SENATE—*Thursday, June 5, 1986*

(Legislative day of Monday, June 2, 1986)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Honorable GORDON J. HUMPHREY, a Senator from the State of New Hampshire

PRAYER

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

Let us pray.

Bless the Lord, O my soul, and all that is within me. Bless His Holy Name. Bless the Lord, O my soul, and forget not all His benefits.

Gracious God, how easy it is for us to forget Your benefits, too numerous to mention, monotonous in their continuum, morning and evening, day by day, week by week, month by month, year by year. Forgive us for our ingratitude. Be with those who hurt in our big Senate family today. Touch them with Your love and Your care and Your grace. And, Lord, these powerful people who work here need You as much as the weakest of us. May they be aware of that need today and look to Thee for grace to help in time of need. In Jesus name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 5, 1986.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable GORDON J. HUMPHREY, a Senator from the State of New Hampshire, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

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

RECOGNITION OF THE ACTING MAJORITY LEADER

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

Mr. CHAFEE. I thank the Chair.

SCHEDULE

Mr. CHAFEE. Mr. President, the procedure will be the two acting leaders will have, under the standing order, 10 minutes each. Then there are special orders in favor of the following Senators for not to exceed 5 minutes each: Senators HAWKINS, PROXMIRE, LEAHY, GORE, WEICKER, DIXON, and MCCONNELL.

Routine morning business will not extend beyond the hour of 11 o'clock. During that time, Senators may speak for 5 minutes each.

At 11 o'clock, by unanimous consent, the Senate will proceed to consider the President's veto message on Senate Joint Resolution 316, which is the Saudi arms sale. There will be 3 hours of debate on that, 2 hours under the control of the minority leader, and 1 hour under the control of the majority leader.

By unanimous consent, at 2 o'clock this afternoon, a vote will occur on the question, Shall the joint resolution pass, the objections of the President of the United States to the contrary notwithstanding?

In other words, the vote on the President's veto.

Following that vote, which, as I mentioned, will occur at 2 o'clock, the Senate will turn to the consideration of Calendar No. 653, H.R. 4515, which is the supplemental appropriations bill. There will be rollcall votes during the afternoon, and the Senate could be asked to remain in session late into the evening.

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

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting Democratic leader is recognized.

Mr. PROXMIRE. Mr. President, it is my understanding that the time of the Democratic leader has been reserved for a later time.

The ACTING PRESIDENT pro tempore. The Senator is correct.

RECOGNITION OF SENATOR PROXMIRE

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for not to exceed 5 minutes.

WHY BILLIONS TO EUROPE FOR STAR WARS MAKES IT A LOSER

Mr. PROXMIRE. Mr. President, there are many solid reasons for opposing star wars. First, most of our scientific and military experts who are not on the Defense Department payroll tell us it will not work.

Second, arms control specialists tell us it will destroy arms control in two ways. It frontally assaults the Antiballistic Missile Arms Control Treaty by providing the very ABM system that treaty was designed to prevent. It also totally undermines any real possibility of slowing the offensive nuclear weapons arms race. Star wars gives the Russians the choice of going sled-length to build up their offensive missiles to overcome star wars or facing the absolutely unacceptable alternative of losing the credibility of their deterrent.

Third, star wars will impose an immense and permanent burden of increased military spending on our economy. It will force a massive increase in the Federal tax burden of every American taxpayer.

On top of all this, we now find another reason why star wars is a loser, especially for American taxpayers. In order to cool the criticism of star wars by our NATO allies, the administration has initiated a series of agreements with the United Kingdom, West Germany, Japan, and now Israel. Those agreements would require this country to pay out billions of dollars for star wars research by their scientists. Why? Because such a payment would still their criticism of star wars. These countries are riding a very rich U.S.-financed gravy train. Over the next 5 years it appears that our Federal Government will pay $1.5 billion to the United Kingdom, $1 billion for West Germany, $300 million for Israel, and according to a recent story in the Wall Street Journal "perhaps 15 percent of the total SDI research budget for entrepreneur rich Japan."

What possible excuse is there for dunning the American taxpayers for the full cost of SDI research done by the Europeans and Asians? One theory is that the research will develop a tactical missile defense that will protect American troops stationed in Europe. But is there the slightest sign of any commitment by Europeans to deploy such a defensive SDI in Europe? The answer is that there is none.

It gets worse. Under the Antiballistic Missile Treaty, this country would be in direct violation of the treaty if an antimissile defense paid for by the United States is deployed in Europe.

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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

The treaty specifically prohibits this country from constructing or financing a strategic defense located on the soil of an ally, as a way of circumventing its limits. Of course, the ABM Treaty is an agreement between the two superpowers. The United Kingdom, West Germany, and other European countries are not parties to it. So the Europeans would be free to construct an SDI with their own money. By taking American funds for their SDI research, they are taking the first steps toward foreclosing the prospect that SDI in any form could be deployed in Western Europe to protect our troops.

Mr. President, this situation dramatically exposes why the Defense Department has agreed to pay scientists in NATO countries money from U.S. taxpayers to do SDI research. Obviously, the governments of these countries do not have any real faith that SDI can work for their protection or they would pay for it with their own money. So why does the administration spend SDI research money in the United Kingdom, in Israel, in Japan, and in West Germany, but not in Wisconsin, and 15 other States in this country? Answer: We do this to still our allies' criticism and bring NATO along with us on star wars. Our taxpayers in each of 16 States pay for SDI. They pay for the billions that will be paid to scientists in foreign countries for research on this program. But to date not a penny of this money has been expended in any of these States. In fact, in some 45 States—of the 50 States—less SDI money, usually far less, will be spent than will be extracted in taxes to pay for the SDI Program. On the other hand, in spite of the already seriously adverse balance of trade, we will make it worse as we pour out billions of dollars to foreign countries to pay for them to work on SDI. And none of them will contribute 1 cent to the cost of the project. The irony is that these countries so clearly recognize the futility of the program that they have not indicated any concern about the fact that under the ABM Treaty no SDI defenses can be deployed in their countries. They know star wars is a loser. But if they can turn a few billion American bucks for this American folly, why not?

