur National Monument, and for other purposes."

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

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

The motion to lay on the table was agreed to.

SAN FRANCISCO MARITIME NATIONAL HISTORICAL PARK

The Senate proceeded to consider the bill (H.R. 1044) to establish the San Francisco Maritime National Historical Park in the State of California, and for other purposes, which had been reported from the Committee on Energy and Natural Resources, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italics.)

H.R. 1044

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 "San Francisco Maritime National Historical Park Act of [1987] 1988".

SEC. 2. ESTABLISHMENT.

(a) IN GENERAL.—In order to preserve and interpret the history and achievements of seafaring Americans and of the nation's maritime heritage, especially on the Pacific coast, there is hereby established the San Francisco Maritime National Historical Park (hereinafter in this Act referred to as the "park").

(b) AREA INCLUDED.—The park shall consist of the lands and interests therein within the area generally depicted on the map entitled "Boundary Map, San Francisco Maritime National Historical Park," numbered 641/80,053 and dated April 7, 1987. The map shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior and in the office of the Superintendent of the park. If the Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") determines, upon completion of the General Management Plan for the park, that the inclusion of the property at Jefferson and Hyde Streets, San Francisco, known as the Haslett Warehouse, would promote the purposes of the park, the Secretary may adjust the boundaries of the park to include that property after notification to the Committee on Interior and Insular Affairs of the United States House of Representatives and

the Committee on Energy and Natural Resources of the United States Senate. The Secretary may make other minor revisions of the boundary of the park in accordance with section 7(c) of the Land and Water Conservation Fund Act of 1965.

(c) GOLDEN GATE NATIONAL RECREATION AREA.—The Secretary shall revise the boundaries of the Golden Gate National Recreation Area to exclude from the National Recreation Area the area within the park (as depicted on the boundary map referred to in subsection (b)). The Secretary shall transfer to the jurisdiction of the park all real and personal property of the United States administered by the Secretary as part of the National Recreation Area located within the boundaries of the park (including the museum building), together with all vessels, marine collections, libraries, historic documents, equipment and other marine artifacts which are administered by the Secretary as part of the National Recreation Area and which relate to maritime history.

(d) MUSEUM BUILDING.—The building housing and displaying the marine collections, libraries, historic documents, equipment, and marine artifacts shall be named the "Sala Burton Building" and an appropriate plaque with this designation shall be prominently displayed as part of the structure.

SEC. 3. ADMINISTRATION.

(a) IN GENERAL.—The Secretary shall administer the park in accordance with this Act and with the provisions of law generally applicable to units of the National Park System, including the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916 (39 Stat. 535; 16 U.S.C. 1-4), the Act of August 21, 1935 (49 Stat. 666; 16 U.S.C. 461-467), and the National Historic Preservation Act (16 U.S.C. 470-470t). The Secretary shall manage the park in such manner as will preserve and perpetuate knowledge and understanding of American maritime history and to provide for public understanding and enjoyment of maritime history.

(b) DONATIONS.—The Secretary may accept and retain donations of funds, property, or services from individuals, foundations, corporations, or public entities for the purpose of providing services and facilities which he deems consistent with the purposes of this Act.

(c) LEASING.—The Secretary may lease any real or personal property, including vessels and heavy marine equipment such as floating drydocks, which is administered as part of the park. The net receipts from any such lease shall be [administered] credited in accordance with subsection 4(f) of the Act of October 27, 1972 (86 Stat. 1299).

(d) FEES.—Notwithstanding any other provision of law, the Secretary may impose entrance fees for admission to the ships in such amounts as he deems appropriate and may impose fees for the use by groups or organizations of the ships. All receipts from such fees shall be [administered] credited in accordance with subsection 4(f) of the Act of October 27, 1972 (86 Stat. 1299).

(e) GENERAL MANAGEMENT PLAN. Within 2 years after establishment of the park, the Secretary shall prepare and transmit to the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate a general management plan for the park. The plan shall include appropriate plans for development of the park to

achieve the intent and purposes of this Act which shall include, but not be limited to, the following:

(1) A description of the elements appropriate to the park which shall include, but need not be limited to, the maritime and associated artifacts, documents, and the following historic vessels:

- (A) The sailing ship *Balclutha*.
- (B) The steam schooner *Wapama*.
- (C) The steamship *SS Jeremiah O'Brien*.
- (D) The ferry *Eureka*.
- (E) The schooner *C.A. Thayer*.
- (F) The tug *Appleton Hall*.
- (G) The tug *Hercules*.
- (H) The scow schooner *Alma*.

The description shall include other real and personal property which comprises the park collections, such as written and illustrative material, objects, wrecks, smaller watercraft, and vessels. The description shall also include other real and personal property which the Secretary deems necessary for purposes of management of the park.

(2) Plans for the preservation of each historic vessel, including docking facilities, maintenance and ship repair facilities, and estimates for the costs thereof. Such plans shall include determination of permanent docking facilities in the location best suited to the preservation of the historic vessels and for visitor access to the historic vessels. They shall also include methods of accommodating visitors while protecting the historic vessels. Plans shall also provide for the proper care, exhibition, and storage of the park collections.

(3) Plans for the location, preliminary design, and estimated cost of public facilities to be developed for the park, including a museum building, visitor parking, and public transit access.

(4) Plans for the interpretation of the historic vessels and park collections.]

(e) GENERAL MANAGEMENT PLAN.—Within 2 years after establishment of the park, the Secretary shall prepare and transmit to the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate, a general management plan for the park. The plan shall include, but not be limited to:

(1) a description of the resources of the park including, but not limited to, maritime and associated artifacts, documents, the following historic vessels: the sailing ship *Balclutha*; the steam schooner *Wapama*; the steamship *SS Jeremiah O'Brien*; the ferry *Eureka*; the schooner *C.A. Thayer*; the tug *Appleton Hall*; the tug *Hercules*; and the scow schooner *Alma*, and other real and personal property comprising the park collections such as written and illustrative material, objects, wrecks, small watercraft, and vessels.

(2) plans for the preservation of each historic vessel, including docking facilities, maintenance and ship repair facilities, and estimates for the costs thereof; a determination of the need for permanent docking facilities in a location best suited to the preservation of the historic vessels and for visitor access to the historic vessels; methods of accommodating visitors while protecting the historic vessels; and methods for providing for the proper care, exhibition, and storage of the park collections;

(3) plans for the location, preliminary design, and estimated cost of public facilities to be developed for the park, including a museum building, visitor parking, and public transit access; and

(4) plans for the interpretation of the historic vessels and park collections.

SEC. 4. ACQUISITION OF PROPERTY.

(a) GENERAL AUTHORITY.—The Secretary may acquire land and interests in land within the boundaries of the park by donation, purchase with donated or appropriated funds, or exchange.

(b) TRANSFERS FROM OTHER AGENCIES.—The Secretary of Commerce may transfer the Liberty Ship SS Jeremiah O'Brien to the Secretary for inclusion in the historic fleet of the park. Any other Federal property located within the boundaries of the park which is under the administrative jurisdiction of another department or agency of the United States may, with the concurrence of the head of the administering department or agency, be transferred without consideration of the administrative jurisdiction of the Secretary for the purposes of the park.

(c) STATE AND LOCAL LANDS.—Lands, and interests in lands, within the boundaries of the park which are owned by the State of California or any political subdivision thereof, may be acquired only by donation. *Notwithstanding any other provision of law, the Secretary is authorized to enter into an agreement with the State of California or any political subdivision thereof under which the Secretary may improve and may use appropriated funds for the improvement of berthing facilities if the State or any political subdivision thereof makes available to the Secretary, in accordance with terms and conditions acceptable to the Secretary, lands and interests in land for the purpose of berthing the ships and providing visitor access to the historic ships.*

[(d)] (d)(1) HISTORIC VESSELS AND OTHER PROPERTY.—In furtherance of the administration of the park, the Secretary is authorized to acquire by donation, purchase with donated or appropriated funds, or exchange such property as may be appropriate to carry out the purposes of this Act, including vessels, heavy marine equipment, and drydock facilities. The Secretary shall notify the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate in writing not less than 90 days before acquisition of any large historic vessel. Such notification shall indicate the estimated cost of preservation, restoration if appropriate, and maintenance of the vessel concerned.

(2) ACQUISITION LIMITATION.—*The Secretary shall not acquire any historic vessel pursuant to this subsection until the Secretary has notified the Committees in writing that sufficient funds have been made available to preserve and maintain those vessels listed in paragraph 3(e)(1) of this Act.*

SEC. 5. ADVISORY COMMISSION.

(a) ESTABLISHMENT.—There is hereby established the Advisory Commission of the San Francisco Maritime National Historical Park (hereinafter in this Act referred to as the "Commission"). The Commission shall be composed of 12 members appointed by the Secretary as follows:

(1) 3 members appointed for terms of 4 years from recommendations submitted by the National Maritime Museum Association.

(2) 2 members appointed for terms of 4 years from recommendations submitted by the Governor of the State of California, at least one of whom shall have professional expertise in maritime historic preservation.

