

Services and other appropriate committees, should report its findings to the Senate.

**SEC. 238. PROHIBITION ON FUNDS TO IMPLEMENT AN INTERNATIONAL AGREEMENT CONCERNING THEATER MISSILE DEFENSE SYSTEMS.**

(a) FINDINGS.—Congress makes the following findings:

(1) Section 234 of the National Defense Authorization Act for Fiscal Year 1994 provides that the ABM Treaty does not apply to or limit research, development, testing, or deployment of missile defense systems, system upgrades, or system components that are designed to counter modern theater ballistic missiles, regardless of the capabilities of such missiles, unless those systems, system upgrades, or system components are tested against or have demonstrated capabilities to counter modern strategic ballistic missiles.

(2) Section 232 of the National Defense Authorization Act for Fiscal Year 1995 provides that the United States shall not be bound by any international agreement that would substantially modify the ABM Treaty unless the agreement is entered into pursuant to the treaty making power of the President under the Constitution.

(3) the demarcation standard described in subsection (b)(1) is based upon current technology.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) unless a missile defense system, system upgrade, or system component, including one that exploits data from space-based or other external sensors, is flight tested against a ballistic missile target that exceeds a range of 3,500 kilometers or a velocity of 5 kilometers per second, such missile defense system, system upgrade, or system component has not been tested in an ABM mode nor deemed to have been given capabilities to counter strategic ballistic missiles, and

(2) any international agreement that would limit the research, development, testing, or deployment of missile defense systems, system upgrades, or system components that are designed to counter modern theater ballistic missiles in a manner that would be more restrictive than the criteria in paragraph (1) should be enacted into only pursuant to the treaty making powers of the President under the Constitution.

(c) PROHIBITION ON FUNDING.—Funds appropriated or otherwise made available to the Department of Defense for fiscal year 1996 may not be obligated or expended to implement an agreement with any of the independent states of the former Soviet Union entered into after January 1, 1995 that would establish a demarcation between theater missile defense systems and anti-ballistic missile systems for purposes of the ABM Treaty or that would restrict the performance, operation, or deployment of United States theater missile defense systems except: (1) to the extent provided in an act enacted subsequent to this Act; (2) to implement that portion of any such agreement that implements the criteria in subsection (b)(1); or (3) to implement any such agreement that is entered into pursuant to the treaty making power of the President under the Constitution.

**SEC. 239. BALLISTIC MISSILE DEFENSE PROGRAM ELEMENTS.**

(a) ELEMENTS SPECIFIED.—In the budget justification materials submitted to Congress in support of the Department of Defense budget for any fiscal year after fiscal year 1996 (as submitted in the budget of the President under section 1105(a) of title 31, United States Code), the amount requested for activities of the Ballistic Missile Defense Organization shall be set forth in accordance with the following program elements:

(1) The Patriot system.

(2) The Navy Lower Tier (Area) system.

(3) The Theater High-Altitude Area Defense (THAAD) system.

(4) The Navy Upper Tier (Theater Wide) system.

(5) Other Theater Missile Defense Activities.

(6) National Missile Defense.

(7) Follow-On and Support Technologies.

(b) TREATMENT OF NON-CORE TMD IN OTHER THEATER MISSILE DEFENSE ACTIVITIES ELEMENT.—Funding for theater missile defense programs, projects, and activities, other than core theater missile defense programs, shall be covered in the "Other Theater Missile Defense Activities" program element.

(c) TREATMENT OF CORE THEATER MISSILE DEFENSE PROGRAMS.—Funding for core theater missile defense programs specified in section 234, shall be covered in individual, dedicated program elements and shall be available only for activities covered by those program elements.

(d) BM/C31 PROGRAMS.—Funding for programs, projects, and activities involving battle management, command, control, communications, and intelligence (BM/C31) shall be covered in the "Other Theater Missile Defense Activities" program element or the "National Missile Defense" program element, as determined on the basis of the primary objectives involved.

(e) MANAGEMENT AND SUPPORT.—Each program element shall include requests for the amounts necessary for the management and support of the programs, projects, and activities contained in that program element.

**SEC. 240. ABM TREATY DEFINED.**

For purposes of this subtitle, the term "ABM Treaty" means the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missiles, signed at Moscow on May 26, 1972, and includes the Protocols to that Treaty, signed at Moscow on July 3, 1974.

**SEC. 241. REPEAL OF MISSILE DEFENSE PROVISIONS.**

The following provisions of law are repealed:

(1) The Missile Defense Act of 1991 (part C of title II of Public Law 102-190; 10 U.S.C. 2431 note).

(2) Section 237 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160).

(3) Section 242 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160).

(4) Section 222 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 613; 10 U.S.C. 2431 note).

(5) Section 225 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 614).

(6) Section 226 of the National Defense Authorization Act for Fiscal Years 1988 and 1989 (Public Law 100-180; 101 Stat. 1057; 10 U.S.C. 2431 note).

(7) Section 8123 of the Department of Defense Appropriations Act, 1989 (Public Law 100-463; 102 Stat. 2270-40).