[(3) 2 members appointed for terms of 5 years from recommendations submitted by the Mayor of San Francisco.]

(3) 4 members appointed for terms of 5 years from recommendations submitted by the Mayor of San Francisco with special consideration given to individuals with knowledge of museum and/or maritime issues and who represent the local fishing industry, recreational users, the business community, and neighborhood groups.

(4) 1 member appointed for a term of 5 years from recommendations from the Secretary of Commerce, who shall have professional expertise in the maritime industry.

(5) 2 members appointed for terms of 5 years, who shall have professional expertise in maritime history or historic preservation.

[(6) 2 public members for terms of 5 years with expertise in maritime history.]

Any member of the Commission appointed for a definite term may serve after the expiration of his term until his successor is appointed. A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(b) COMPENSATION.—Members of the Commission shall serve without pay. While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in Government service are allowed expenses under section 5703 of title 5 of the United States Code.

(c) OFFICERS.—The Chair and other officers of the Commission shall be elected by a majority of the members of the Commission to serve for terms established by the Commission.

(d) MEETINGS.—The Commission shall meet at the call of the Chair or a majority of its members, but not less than twice annually. Seven members of the Commission shall constitute a quorum. Consistent with the public meeting requirements of the Federal Advisory Committee Act, the Commission shall, from time to time, meet with persons concerned with maritime preservation.

(e) BYLAWS AND CHARTER.—The Commission may make such bylaws, rules, and regulations as it considers necessary to carry out its functions under this Act. The provisions of section 14(b) of the Federal Advisory Committee Act (Act of October 6, 1972; 86 Stat. 776), are hereby waived with respect to this Commission.

(f) FUNCTIONS.—The Commission shall advise the Secretary on the management and development of the park. The Secretary, or his designee, shall from time to time, but at least semiannually, meet and consult with the Commission on matters relating to the management and development of the park.

(g) TERMINATION.—The Commission shall cease to exist 10 years after the date on which the first meeting of the Commission is held.

SEC. 6. CONFORMING AMENDMENT.

Section 4(f) of the Act of October 27, 1972 (16 U.S.C. 460bb-3(f)), is amended by striking out "National Maritime Museum" and inserting "San Francisco Maritime National Historical Park".

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this [Act] Act, but not to exceed \$200,000 for planning.

The amendments were agreed to.

The amendments were ordered to be engrossed, the bill was read the third time, and passed.

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

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

The motion to lay on the table was agreed to.

EXCHANGE OF PROPERTY BETWEEN THE UNITED STATES AND TUSKEGEE UNIVERSITY

The Senate proceeded to consider the bill (H.R. 3869) to amend the act providing for the establishment of the Tuskegee University National Historic Site, Alabama, to authorize an exchange of properties between the United States and Tuskegee University, and for other purposes.

Mr. SHELBY. Mr. President, I rise in support of H.R. 3869, a bill to authorize the National Park Service to transfer ownership of the Grey Columns Mansion in Tuskegee, AL, to Tuskegee University. In turn, Tuskegee University will give the Park Service a house formerly used as the President's home and additional land for a new maintenance area and visitor parking.

H.R. 3869 unanimously passed the House on April 19, 1988, and was favorably reported out of the Senate Committee on Energy and Natural Resources on May 18, 1988.

I have spoken previously on the importance of this legislation, and I once again stress that the bill holds significance for an importance segment of Alabama's history. Tuskegee University, which is the only university campus designated as a national historic site, draws more than 100,000 visitors each year. Those visitors learn the inspiring story of the contributions and accomplishments of black Americans after the Civil War, and at the same time gain a sense of Alabama's past.

Tuskegee University has shown responsible leadership in its restoration of the aged buildings on the campus site, and I have no doubt that this same responsibility will be carried through should this bill be passed.

The bill was ordered to a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend the Act providing for the establishment of the Tuskegee Institute National Historic Site, Alabama, to authorize an exchange of properties between the United States and Tuskegee University, and for other purposes".

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

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

The motion to lay on the table was agreed to.

ASSISTANCE TO WILDLIFE
PRAIRIE PARK

The bill (H.R. 1100) to authorize the Secretary of the Interior to provide assistance to Wildlife Prairie Park, in the States of Illinois, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

SENATE CONCURRENT RESOLUTION 113 AND S. 1682 INDEFINITELY POSTPONED

Mr. BYRD. Mr. President, I ask unanimous consent that Calendar Order No. 607, Senate Concurrent Resolution 113, and Calendar Order No. 685, S. 1682, be indefinitely postponed, en bloc.

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

REFERRAL OF S. 473, GENERAL AVIATION ACCIDENT LIABILITY STANDARDS

Mr. BYRD. Mr. President, I ask unanimous consent that S. 473, the general aviation accident liability standards bill, be referred to the Committee the Judiciary until June 30, 1988, and that if the Judiciary Committee has not reported the bill by that date, the committee be discharged from further consideration of the bill and that the bill be placed on the calendar.

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

EXECUTIVE CALENDAR

Mr. BYRD. Mr. President, I inquire of the acting Republican leader as to whether or not the following nominations on the Executive Calendar have been cleared: 606 and 689.

Mr. ARMSTRONG. Mr. President, both of those have been cleared on our side of the aisle.

Mr. BYRD. I thank my friend.

EXECUTIVE SESSION

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the two nominations aforementioned; that they be considered en bloc; confirmed en bloc; the motion to reconsider en bloc be laid on the table; the President be immediately notified on the confirmation of the nominations; and, if any Senators have statements, that they be appropriately placed in the RECORD.

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

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF TRANSPORTATION

Robert Earl Farris, of Tennessee, to be Administrator of the Federal Highway Administration.

DEPARTMENT OF JUSTICE

David E. Baldelli, of Texas, to be U.S. marshal for the northern district of Texas.

LEGISLATIVE SESSION

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

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

ORDERS FOR TUESDAY, JUNE 7, 1988

Mr. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 10:15 a.m. tomorrow; that after the two leaders or their designees have been recognized under the standing order, there be a period for morning business not to extend beyond the hour of 11 a.m. and that Senators may speak during that period for morning business for not to exceed 5 minutes each; that the call of the calendar be waived; and that no motions or resolutions under the rule come over.

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

PROGRAM

Mr. BYRD. Mr. President, the Senate will convene at 10:15 tomorrow morning. After the two leaders or their designees have been recognized under the standing order, there will be a period for morning business not to extend beyond the hour of 11 a.m. Senators will be permitted to speak during that morning business period for not to exceed 5 minutes each.

At 11 a.m., the Senate will proceed to the consideration of the veto override of the trade and competitiveness bill. No motions or resolutions will come over under the rule. The call of the calendar under rule VIII will be waived.

Mr. President, does my friend have anything further he would like to state for the RECORD or any business he would like to transact?

Mr. ARMSTRONG. Mr. President, I have nothing further. I thank the leader for his courtesy and note with appreciation that the Senate adjourns with perhaps as much as 2½ hours of daylight remaining.

Mr. BYRD. Mr. President, I thank the distinguished Senator.

ADJOURNMENT UNTIL 10:15 A.M.
TOMORROW

Mr. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in adjournment until the hour of 10:15 a.m. tomorrow.

The motion was agreed to; and, at 6 p.m., the Senate adjourned until Tuesday, June 7, 1988, at 10:15 a.m.

NOMINATIONS

Executive nominations received by the Senate June 6, 1988:

IN THE AIR FORCE

THE FOLLOWING OFFICERS FOR APPOINTMENT IN THE U.S. AIR FORCE TO THE GRADES INDICATED, UNDER THE PROVISIONS OF SECTION 624, TITLE 10 OF THE UNITED STATES CODE:

To be major general

BRIG. GEN. JOHN P. MCDONOUGH, XXX-XX-XXXX, U.S. AIR FORCE, CHAPLAIN.

To be brigadier general

COL. DONALD J. HARLIN, XXX-XX-XXXX, U.S. AIR FORCE, CHAPLAIN.

THE FOLLOWING OFFICER FOR APPOINTMENT IN THE U.S. AIR FORCE TO THE GRADE INDICATED, UNDER THE PROVISIONS OF SECTION 624, TITLE 10 OF THE UNITED STATES CODE:

To be brigadier general

COL. BARBARA A. GOODWIN, XXX-XX-XXXX, U.S. AIR FORCE, CHIEF, NURSE CORPS.

IN THE ARMY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601(A), IN CONJUNCTION WITH ASSIGNMENT TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. HARRY E. SOYSTER, 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 admiral

ADM. FRANK B. KELSO II, XXX-XX-XXXX, 1100, U.S. NAVY.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICERS FOR PROMOTION TO THE GRADE INDICATED IN THE RESERVE OF THE AIR FORCE, UNDER THE PROVISIONS OF SECTION 307, TITLE 32, UNITED STATES CODE, AND SECTIONS 8363 AND 593, TITLE 10, UNITED STATES CODE.