(8) Section 8133 of the Department of Defense Appropriations Act, 1992 (Public Law 102-172; 105 Stat. 1211).

(9) Section 234 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160; 107 Stat. 1595; 10 U.S.C. 2431 note).

(10) Section 235 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337; 108 Stat. 2701; 10 U.S.C. 221 note).

**THE SMALL BUSINESS LENDING ENHANCEMENT ACT OF 1995**

**NUNN AMENDMENT NO. 2426**

Mr. DOLE (for Mr. NUNN) proposed an amendment to the bill (S. 895) to amend the Small Business Act to reduce the level of participation by the Small Business Administration in certain loans guaranteed by the administration, and for other purposes; as follows:

To amend the Committee substitute; on page 14, add the following new section:

**"SEC. . PILOT PREFERRED SURETY BOND GUARANTEE PROGRAM EXTENSION.**

"Section 207 of the Small Business Administration Reauthorization and Amendment Act of 1988 (15 U.S.C. 694b note) is amended by striking "September 30, 1995" and inserting "September 30, 1997."

**NOTICES OF HEARINGS**

**COMMITTEE ON ENERGY AND NATURAL RESOURCES**

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Full Committee on Energy and Natural Resources. The purpose of the hearing is to receive testimony on H.R. 1266, to provide for the exchange of lands within Admiralty Island National Monument, known as the "Greens Creek Land Exchange Act of 1995."

The hearing will take place Tuesday, September 12, 1995, at 9:30 a.m. in SD-366 of the Dirksen Senate Office Building in Washington, DC.

Those wishing to testify or who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. For further information, please contact Michael Flannigan of the Committee staff at (202) 224-6170.

**COMMITTEE ON ENERGY AND NATURAL RESOURCES**

Mr. MURKOWSKI. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will take place Thursday, September 14, 1995, at 9:30 a.m. in SD-366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to review S. 1144, a bill to reform and enhance the management of the National Park Service, S. 309, a bill to reform the concession policies of the National Park Service, and S. 964, a bill to amend the Land and Water Conservation Fund Act of 1965 with respect to fees for admission into units of the National Park System.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two

copies of their testimony to the Committee on Energy and Natural Resources, U.S. Senate, 364 Dirksen Senate Office Building, Washington, DC 20510-6150.

For further information, please contact Jim O'Toole of the committee staff at (202) 224-5161.

## ADDITIONAL STATEMENTS

### CHINESE MISSILE TESTS

• Mr. PRESSLER. Mr. President, between July 21 and July 26 China conducted a series of ballistic missile test firings 85 miles from Taiwan. The missiles were all MTCR class four short range and two intermediate range. All were modern, mobile, nuclear-capable. No country has ever held this level of field tests for nuclear capable missiles before.

The result was predictable—the stock market and the local currency in Taiwan fell precipitously.

Mr. President, yesterday China announced that a new round of ballistic missile tests are due to begin next week. Again the test range is very near Taiwan. And again, the same result—the stock market in Taiwan plunged this morning to a 20-month low and the local currency dropped to the lowest level in 4 years.

Mr. President, the United States is faced with three choices: First, we can do nothing. However, I believe that it is not in the national security interest of the United States to allow Asia to be dominated by a nondemocratic power.

Second, at the other extreme, we could interpose the United States Pacific Fleet between the Chinese coast and the Asian democracies. President Truman did so in 1950 but I believe that should be considered only as a last resort.

Finally, we can take what I believe is the wisest course. That is, the United States can provide the requisite material and political support so that the Asian democracies can resist aggression.

Mr. President, when we return there will be a number of legislative opportunities to address this issue. I believe we should do so, hopefully with the administration's cooperation, but if necessary, without it.

Mr. President, I ask that a number of wire service stories on this issue be printed in the RECORD at the conclusion of my remarks.

#### FEARS WIDESPREAD IN TAIWAN AS CHINA RENEWES TESTS (By Joyce Liu)

TAIPEI, August 11.—Taiwan's financial markets plunged and the dollar tumbled to a four-year low on Friday amid fears roused by a second series of missile tests China is planning near the island.

Taiwanese officials tried to allay widespread concern over the tests, with Huang Yao-yu, director-general of Taiwan's ruling Nationalist Party's department of mainland operations, saying they were not a direct military threat but were politically motivated.

They saw the tests as an attempt to create instability before presidential elections next March.

"There should not be any situation which is out of control. It has not yet reached the level of real military actions," Huang said on state-funded television. "It (China) hopes our elections can meet its expectations."

China announced on Thursday it would hold the second round of guided-missile tests in less than a month in the East China Sea between August 15 and 25, just north of Taiwan.

Financial markets reacted sharply to the tests. On Friday, the stock market plunged 4.57 percent to 4,551.89, a 20-month low, and the Taiwan dollar tumbled to the lowest level since 1991 against the U.S. dollar at midday.

Taiwan has said it would hold a military exercise, described as a routine military inspection, in southern Taiwan before the island's National Day on October 10.

"Communist China holds exercises and Taiwan also wants to hold exercises. What is the government doing and what should we stock investors do?" said an angry middle-aged housewife at a Taipei brokerage.

As well as creating instability in Taiwan, China's motive is also seen by political analysts as cutting support for Taiwan President Lee Teng-hui, who is widely expected to run in the first presidential elections.

Analysts said that if China could not intimidate Taiwan, it might continue to increase tensions in the Taiwan Straits before the island's December parliamentary elections and the March presidential elections.

"It seems communist China wants to cross the middle line and start to use force to incite Taiwan," said Hu Fo, political science professor at National Taiwan University.

China has considered Taiwan a rebel province since the Nationalists lost the civil war in 1949. Both say they want eventual reunification but on very different terms.

"It will be very dangerous if communist China thinks it can no longer solve the reunification issue with a peaceful method. Taiwan should handle the issue very carefully now," Hu said.

President Lee's landmark visit to the United States in June, although private, infuriated Beijing which interprets Lee's moves to promote the island's international image as advocating independence.

Relations soured after Lee's U.S. trip and China's last missile tests, between July 21 and 26 in the sea north of Taiwan, triggered fear throughout Taiwan, forcing the stock market and the dollar down.

Taiwan cabinet's Mainland Affairs Council, which sets the island's China policy, has blasted China over Thursday's missile test announcement, saying the tests were unfriendly and irresponsible.

#### CHINA MILITARY EXERCISE (By Charlene L. Fu)

BEIJING.—China's decision to hole its second series of missile tests in a month will have little military value but is aimed at intimidating Taiwan, experts say.

The planned test firings of guided missiles and live artillery shells starting next week in the East China Sea north of Taiwan are the latest in as summer-long series of political and military tit-for-tats between China and the island it views as a renegade province.

Beijing has been wary of Taiwan President Lee Teng-hui's efforts to gain greater international recognition for the economic powerhouse and was alarmed when Washington allowed him to make a private visit.

China started a three-month military exercise on the coast opposite Taiwan soon after

Lee's June visit, then increased the pressure with ballistic missile tests in mid-July.

The announcement Thursday of the next planned tests, due to start Tuesday and last for 10 days, came after Taiwan scheduled army, navy and air force exercises in October.

This series of exercises is meant to intimidate Taiwan," said Eric Arnett, a military technology expert at the Stockholm International Peace Research Institute.

Though usually secretive about its military, Beijing reported the latest planned tests the same way it announced the previous ones: in a brief dispatch from the government news agency and on the national TV news.

"The Chinese People's Liberation Army will conduct exercises of guided missile and artillery live ammunition firing," the official Xinhua News Agency said.

Ships and airplanes were warned to stay out of the designated waters and airspace in the target area, 60 miles north of Taiwan.

Experts say China tests missiles every year at this time, but normally notification is given quietly through diplomatic channels.

They also noted that there is little military intelligence to be gained by repeated firings of missiles. Six surface-to-surface ballistic missiles were fired in the last test.

In addition, China's military normally tests missiles on land—where greater secrecy can be maintained than in international waters—so little need exists for the target area to be so near Taiwan, the experts said.

"The East China Sea is a big ocean. They don't have to put it 100 clicks (kilometers) off Taiwan," said Bob Karnio, Asia-Pacific editor for Jane's Defense Weekly.

China's military is believed to have played a greater role in policy-making toward Taiwan and the United States since the Foreign Ministry failed to prevent Lee's U.S. visit.

Reports in the Hong Kong media, citing unnamed sources, have said China's top leaders have decided to keep the pressure on Lee and on Taiwan.

Presidential elections are scheduled for next year, and China worries that Lee or opposition leaders will win, spurring calls for Taiwan to declare independence.

Lee has moved his Nationalist Party away from its Cold War-era claim to sovereignty over all of China. The Nationalists took refuge on Taiwan after losing a civil war to Communist forces in 1949.

Taiwan's stock and currency markets reeled today from the announcement of the new tests. The stock market's main index plunged 4.57 percent and the Taiwan dollar hit a four-year low of 27.36 to the U.S. dollars.

#### CHINA TO HOLD MORE MISSILE TESTS IN EAST CHINA SEA (By Benjamin Kang Lim)

BEIJING, August 10.—China stepped up its intimidation of rival Taiwan on Thursday, announcing a second round of rare guided missile tests in less than a month in the East China Sea, just north of the Nationalist-ruled island.

The People's Liberation Army would hold the tests of guided missiles and firing of live artillery in and over a sea area off the coast of southeastern Zhejiang province from August 15 to 25, the Ministry of Communications said.

The southernmost perimeter of the tests is just 150 km (90 miles) north of Taiwan, which Beijing considers a renegade province ruled by rebel Nationalist forces.

The test zone off Zhejiang is a few miles north of the area where China's military test-fired six surface-to-surface missiles from July 21 to 26, setting off panic in Taiwan as the stock market plunged and the Taiwan dollar tumbled.