LINE OF THE AIR FORCE

To be colonel

WILLIAM L. ATKINSON, XXX-XX-XXXX
AUSTIN B. BATES, XXX-XX-XXXX
JOHN W. BAXTER, XXX-XX-XXXX
DAVID C. BILLOW, XXX-XX-XXXX
DONALD J. BLANCHARD, XXX-XX-XXXX
EDMOND W. BOENISCH, JR., XXX-XX-XXXX
ROBERT C. BONHAM, XXX-XX-XXXX
JOHN L. I. BRADLEY, II, XXX-XX-XXXX
JERROLD W. BROWN, XXX-XX-XXXX
GEORGE T. BULLMAN, XXX-XX-XXXX
LAWRENCE J. BURDA, XXX-XX-XXXX
CHARLES D. BURNFIELD, XXX-XX-XXXX
DUDLEY S. BYNUM, XXX-XX-XXXX
JOHN T. BYRD, XXX-XX-XXXX
ROY C. CHASE, XXX-XX-XXXX
GEORGE P. CHRISTAKOS, XXX-XX-XXXX
RENDELL F. CLARK, JR., XXX-XX-XXXX
WALTER C. CORISH, JR., XXX-XX-XXXX
WILLIAM G. CROW, XXX-XX-XXXX
ROBERT J. DENNISON, XXX-XX-XXXX
WARREN J. DROUARD, JR., XXX-XX-XXXX
WALTER R. ERNST, II, XXX-XX-XXXX
RONALD E. FARRELL, XXX-XX-XXXX
ROBERT F. FRANCOEUR, XXX-XX-XXXX
DAVID E. FRIESTAD, XXX-XX-XXXX
CHARLES A. GARCIA, XXX-XX-XXXX
MILTON T. GEROCK, XXX-XX-XXXX
JERRY W. GILLEAN, XXX-XX-XXXX
RONALD L. GODBEY, XXX-XX-XXXX
PAUL E. GRANT, XXX-XX-XXXX
MANUEL A. GUZMAN, XXX-XX-XXXX
LAWRENCE G. HAYWOOD, XXX-XX-XXXX
JOHN R. M. HILL, XXX-XX-XXXX
GEORGE B. INABINET, JR., XXX-XX-XXXX
JARED P. KENNISH, XXX-XX-XXXX
MICHAEL N. KILLWORTH, XXX-XX-XXXX
WILBUR J. LATHAM, JR., XXX-XX-XXXX
DAVID E. MCCUTCHEON, XXX-XX-XXXX
JAMES F. MCMURRAY, XXX-XX-XXXX
GARY P. MORGAN, XXX-XX-XXXX

EDWARD C. MORLEY, XXX-XX-XXXX
 ARTHUR R. OXLEY, XXX-XX-XXXX
 JASPER E. PATTERSON, XXX-XX-XXXX
 MICHAEL R. POTOCHICK, XXX-XX-XXXX
 GLENN K. RICE, XXX-XX-XXXX
 SALVADOR SANCHEZ/RAMOS, XXX-XX-XXXX
 RAYMOND C. SANDY, XXX-XX-XXXX
 VERNON A. SEVIER, XXX-XX-XXXX
 FRED R. SLOAN, XXX-XX-XXXX
 DENNIS B. SWANSTROM, XXX-XX-XXXX
 JOSEPH M. THOMAS, XXX-XX-XXXX
 WILLIAM M. VOIGT, XXX-XX-XXXX
 JOSEPH N. WALLER, XXX-XX-XXXX
 DAVID E. B. WARD, XXX-XX-XXXX
 MASON C. WHITNEY, XXX-XX-XXXX
 THOMAS P. WITTMAN, XXX-XX-XXXX

JUDGE ADVOCATE

DAN E. DENNIS, XXX-XX-XXXX
 ROBERT R. DURDEN, XXX-XX-XXXX

MEDICAL CORPS

ROBERT B. ADKINS, JR., XXX-XX-XXXX
 WILLIAM E. BERKLEY, XXX-XX-XXXX
 JACKSON L. I. DAVIS, II, XXX-XX-XXXX
 DAVID C. GILMAN, XXX-XX-XXXX
 ALAN J. HAY, XXX-XX-XXXX
 JOHN H. HERRING, XXX-XX-XXXX
 THOMAS J. HUMPHRIES, XXX-XX-XXXX
 JAMES M. HURLEY, XXX-XX-XXXX
 KRIKOR O. PARTAMIAN, XXX-XX-XXXX
 ARIEL J. THOMANN, XXX-XX-XXXX

NURSE CORPS

IRENE TROWELL HARRIS, XXX-XX-XXXX

IN THE NAVY

THE FOLLOWING-NAMED LIEUTENANT COMMANDERS IN THE STAFF CORPS OF THE U.S. NAVY FOR PROMOTION TO THE PERMANENT GRADE OF COMMANDER, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 624, SUBJECT TO QUALIFICATIONS THEREFOR AS PROVIDED BY LAW:

MEDICAL CORPS OFFICERS

To be commander

ROBERT JEFFERSON ADAMS TERRY JAMES KELLER
 GEORGE J. ALTER ROBERT R. KENDRICK
 GLENN MARTIN ROBERT LOUIS KERN
 AMUNDSON JOHN T. KILLIAN
 MARY PATRICIA ANDRICH KNAFELC
 MARTIN E. BACON IRA GAIL KNEPP
 RAMON EDMUNDO BAEZ, JR. MICHAEL A. KOSMO
 DAVID A. BAKER STEPHEN D. LANDAKER
 LAURIE M. BALAGURCHIK JOHN T. LEAVELL
 SCOTT WALT RICHARD GREG
 BARTTELBOURG LEININGER
 TIMOTHY A. BISCHOFF TERENCE M. LENHARDT
 JOHN L. BOONE MICHAEL T. LONGSTREET
 HARRY MURRAY I. ELIZABETH ANNE LUCK
 BRAMMER EDWARD M. LYNCH
 JEFFREY H. BRODIE PATRICK M. LYONS
 EMMEDIO B. BULOSAN FRANK E. MAGUIRE, JR
 GERALD ARTHUR J. BURGER JANET TABB MARKLE
 JOHN K. BURKUS STEPHEN FRAN
 STEVEN A. BUTLER MCCARTNEY
 JOSEPH J. CAMPBELL EDWARD R. MCDEVITT
 RICHARD A. K. CHAFFOO ROBERT A. MCGUIRE
 JOHN KAISHENG CHIA JOHN JOSEPH MCHUGH
 JONATHAN BAILEY CLARK
 CHARLES J. CONLON MENESTRINA
 MICHAEL GEORGE DAUM MICHAEL S. MILLER
 SUSAN R. DAVIS THOMAS A. MILLER
 HUGH GORDON DEEN, JR. DANIEL MITCHELL
 VINCENT F. DILLON WILLIAM EDWARD MORA
 JAMES FLEMING CHARLES E. MORTENSEN
 ROBERT S. FORSTER PAUL C. MURPHY
 JOHN FLYING FOSTER III JAMES M. NANNEY
 LINDA JO FULLER CARROLL JOHN NICKLE
 MICHAEL S. GONZALEZ ROBERT R. OAKLEY
 JOSEPH MARTIN GRANT MIMS G. OCHSNER, JR
 GAIL M. GULLICKSON JAMES G. PASTERNAK
 MICHAEL S. GURNEY JOHN LESTER PERSON
 JOSEPH F. HACKER, III SANDRA ROSE PETERSEN
 BARRY D. HANKEY ROBERT WILLIAM QUIGG
 ROBERT BLAINE I. HARRELL L. REED, II
 HANSEN DAVID M. REEVES
 KENNETH R. HARMAN ERNEST F. RIBERA
 MARK S. HARRIMAN THEODORE D. RICHARDS
 ROBERT H. HARRINGTON, JR. JOHN EDWARD RITCHIE
 JOHN P. HIBLER WILLIAM L. ROBERTS
 DAVID ALLEN HILAND WILLIAM M. ROBERTS
 CHRISTOPHER S. TED JAY ROBINSON
 HOLLAND DANIEL S. SCHNEIDER
 THERESA TARITO GARY ERVIN SCHRAUT
 HOLLAND KEVIN MARK SHANNON
 EILEEN NMN HORNER CHRISTOPHER W. SHOLES
 KENNETH SAMUEL HOYLE TERRY W. SHORTRIDGE
 RICHARD R. JEFFRIES PAUL E. STOBIE
 DAVID ALLAN JOHNSON BRIAN H. STRAND
 FRANK STANLEY JONES RICHARD JOSEPH
 CARL HOWARD JUNE THOMAS
 KASTYTIS C. HARVELIS N. FLETCHER TURNER, III
 JULIAN FAISON KEITH, II MICHAEL MOORE
 VANNES

ANTONIO GONO
 VILLAFLOR
 DEBORAH JANE WEAR
 THOMAS V. WHELEN
 JOHN H. WILCKENS

NORA BARRETT WILCOX
 ELISABETH NANCY
 WRIGHT
 EDWARD RAYMOND ZECH

SUPPLY CORPS OFFICERS

To be commander

PETER KING ANDERSON EDWIN NEIL HART
 WILLIAM THOMAS AYRES, JR. RICHARD DAVID HAYES
 JOEL LEON BILOURIS ELWOOD THOMAS
 BRIAN WILLIAM HODNETT, JR.
 BLANCHFIELD LYNN CLIFTON JOHNSON
 MARK THOMAS BROWN LOUIS DOMINICK KELLER
 JAMES MICHAEL TEX DIMELER LANIER
 CAPPELLO RICHARD MARK LEVY
 EDWARD J. CASE ROBERT WALKER
 THEODORE ALAN COYLE MANDELL
 DANIEL DWYANE DIETZ
 JAMES WAITES FREEMAN, JR. LARRY JOSEPH MARTIN
 JAMES RALPH GARBAN THOMAS LEWIS MASSER
 FRED ROBERT JOHN MAWSON, III
 HAHNDORF RONALD JEAN OSBURN
 WILLIAM EUGENE HALL HARRY EDWARD PALM,
 ROY ALLISON HALLUMS, JR. STEVEN EDWARD
 WEHMEYER JOHN ANDRE YALCH

CHAPLAIN CORPS OFFICERS

To be commander

WILLARD BURNELL JAMES MICHAEL LEONE
 BOLDEN WALTER NORMAN
 CARL FRANCIS LEVERETTE
 CUMMINGS GEORGE WILLIAM LINZEY
 THOMAS EDWARD ROBERT MICHAEL
 DANSAK MALENE
 RICHARD DAVID ERB GLENN ITHAMAR MILLER
 JOSEPH WALTER ESTABROOK FREDERICK T. MOORE, III
 ESTABROOK ROBERT JOSEPH
 JAMES WALTON FAHEY PHILLIPS
 RICHARD RALPH GATES JAMES DONALD
 LEO JOSEPH GUARNIERI SCHWARTZING
 DAVID PAUL C. MICHAEL SIMERICK
 GUNDERLACH GARY E. TUGAN
 RUSSELL OLIVER GUNTER MICHAEL ARTHUR WALSH
 CHARLES H. LEAVITT, JR. DAVID RALPH YOUNG

CIVIL ENGINEER CORPS OFFICERS

To be commander

DANIEL ERNEST BENERE CHARLES JOSEPH NAVIN
 FRANKLIN VANDYKE J. FRANK JOSEPH NELSON
 BERNHARD WILLIAM LLOYD NELSON
 ANDREW DAVID DALE WAYNE PECK
 BRUNHART JOSEPH GEORGE A.
 JOSEPH DONALD CAMP RICCI, JR.
 GARY LEE CHETELAT CHESTER ALLEN RICE
 GLENN ALAN CUTLER JERI MEDE RIGOLLOT
 WALTER LEONARD WILLIAM LAWRENCE
 DILLINGER, JR. RUDICH
 JOHN ROBERICK DUNBAR CHARLES NABORS
 ROBERT TURNER ECKELS SALMOND
 DOUGLAS FRANK ELZNIC GLENN RICHARD SMITH
 GEORGE NEIL EUSTACE PAUL HENRY STASIEWICZ
 GARY RAY HENDERSON CHRIS ANTHONY TAYLOR
 WILLIAM BLAIR HOLMES JOSEPH WAYNE TAYLOR
 DANIEL JOSEPH MERGEN HAROLD EDWIN THOMAS
 MICHAEL DOUGLAS DEAN ALEXANDER VIDAL
 JOHN FAHEY MORAN DENNIS LEROY WALTON

JUDGE ADVOCATE GENERAL'S CORPS OFFICERS

To be commander

PETER L. FAGAN LARRY DELANEY WYNNE
 JOHN K. HENEBERY CHRISTINE MARIA YUHAS
 TIMOTHY M. MCGUAN

DENTAL CORPS OFFICERS

To be commander

JACK CARDEN WILLIAM CLAY
 ALEXANDER HIGHTOWER
 EDWARD S. AMRHEIN GREGORY K. JOHNSON
 CLARK T. BARCO JOHN WILLIAM KIRBY
 ANDREW FRANKLI BARRY A. LACOMBE
 BOBROFF CHRISTOPHER C.
 JACK ARNOLD BOWERS LECLAIRE
 BYRON D. BREININGER ERIC LEWIS
 JIMMY WAYNE CHISUM AUSTIN W. MAXWELL
 STEPHEN JOSEPH KATHRYN CARTER
 CONNELLY MAXWELL
 MICHAEL T. CURRAN WILLIAM JALMER P.
 RICHARD ALLAN MELBY
 DAVIDSON CURTIS THORN
 NELSON CHARLES DAVIS MIDDLETON
 CHARLES JAMES FAIRCHILD
 GARY ERVIN SCHRAUT GREGORY D. NAYLOR
 FAIRCHILD JOHN WILLIAM REEVES
 FREDERICK FISCHER, III WILLIAM L. RICHARDSON
 LANCE LEE FORSYTHE JOSEPH A. VOGT
 ARMSTEAD LEAYL THOMAS L. WALKER
 GALIBER THOMAS WEAVER
 DAVID ALAN GLASS NATHAN V. WILLIAMS
 JAMES DOUGLA DONALD HOBSON
 HARDEKOPF WOELHLING
 THOMAS N. HAWKINS

MEDICAL SERVICE CORPS OFFICERS

To be commander

JERRY BLAKE ADKISON JOHN GEORGE J.
 BERNARD JOSEPH AUTH PERRAULT
 GUY ROBERT BANTA FRANZ RICHARD
 DAVID MICHAEL BEAM PETERSON
 DONNIE RUSSELL CLARK MICHAEL JOHN PIANKA
 NORMAN WESLEY WARREN LEWIS
 CORDELL PICKEREL
 SUSAN HARTMANN RICHARD ALLEN SCHULTZ
 CUSTIS GARY LEE SLATER
 THOMAS ARTHUR EBERT EDWARD LEE SMITH
 CHRIS HENRY GARDNER LLOYD LEE SMRKOVSKI
 GREGORY MICHAEL AUSTELL
 GIBBONS TAYLOR
 RONALD DALE KAHLER STEVEN CRAIG TOLAN
 ERIC EDWARD KEARSLEY LEIGHTON KENT TURNER
 ROBERT J. KISH ELAINE LANGFO
 WILLIAM W. KNOX TZAVARAS
 GARY LAMONT KREMSEY JOHN ULCICKAS
 JUDITH ANNE MCCARTHY JAMES ARNOLD UNSEN
 CHARLES EMIL JOSEPH ANTHONY
 MOORHEAD WASSELL
 THOMAS CECIL MOUNTZ, JR. GARY EUGENE WILLIAMS
 GEORGE PATE PAUL EDWARD WILLIAMS
 JOHN DAVID ZARKOWSKY

NURSE CORPS OFFICERS

To be commander

JOANNE WILSON GARY R. HARMAYER
 APPLEGATE RUTH KIMBERLY HILL
 ALANA MARIE BENTON LAWRENCE CHARLE
 DEANNA RAE BOGART HOLMES
 JOAN ANN BOLD JOAN MARIE HUBER
 CATHARINE MARY BONTA MARSHA LYN
 TERESA OLIVIA BOOHER HUGHESREASE
 CAROL M BUTCHER ENGENIO ALFONSO LUJAN
 PEGGY BAKER CASA MARTHA YOUNG MANGAN
 MICHELE ANN COMTE SIGRAN MARIANNE
 SHIRLEY RICHAR MAPES
 CORNELL MARGARET ANNE
 PATRICK SULLI MCNUILTY
 CORRENTI DOROTHY ANN MICHAEL
 CANDACE CURLEE KATHRYN RUTH MURPHY
 CECELIA M. DAWEGILLIS ROBERTA LOUISE PRICE
 MARILYN ANITA DAY MARY ELLEN QUINN
 ADRIANE A. GLORIA JEAN ROBITAILLE
 DESAVORGANI DWIGHT D. SCHAFER
 GWENDA QUALIS DOBBS PHYLLIS ANN SUITTER
 GARY STEPHEN GANTZ DENNIS JAMES SULLIVAN
 MELISSA ANN GEORGE ALMA NANCY TEMPLETON
 MARY CAMPBELL THOMAS WARREN
 GOEDEN TWAROG
 BERNADETTE GRICE GRACE MILESKO WHITE

LIMITED DUTY OFFICERS (STAFF)

To be commander

DAVID C. BROOKS ARTHUR WAYNE DEVINE
 ROBERT WAYNE JAMES VINCENT
 CARPENTER ROHRSCHEIB

IN THE NAVY

THE FOLLOWING-NAMED LIEUTENANT COMMANDERS OF THE RESERVE OF THE U. S. NAVY FOR PERMANENT PROMOTION TO THE GRADE OF COMMANDER IN THE LINE, IN THE COMPETITIVE CATEGORY AS INDICATED, PURSUANT TO THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 5912:

UNRESTRICTED LINE OFFICERS

To be commander

MARK SHELDON JAMES NEAL BENTLEY
 ABRAMOVITZ WILLIAM JAMES BERES
 FRED LEE ADAM LAWRENCE PAUL BERRY
 GREGORY SCOTT ADAMS RANDALL WILLIAM BIGGS
 ALAN BRENT AHLBERG GEORGE MARTIN BLACK
 THOMAS ROY JAMES FIELDING
 AINSWORTH BLACKSTOCK
 EDWARD MERLE ALDEN THOMAS MINTER
 ELAINE HANDSMAN ALLEN BLACKWELL
 FOLMER PETER WILLIAM JAMES BLISS
 ANDERSEN, II JOHN MAR BLOOM
 MARK JAMES ANDERSON CHARLES BOLDUC
 RICHARD LEWIS CHARLES ROY
 ANDERSON BOMBERGER
 PAUL GREGORY ANJESKI THOMAS HAGAMAN
 J. ARGENTZIOWEST BOOTES
 CHARLES DENNIS MICHAEL JOSEPH
 ATWATER BOWERS
 RICHARD DONALD RAYMOND FRANCIS
 AUBREY BRADY
 WALTERS ELLIOT BAHR RICHARD JOHN BRADLEY
 THOMAS RICHARD BAIN GARY LOUIS BRENDER
 LYNN DORN BAKER DAVID ALMY BROWER
 JAMES PATRICK BALDWIN THOMAS NORMAN BURNS
 WILLIAM ARTERBERR MARVIN GIRARD BUTLER
 BALLWEBER WILLIAM THOMAS BUTLER, JR.
 MICHAEL JON BANGER FRANCIS STANLEY
 FRANKE STANLEY BARRETT, JR.
 MICHAEL JON BARTON VAUGHN EDWARD
 VAUGHN EDWARD BATEMAN
 BRUCE CHARLES BAUER RONALD GLAFAY
 RONALD GLAFAY BELANGER
 VAN LESLIE BENEDICT

RODNEY ANTHONY
CARLONE
JONATHAN VAN
CARPENTER
ROY MICHAEL CARR
DANIEL MARION
CARROLL
LEONARD ROBERT
CASELLA
ROBERT GEORGE
CASTNER
DAVID MCCLURE
CAUGHEY
THOMAS EARL CHAPMAN
MICHAEL JOSEPH
CHARLES
STEPHEN HAMILTON
CHESNUT
PETER SARGENT
CHMELIR
JAMES WILLIAM
CLIFFORD
PAUL FREEMAN
COCHRANE
STEPHEN AUGUSTUS
COOCUMELLI
FRANK EARL COHEE, III
ROBERT R. COLE
THOMAS PIERCE
CONNAR
CHARLES FRANKLIN
CONNER
LOUIS ROBERT CONOVER
ROBERT LOUIS CONOVER
MARK GARLAND
COOKSEY
CHARLES NEWTON
COOPER, III
KEVIN DOUGLAS COOPER
HARRIE EDMOND
COPELAND, III
MICHAEL JOSEPH
CORCORAN, JR
PAUL JUSTUS CREAMER
CARSON HENRY CREECY,
III
EARL WAYNE CRISP
JAMES MICHAEL
CROWDER
GEORGE JOSEPH
CRUMBIE, JR
RONALD JAMES CUFF
STUART JAY CVRK
WAYNE ROBERT DAPSER
JEAN HAMILTON
DAUGHERTY, II
BRUCE EARL DEHNER
DANIEL ROBERT DELEUW
FRANCIS GREGORY
DELLENEY, JR
MARK EDWARD DENARI
EMORY JOSEPH DERRICK
RICHARD LEE DEVILIN
STEPHEN POSTLEY
DEXTER
STEPHEN WILLIAM DOLAT
PETER HILL DOUGLAS
MERRILL CLIFFORD
DOYLE
PHILIP ROLAND DRAGO
STEVEN PAUL DREFAHL
GREGORY JOHN DURAS
JAMES EDWARD DYER
WILLIAM JOSEPH ECKERT
STEPHEN SHERWOOD
EDMONDS
SCOTT W. EDWARDS
WILLIAM RICHARD ELLIS
MICKEY DON ELLISON
ROBERT EDWARD
FALCIONE
WILLIAM BRITTON FANN
ROBERT ANDREW
FERGUSON
LOUIS GERARD FIGARI
DAVID CHARLES FISCHER
GARY JOHN FLOR
LARS FORSBERG
JEFFREY EDWARD FORT
JOHN RICHARD FOX
WILLIAM LEO FOX, JR
JAMES WALTER FREEMAN
WILLIAM GEORGE
FRIEDMANN
JAMES L. FRITSCH
PAUL JEFFERY FULLER
SHAYNE COX GAD
MANFRED JOHN GAISER
THOMAS ROBERT
GALLOWAY
JAMES MICHAEL GEIGER
SANDRA LYNN
GEISELMAN
KATHRYN MARY
GEMENDERROONEY
GARY VANCE GEMOETS
JAMES DAVID GIBBS
TIMOTHY RAY GILBERT
GREGORY CHARLES
GILMORE
JAMES THOMAS
GISSENDANNER

EVERETT LOGAN GOAR
ROMAN GONZALES, III
BRUCE RICHARD
GOULDING
DAVID ARTHUR
GOULETTE
GEROLD W. GRAHAM
SCOTT EDWIN GRANGER
MARY ANDERSON GRANT
CLARENCE GRAY
DENNIS JAMES GREMER
JOHN CARROLL GRIFFITH
ANTHONY SALVATORE
GUIDO
PAUL LAWRENCE HALEY
GUY DALE HALVERSON
STEVE RONALD HARKINS
HILLIARD MEGEE
HARPER, JR
JUANITA CURREY
HARRISON
MICHAEL DAVID HART
ALAN KIYO HAYASHIDA
FRANK ALBERT HAYN, JR
RAY GEE HAYS
MICHAEL HAZZAN
CRAIG JEROME HEEREN
SHIELA ELIZABETH
HEINDEL
JOHN THOMAS HELD
RAYMOND JOHN HERDA,
JR
DAVID RAY HERETHER
SAMUEL GASTON HESTER
CHARLES JOHN
HINCKLEY
JOHN FRANKLIN HIRSCH,
JR
JOHN WALTER HIRSCH
ARTHUR DAVID
HOFFMANN, JR
JOHN DAVID HOGAN
MICHAEL ANTHONY
HOLT
JAMES EDWARD
HOLZAPFEL
JOHN MCPHERSON HOOD
MARIANE SOROKA
HOPKINS
JOEL R. HORNING, JR
JAMES GLEN Houser
GEORGE R. HOWARD
CHARLES EDWARD
HUMPHREYS
DONALD STEVEN
INGRAM
WILLIAM RICHARD
ISENBARGER
FRANK DONALD JACKSON
GORDON CAMPBELL
JACKSON
MILTON JEFFREY
JACKSON
NILS FREDERICK JANSON,
JR
BARNEY GOODROW
JOHNSON, III
DAVID GEORGE JOHNSON
JEFFREY MAURITZ
JOHNSON
ERNEST LEON JOLLY
SANDRA HOLMES JOLLY
DAVID RICHARD JONES
GREGG BONNABEL JONES
GREGORY ALAN JONES
JAMES LOFTON JONES, III
JOHN EDWARD JONES
MARC SETTLE JONES
MAXWELL LEE JONES
STEPHEN DETMA JONES
DAVID MICHAEL JORDAN
JOSEPH HENRY
KANNAPELL
DAVID LEE KAPFHAMMER
GEORGE DROSOS
KARDULIAS
MARJORIE REIKO SUGA
KATIN
CHARLES HAROLD
KELLER, JR
KEVIN JOSEPH KELLEY
CEIL DICKEN KELLOGG
JAMES MICHAEL KELL
JAMES CARROLL KENDIG
JANET LILES KENNEDY
JOHN ANDREW
KIRKLAND
DEEN MEARLE KNIGHT
DAVID LOUIS KOCH
JOHN GEORGE KOHUT
RAYMOND THOMAS J.
KOZIKOWSKI
MICHAEL ANTHONY
KOZUMPLIK
EDDIE ALLEN KRANTZ
JOSEPH ALLAN KRISIAK
JEROME DEAN
KULENKAMP
SAM HENRY KUPRESIN
JOHN FRANCIS KUTZER
MILTON DEAN LANE

RICHARD MANUEL
LARRUMBIDE
SCOTT ANTHONY LARSON
JODY LOUISE LEES
JOHN HENRY LERSCH, JR
SPENCER KIRBY LESLIE
CLARK B. LEUTZE
THOMAS GRASON
LEVERAGE
JOSEPH SEAMAN LEWIS,
JR
JOHN WILL
LINDENBERGER, JR
RONALD WILL
LITZENBERGER
MARK BASIL LIVAS
JEAN ANNE LOUIS
LONNIE JOSEPH
LOUVIERE
JAMES EDWARD LOVELL
THOMAS MARVELL LOWE,
III
JEFFREY B. LUCAS
STEPHEN ROSS LUOMA
MICHAEL EUGENE
UNDERWO LYON
JOHN EDWARD MAAK
ROBERT N. MACGOVERN,
JR
VINCENT STEPHEN
MALINOWSKI
MILUTIN MARICH
PAULINE ANN MARLINSKI
KIRK DAVID MARSH
NANCY JEAN MARTINEZ
JOHN MANARD
MATTHEWS, JR
KENNETHE WILLIAM
MAXWELL
LEONARD JOSEPH MAY
JOHN STEVEN MAYER
ROBERT MICHAEL
MCBRIDE
JOHN FRANCIS MCCANN
JAMES WRIGHT
MCCASKEY
STEPHAN ALLAN
MCCLELLAN
DANIEL WAYNE MCCLUNG
NORMAN DAVID
MCCOLLOUGH
HARRY GEORGE
MCCONNELL
HARRY STOWE MCGEE, III
SCOTT GEORGE
MCGINNIS
CHARLES LOYD MCNEIL
FOREST MCNEIR
THOMAS JOSEPH J.
MEARSHEIMER
CHARLES HENRY MEDD
RODGER DEAN MELIN
KEITH ANTHONY MERCER
THOMAS LEE MEYER
WILLIAM JOSEPH MEYER,
II
STANLEY HERBERT
MEYERS, JR
JAMES R. MILLER
JAN SHERWOOD
MILLIGAN
GEORGE MARCHANT
MILLS
MARK EDWARD
MITCHELL
ROBERT JAY MITCHEM
JOHN EDWARD
MONEGHAN
MICHAEL JOSEPH MORA
HENRY JOSEPH MORALES,
II
ALLEN NELSON MORELL
DAVID ROBERT MORRIS
JOEL LESTER MORRIS
RICHARD GILBERT
MORRISON
DAVID RYLAND
MORTENSEN
BARRY BYRON MORTON
STUART CHARLES
MOULTON
ROBERT SIDNEY MULL, JR
PAUL MICHAEL MYERS
ROBERT ALAN NELSON
TIFFANY TURNBULL
NELSON
DAVID CHARLES NEMAN
HENRY JOSEPH NETZER
CHRISTOPHER SCOTT
NIGON
JAMES RAYMOND
NOONAN
DOUGLAS RICHARD
NORDELL
BERNARD CHARLES
NOWLEN
JOHN MARTIN
NUNNENKAMP
JOSEPH GREGORY
NUTTALL
MYRA BETH ODEGARD
RICHARD GALE

OLMSTEAD, JR
ROGER RAYMOND OLSON
DAVID STRAUSS
OPPENHEIM
DUDLEY MILLER
OUTCALT
KIM LLEWELLYN OWEN
HEIN FRIEDRICH PAETZ
BENJAMIN FRANKLIN
PARKS, II
THOMAS KEITH PARKS
MICHAEL DREW PEARCE
MARC PIERRE PEARSON
ANDREW JOSEPH PECK
GERALD FRANCIS PECK
ROBERT ANDERSON
PENNELL
WILLIAM JAMES
PERLMUTTER
GORDON OLAF PETERSON
JOHN RICHARD
PETICOLAS
WILLIAM CARL PETRYK
DAVID WALTER PHILLIPS
MICHAEL RAY PHILLIPS
DANNY CARL PINKERTON
TIMOTHY MCMAHON
PLUNKETT
RICHARD HAMILTON
PLUSH
DAVID ROBERT POWELL
HAL ROY POWELL
WILLIAM HOWARD
POWELL, JR
WALLACE SCOTT
POWELSON
MICHAEL COLLINS
POWERS
DAVID CHARLES Poyer
GEOFFREY FRANKLIN
PRESSON
JOHN ALLISON PRIESTER
DAVID GARY PRITZ
EDZEL RUSSELL PUGH
NICHOLAS VINCENT
PULIGNANO
COLLEEN AND PURCELL
GREGORY ALTON QUIST
MICHAEL LOUIS
RAINVILLE
THOMAS MYERS
RATHBONE
JAMES VINCENT RAY, JR
WILLIAM FRANCIS
READY
DENNIS WILLIAM REID
MICHAEL FRANCIS
REILLY
GREGORY CUIZON
REYNOLDS
DAVID SCOTT RICHARDS
DENNIS LLOYD RICK
GARY ABBOTT RICKETTS
RICHARD CHARLES
RIGAZIO
ANTHONY JOSEPH RIZZO,
JR
JAMES GARY ROBERTS
DONALD JOSEPH
ROBERTSON
WILLIAM JOHN ROBINSON
STEPHEN FRANCIS
RODGERS
KEITH EDWARD
RODWEIL
MICHAEL HOLMES
ROGERS
ELLEN FRANZ ROLAND
JAMES JOSEPH ROMANO
JEFFREY ALFRED
ROTHWELL
JAMES WELLINGTON
ROUSH
JOHN DILLING RUMMEL
FRANCIS PERDUE RYAN,
JR
KENNETH LARRY
SANDERS
DAVID ALLEN SANFORD
MARK ANTHONY SAWYER
CHARLES CLAUDE
SCHETTLER, JR
LESLIE JOHN SCHRADIN,
JR
HAROLD RICHARD
SCHREINER, JR
STEPHEN EDWARD
SCHUMACHER
CHRISTOPHER MICHAEL
SCHUR
JONATHAN HENRY
SCHWARZ
JOHN ROGER SEABERG
LOUIS ANDREW SERAFIN,
JR
DAVID MARTIN SEVIER
STEVEN RUSSELL SEWELL
BRUCE ALAN SHEPPARD
ROBERT NELSON
SHERRILL
RODNEY LENOD
SHOCKLEY

ROBERT ELDON SHOOK
ANTHONY FRANK
SILAKOSKI
JOHN PHILIP SIMPSON, III
ADRIAN LEE SMITH
CLAYTON PAUL SMITH
KYLE RITTENOUR SMITH
ROGER EDWARD SMITH
JAMES DOUGLAS SNYDER
CARL ROBERT SPOETH
GREGORY LEWIS
STAMPER
THOMAS GEORGE
STDENIS
JEANNE HOOVER STETSON
GEORGE ALAN STEWART
JAMES LAWRENCE STIRES
JOHN ARTHUR STOCKTON
ROBERT HALE STONUM,
JR
JOHN ROBERT
STREETMAN, JR
THOMAS FREDERICK
STRUTZ
JAMES W. STUDDARD
CHRISTOPHER SULLIVAN,
JR
TIMOTHY JOSEPH
SULLIVAN
THOMAS KIRK SWANSON
PHILIP JAY SWARTZ
JOSEPH EUGENE
SWEENEY, JR
ROBERT MICHAEL
SWIEBEL
JOSEPH RICHARD
TANNER
GERALD HERBERT
TAYLOR
VICTOR OWEN TESDALL
DONALD NORRIS
THACKERY, JR
JOHN FLOYD
THROCKMORTON
JOHN MARTIN TICHY
TED LEE TTICOMB
BARRY W. TRUDEAU
BRUCE E. TRUOG
KATHLEEN MARIE
TUCKER
LINDA KAY TUCKER
WILLIAM AARON TUCKER,
JR
JAMES VINCENT VECIA

UNRESTRICTED LINE OFFICERS (TAR)
To be commander

JOHN MARTIN ALLISON
WALTER LEWIS BAKER
LYNN DOUGLAS
BAUGHMAN
MARCEL R. BEAUDU
WILLIAM JOHN BLACK
VERNON ELDON
BOTHWELL, JR
RENE THOMAS BOYD, JR
MICHAEL BRADY
TANDY THOMAS
BRANNAN, II
RONALD ROY BUCKLEY
DAVID SEAY COMER
THOMAS CARL
CRAWFORD
MICHAEL PATRICK
DONLON
BERNARD GILBERT
GOGET
CRAIG ALLAN GROVER
CLARK ALAN HEATH
MICHAEL WILLIAM HEATH
JAY MERIT HEMBERGER,
JR
MICHAEL KENT HORNE

ENGINEERING DUTY OFFICERS
To be commander

NICHOLAS ANDREW
ANDRYUK
JAMES DAVID BELTZ
JAMES NELSON BLAIR
CURTIS IRVIN CALDWELL
JOHN ERIC CARLSON, III
ALFRED JOSEPH CAYIA,
III
MICHAEL RICHARD
DONOVAN
DAVID PAUL ERICKSON
ROBERT MATTHEW
FREEMAN, III
JAMES NIXON GREENLEES JAMES ROSSON WEBB
ERIC JAMES HOTALING

AERONAUTICAL ENGINEERING DUTY OFFICERS
(AERONAUTICAL ENGINEERING)
To be commander

THOMAS CROCKETT
ALLEY, JR
EDWARD WILLIAM
DEPIAZZA

DALE GILMORE VEZEY
WILEY JOSEPH VOORHIES
JAMES JEFFERSON
WADKINS
CHARLES EDWARD
WAGNER
MARC DAYTON WALL
EDWARD DUBOIS
WALTON
DANIEL REID WARMAN
JAMES RANDOLPH
WASHINGTON
JOHN MATTHEW
WATLING, JR
DOUGLASS CLAY WATSON
DAVID R. WEBB
RICHARD ALAN WEBB
RICHARD MELTON
WEBSTER, JR
DAVID KEARNS WEHE
EDWARD JOSEPH
WEINKAM, III
JOHN WESLEY WELDON,
JR
STANLEY C. WELIVER
JUDSON LOWELL WELLS
ERNEST HUGH WERNER
GEORGE ANDREW
WERNHAM
EDWARD GARFIELD
WESTON
DONALD DAVID
WETTLAUFER
JOHN CARL WHITE
BARTON WILLIAM
WHITMAN
DOUGLAS EMIL WICKERT
JAMES THOMAS WIGGINS
WILLIAM TRACY WILDE
JOHN WILLIAM WILES
SPOTSWOOD H. WILLIAMS
WILLIAM JOSEPH
WILLKIE
MICHAEL EDWARD WILLS
RONALD J. WILSON
CRAIG K. WINTERS, II
THOMAS FRANZ
WIRTZFIELD
KRISTON PHILIP
WOOLLEY
JOHN STANLEY YACKUS
JUDITH ANN YANDOH
ERNEST CHARLES YOUNG
PETER BRIAN ZUIDEMA

JOHN LEON JENKINS
KENYON PAUL KRAMER
EARL WAYNE LOWERY
JOHN BARRETT MAHER
JIMMY LEE MITCHELL
MAX BRADLEY NORGART
RICHARD L. OSTERLAND
ERNEST ALLEN PARKIN
EARL ARTHUR PERRY, JR
JOHN ARTHUR PHILLIPS
THOMAS J. PLOWER
BRADFORD JAMES
POELTLER
MARK STACEY ROBINS
LARRY CECIL ROSS
ROBERT S. RUSSELL
ROBERT C. SCHOLESS
WILLIAM ERNEST
SPENCER
DAVID ALEXANDRIA
STIRLING
ARTHUR ROBERT TATE
THOMAS NORMAN
TURNBULL
CHARLES REX WHITE, JR
CHARLES M. WILSON

GARY ALLEN HUGHES
CHARLES DAVID MORGAN
JOHN LEE MURPHY
RICHARD PAUL
PEPLINSKI
FRANCIS WELDON REGAN,
III
RODERICK FALTER
SMITH
GEORGE FRANCIS
STRINGER, III
COSTA SOZON
VATIKIOTIS
WILLIAM EUGEN EAGER
RICHARD ALLAN OTIS

AERONAUTICAL ENGINEERING DUTY OFFICERS
(AVIATION MAINTENANCE)*To be commander*

JOHN MASON HARRELL HASKEL STRAUSBERG

SPECIAL DUTY OFFICERS (MERCHANT MARINE)

To be commander

ROBERT JAMES FAUVELL BARRY ANDREW PATTEN
BRUCE KEENER, IV EDWARD FAITH WHITE.
JOHN MARVIN KEEVER JR
CHARLES ELECTUS
MASTERS, III

SPECIAL DUTY OFFICERS (CRYPTOLOGY)

To be commander

MICHAEL BEDOUT ROLAND EDWARD
CHESSON HOLSTEAD
DAN MICHAEL DAVIS EARL TOMAS PASKEWITZ
PAUL ALLEN JOHN PETER SPEROS
HEUSINKVELD RICHARD JOE ZELLMER

SPECIAL DUTY OFFICERS (INTELLIGENCE)

To be commander

JAMES ANTHONY GREGORY GORDON
ATTANASIO CARLSON
GARY LANE BAGWILL RICHARD DARRELL
JOHN FRANCIS BLAKE CHUNG
DAVID HOMER BLEVINS JOHN STEVEN COUCH
JAMES THOMAS BOYD WILLIAM DEAN CRANDELL
JAMES ANTHONY RALPH GILES CROWTON
BRESLIN

CAROLEEN CHANG
CULBERTSON
LEON ARMIN DAHLE
WESLEY EVERETT
DEWOODY
DOUGLAS DODD DICK
RICHARD JAMES
GAMMACHE, III
DWIGHT LYMAN GERTZ
CHARLES EWARD
JOHNSON

MULQUEENY
RANDALL WAYNE MYERS
MARSHALL NADEL
NORMAN LEE NORFLEET
JAY SUMNER PHILPOTT
PHILIP EDWARD SEGHERS
JOHN DAVID STACK
DUANE LESTER STOBER
LEO FRANCIS STOLTZ
ALAN WENDELL TATE
FREDERICK PRINCE
TRAPP
BRIAN EUGENE TRHLIN
RICHARD WILLIS TROUT
EUGENE MICHAEL
TUPACZ, JR
KENT LEON WASHBURN
WILLIAM WARREN
WEAVER

SPECIAL DUTY OFFICERS (INTELLIGENCE) (TAR)

To be commander

ROGER WILLIAM DAVID KEITH HELLER
EDWARDS

SPECIAL DUTY OFFICERS (PUBLIC AFFAIRS)

To be commander

RONALD HENRY BAFETTI SHARON ALEXA HAMRIC
STEPHEN FOLWELL TERRY MICHAEL
BORNET HATFIELD
DAVID LUTHER HAHS BOBBY GENE HATLEY

RICHARD BYRON
HOWARD
LORETTA ANN JEFFREY
MICHAEL RICHARD
LAFLEUR
STEVEN VEDDER LESHAY
STERLING NICHOLS, JR

SPECIAL DUTY OFFICERS (OCEANOGRAPHY)

To be commander

VINCENT ANTHONY DANIEL WARD MERDES
DICARLO
MARK JAMES
GRUSSENDORF

CONFIRMATIONS

Executive nominations confirmed by the Senate June 6, 1988:

DEPARTMENT OF TRANSPORTATION

ROBERT EARL FARRIS, OF TENNESSEE, TO BE ADMINISTRATOR OF THE FEDERAL HIGHWAY ADMINISTRATION.

THE ABOVE NOMINATION WAS APPROVED SUBJECT TO THE NOMINEE'S COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

DEPARTMENT OF JUSTICE

DAVID E. BALDELLI, OF TEXAS, TO BE U.S. MARSHAL FOR THE NORTHERN DISTRICT OF TEXAS FOR THE TERM OF 4 YEARS.

EXTENSIONS OF REMARKS

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, June 7, 1988, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 8

9:30 a.m.

Agriculture, Nutrition, and Forestry

Business meeting, to consider pending calendar business.

SR-332

Appropriations

Labor, Health and Human Services, Education, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1989 for certain programs of the Departments of Labor, Health and Human Services, and Education, and related agencies.

SD-192

Armed Services

To hold hearings on the role of drug interdiction within the Department of Defense.

SH-216

Commerce, Science, and Transportation

To hold hearings in conjunction with the National Ocean Policy Study on the impact of acid precipitation on coastal waters and the National Oceanic and Atmospheric Administration's marine sanctuary program.

SR-253

10:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for export financing programs.

S-128, Capitol

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on the advanced solid rocket motor.

SD-138

Appropriations
Transportation and Related Agencies Subcommittee

Treasury, Postal Service, and General Government Subcommittee
To hold joint hearings to review interdiction efforts of the U.S. Coast Guard, U.S. Customs Service, Immigration and Naturalization Service, and the Department of the Treasury.

SD-192

Environment and Public Works
Water Resources, Transportation, and Infrastructure Subcommittee

To hold hearings to review the Federal Emergency Management Agency response to the request from the State of Nevada to be declared eligible to receive Federal disaster assistance for the May 4, 1988 Henderson Nevada fuel plant explosion.

SD-406

Foreign Relations
To hold hearings on the nomination of Walter L. Cutler, of Maryland, to be Ambassador to the Kingdom of Saudi Arabia.

SD-419

Governmental Affairs
To resume hearings on issues concerning acquired immunodeficiency syndrome (AIDS).

SD-342

Judiciary
To hold hearings on S. 2033 and S. 703, bills to establish criminal penalties with respect to the sexual exploitation of children and the possession or sale of obscene matter.

SD-226

2:00 p.m.
Labor and Human Resources

Employment and Productivity Subcommittee

To hold hearings to review youth employment issues and related provisions of Title II of the Job Training Partnership Act.

SD-430

3:00 p.m.
Veterans' Affairs

To hold hearings on S. 2011, to increase the rate of VA compensation for veterans with service-connected disabilities and dependency and indemnity compensation for the survivors of certain disabled veterans. S. 1805, to protect certain pensions and other benefits of veterans and survivors of veterans who are entitled to damages in the case of "In re: 'Agent Orange' Product Liability Litigation", S. 2105, to extend for 4 years the authority of the VA to contract for drug and alcohol treatment and rehabilitation services in halfway houses and other certain community-based facilities, and to hold oversight

hearings on activities of the Board of Veterans' Appeals, and related matters.

SR-418

9:00 a.m.
Agriculture, Nutrition, and Forestry
Nutrition and Investigations Subcommittee

Business meeting, to mark up proposed legislation to provide additional assistance for the Food Stamp program, Temporary Emergency Food Assistance program, child nutrition programs, work training programs, and childcare for working families.

SR-332

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1989 for certain programs of the Departments of Labor, Health and Human Services, and Education, and related agencies.

SD-192

Armed Services

To continue hearings on the role of drug interdiction within the Department of Defense.

SH-216

Energy and Natural Resources

Water and Power Subcommittee

To hold hearings on S. 1737, to provide for the completion of the Colorado River Storage Project, S. 2102, to prohibit the licensing of certain facilities on portions of the Salmon and Snake Rivers in Idaho, and S. 2108, to authorize the Secretary of the Interior to conduct the Reclamation Groundwater Management and Technical Assistance Study.

SD-366

10:00 a.m.

Appropriations

Treasury, Postal Service, and General Government Subcommittee

Business meeting, to mark up proposed legislation appropriating funds for fiscal year 1989 for the Department of the Treasury, Postal Service, and general government.

SD-116

Environment and Public Works

Hazardous Wastes and Toxic Substances Subcommittee

Business meeting, to mark up S. 2024, to extend the deadline for filing inspection and management plans required by the Asbestos Hazard Emergency Response Act.

SD-406

Foreign Relations

To hold hearings on the nominations of Charles A. Gargano, of New York, to be Ambassador to the Republic of Trinidad and Tobago, Richard N. Holwill, of the District of Columbia, to be Ambassador to the Republic of Ecuador, and Paul D. Taylor, of New York, to be Ambassador to the Dominican Republic.

SD-419

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

9:30 a.m.	JUNE 10	
Conferees		
Closed, on H.R. 4264, to authorize funds for the fiscal year 1989 amended budget request for military functions of the Department of Defense and to prescribe military personnel levels for such Department for fiscal year 1989, and to amend the National Defense Authorization Act for fiscal year 1988 and 1989.	S-407, Capitol	SD-366
10:00 a.m.		
Appropriations		
Foreign Operations Subcommittee		
To hold hearings on proposed budget estimates for fiscal year 1989 for migration refugee assistance, international narcotics control and anti-terrorism programs.	S-128, Capitol	SD-406
Appropriations		
Commerce, Justice, State, and Judiciary, and Related Agencies Subcommittee		
Business meeting, to mark up proposed legislation appropriating funds for fiscal year 1989 for the Departments of Commerce, Justice, State, the Judiciary, and related agencies.	S-146, Capitol	SD-406
Environment and Public Works		
To hold hearings on issues concerning the environmental impact of pesticides and related products.	SD-406	
Foreign Relations		
To hold hearings on the nominations of Sheldon J. Krys, of Maryland, to be an Assistant Secretary of State, Richard L. Williams, of the District of Columbia, to be Ambassador to the Mongolian People's Republic, and E. Allan Wendt, of California, for the rank of Ambassador during his tenure of service as Senior Representative for Strategic Technology Policy in the Office of the Under Secretary of State for Coordinating Security Assistance Programs.	SD-419	SR-418
Judiciary		
Courts and Administrative Practice Subcommittee		
To hold hearings on S. 1358, S. 1626, S. 1863, and S. 2279, bills to revise certain Federal bankruptcy provisions.	SD-226	SR-332
Labor and Human Resources		
To resume hearings on S. 2270, to provide financial assistance to State and local governments for high-quality early childhood development programs for pre-kindergarten children.	SD-430	SR-332
2:00 p.m.		
Finance		
International Trade Subcommittee		
To hold hearings on S. 2252, to encourage economic development in Central America, and to increase the sugar import quota.	SD-215	SD-215
JUNE 13		
9:30 a.m.		
Special on Aging		
To hold hearings to examine certain problems and challenges surrounding the provision of health care to rural communities, and to review recommendations and innovative strategies to deal with these problems.	SD-628	SD-366
2:00 p.m.		
Judiciary		
To hold hearings on pending nominations.	SD-106	
JUNE 14		
9:00 a.m.		
Appropriations		
Foreign Operations Subcommittee		
To hold hearings on proposed budget estimates for fiscal year 1989 for foreign assistance programs.	S-128, Capitol	SD-406
9:30 a.m.		
Energy and Natural Resources		
Energy Regulation and Conservation Subcommittee		
To hold hearings on S. 1717, to assure uniformity in the exercise of regulatory jurisdiction pertaining to the transportation of natural gas and to clarify that the local transportation of natural gas by a distribution company is a matter within State jurisdiction and subject to regulation by state commissions.	SD-366	SR-418
Joint Economic		
Education and Health Subcommittee		
To resume hearings to review the future of health care in America.	2359 Rayburn Building	SR-418
10:00 a.m.		
Governmental Affairs		
To hold hearings on the nomination of S. Jay Plager, of Indiana, to be Administrator of the Office of Information and Regulatory Affairs, Office of Management and Budget.	SD-342	SR-418
JUNE 15		
9:00 a.m.		
Agriculture, Nutrition, and Forestry		
Business meeting, to consider pending calendar business.	SR-332	SR-332
10:00 a.m.		
Agriculture, Nutrition, and Forestry		
Nutrition and Investigations Subcommittee		
Business meeting, to resume markup of proposed legislation to provide additional assistance for the Food Stamp program, Temporary Emergency Food Assistance program, child nutrition programs, work training programs, and childcare for working families.	SR-332	SR-332
Energy and Natural Resources		
Business meeting, to consider pending calendar business.	SD-366	SD-215
Governmental Affairs		
To hold hearings on drug interdiction.	SD-342	JUNE 17
JUNE 16		
9:00 a.m.		
Appropriations		
Foreign Operations Subcommittee		
To hold hearings on proposed budget estimates for fiscal year 1989 for foreign assistance programs.	SD-192	SD-215
9:30 a.m.		
Energy and Natural Resources		
Public Lands, National Parks and Forests Subcommittee		
To hold hearings on H.R. 1173, to provide for certain restrictions on the use of lands within boundaries of national parks and monuments, and S. 927 and	SD-366	SD-366
9:30 a.m.		
Office of Technology Assessment		
The Board, to meet to consider pending business.	Room to be announced	
9:30 a.m.		
Energy and Natural Resources		
Public Lands, National Parks and Forests Subcommittee		
To hold hearings on S. 2055, to designate certain National Forest System lands in Idaho for inclusion in the National Wilderness Preservation System, to prescribe certain management formulae for certain National Forest System lands, and to release other forest lands for multiple-use management.	SD-366	

June 6, 1988

13491

	EXTENSIONS OF REMARKS		
	JUNE 22	JUNE 24	
9:30 a.m.	Commerce, Science, and Transportation Consumer Subcommittee To hold hearings on proposed legislation authorizing funds for the U.S. Fire Administration of the Federal Emergency Management Agency.	9:30 a.m. Commerce, Science, and Transportation Foreign Commerce and Tourism Subcommittee To hold hearings on Japanese patent policy.	10:00 a.m. Governmental Affairs To resume hearings on issues relative to alcoholism.
	SR-253	SR-253	SD-342
	JUNE 23	JUNE 27	JULY 11
9:30 a.m.	Commerce, Science, and Transportation Communications Subcommittee To hold hearings on S. 2221, to expand national telecommunications system for the benefit of the hearing impaired.	Special on Aging To hold hearings on the Equal Employment Opportunity Commission enforcement of the Age Discrimination in Employment Act of 1967.	9:30 a.m. Special on Aging To resume hearings to examine certain problems and challenges surrounding the provision of health care to rural communities, and to review recommendations and innovative strategies to deal with these problems.
	SR-253	SD-628	SD-628
Energy and Natural Resources Public Lands, National Parks and Forests Subcommittee	To hold hearings on S. 1643, to establish the Mississippi River National Heritage Corridor, S. 2018, to expand the boundaries of the Congaree Swamp National Monument, and to designate wilderness therein, and S. 2058, to authorize the establishment of the Charles Pinckney National Historic Site in South Carolina.	2:00 p.m. Governmental Affairs To resume hearings on issues relative to alcoholism.	JULY 14
	SD-366	SD-342	10:00 a.m. Agriculture, Nutrition, and Forestry Agricultural Credit Subcommittee To resume oversight hearings on the implementation of the Agricultural Credit Act (P.L. 100-233).
Governmental Affairs	To resume hearings on S. 1504, to facilitate regulatory negotiation and other procedures to enhance the quality of regulations and foster communications between agencies and those affected by regulations.	9:30 a.m. Energy and Natural Resources Public Lands, National Parks and Forests Subcommittee To hold hearings on S. 2165, to designate wilderness within Olympic National Park, Mount Rainier National Park, and North Cascades National Park Complex in the State of Washington.	SR-332
	SD-342	SD-366	
	JUNE 29	JUNE 28	CANCELLATIONS
9:30 a.m.	Small Business Rural Economy and Family Farming Subcommittee To hold hearings to identify prospects for economic development in rural America.	9:30 a.m. Energy and Natural Resources Public Lands, National Parks and Forests Subcommittee To hold hearings on S. 2165, to designate wilderness within Olympic National Park, Mount Rainier National Park, and North Cascades National Park Complex in the State of Washington.	JUNE 7
	SR-428A	SD-366	10:00 a.m. Judiciary To hold hearings on drug enforcement issues.
			SD-226