MYTH OF THE DAY

Mr. PROXMIRE. Mr. President, my myth of the day is that the United States is no longer the leading Nation in the world in support of higher education. It is ironic that this myth continues even as we have just completed work on a massive 5-year reauthorization of the Higher Education Act of 1965.

Obviously, as the richest and one of the largest nations in the world, the United States spends more total funds on higher education than any other nation. What few realize is when we look at the percentage share of gross national product devoted to postsecondary education, the United States is still No. 1 on the world's list, according to the most recent United Nations data.

In 1982, the United States spent 2.5 percent of our Nation's gross national product on higher education. By comparison, Japan spent only seven-tenths of 1 percent, the German Democratic Republic 1.2 percent, and the Soviet Union 0.9 percent. The nation which comes closest to achieving our level of commitment to postsecondary education is our neighbor to the north, Canada, which contributed 2.3 percent of its national GNP for postsecondary education.

This remarkable national commitment to higher education has resulted in a postsecondary enrollment ratio of 58 percent in our Nation. This means that over one-half of our college-age individuals are working toward some type of postsecondary degree.

Again, Canada comes closest to duplicating our figures with a postsecondary enrollment ratio of 39 percent. The ratio is only 30 percent in the Federal Republic of Germany and Japan, and falls to 21 percent in the Soviet Union.

Mr. President, no wonder this guide to colleges is so thick. Our society provides by far and away the greatest number, diversity and quality of college education in the world. If anyone doubts that statement, I suggest they first of all review this or a similar guide to higher education, and second, ask some of the tens of thousands of foreign students who flock to our shores to study in our great institutions of higher learning.

□ 1010

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

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

The bill clerk proceeded to call the roll.

Mrs. HAWKINS. 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.

RECOGNITION OF SENATOR HAWKINS

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

INFANT ADDICTION: A NEW PHENOMENON IN THE DRUG TRADE

Mrs. HAWKINS. Mr. President, when we consider the problem of drugs we usually think of trafficking, smuggling, street corner sales, and quick fixes in dark alleys. And drug abuse is generally thought of in terms of youth, middle-age, and some older people. But a new phenomenon is occurring over the country—the addiction of infants who have been drawn into a horrendous trap because their mothers use drugs or alcohol. Withdrawal from drugs is a horror show for adults. Think what it must be for a newly born infant, who is the most innocent of victims. Yet that situation is confronted every day in almost every hospital of any significant size in the country. The reason, of course, is that these babies are born into the world already hooked on drugs or alcohol as a result of their mothers' addiction. Withdrawal, accordingly, is a necessary, if painful experience.

At one of the largest hospitals in the Nation's Capital, D.C. General, the number of children born with signs of drug withdrawal has nearly doubled in the last 3 years. According to hospital records, 52 babies were born with drug withdrawal symptoms, 3.2 percent of all deliveries, in 1982. In 1985, 108 such babies were born, representing 5.7 percent of the total of 1,833 babies born that year. Imagine what is happening around the United States.

Joyce Thomas, a pediatric nurse and specialist in substance abuse at the Children's Hospital National Medical Center, reveals that the problem is much more extensive than most people realize. She says, "Nobody's counting, but the problem is very big in the United States."

One District of Columbia agency—the Women's Services Clinic—offers detoxification help to pregnant women. About 35 of the 170 women who visit the clinic each month are pregnant in contrast to 10 to 12 in past years. This represents a threefold increase in the number of pregnant women with drinking or drug problems who visit just one specific clinic.

Infants with mothers who use drugs are often underweight. They suffer the same withdrawal symptoms as adults—seizures and convulsions. They are jittery, irritable, and hyperactive. If their mothers are hooked on heroin or other opiates the babies are given paragoric, which dulls their senses. After the symptoms subside, the infants are weaned from the medication. Sometimes they are swaddled, given pacifiers or kept in a quiet environment to sooth their distraught nerves. It can take infants as little as a week or as long as 3 months to recover from their mothers' drug habit. "Not every baby makes it," says Childrens Hospi-

tal's Joyce Thomas. "We lose several every year." Sometimes there is permanent physical damage to the children. There can be development delays and mental retardation. Many of the children wind up with learning disabilities.

In some instances, children have been so damaged by drug exposure that they are unwanted by their real parents or prospective adoptive parents. This means, of course, that the affected youngsters linger in public custody.

What we are talking about is personal tragedy in varying degrees induced by drugs. Once again the insensitivity and greed of drug traffickers, the purveyers of human misery, have claimed innocent victims.

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

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

The bill clerk proceeded to call the roll.

□ 1020

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

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

RECOGNITION OF SENATOR LEAHY

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

BREAKING WITH SALT—A LOST OPPORTUNITY

Mr. LEAHY. Mr. President, yesterday and today, a series of Senators have spoken on the issue of compliance with SALT II. I see on the floor the distinguished Senator from Rhode Island, who spoke eloquently on this matter yesterday. Several of us will speak again to the press later this morning on the subject.

Mr. President, with the White House announcement that the United States will cease observing SALT at the end of this year, President Reagan has missed a priceless opportunity to move the arms control process ahead by a giant leap.

The President made the right decision—to remain in compliance with the numerical limits of the SALT II Treaty by ordering that two old Poseidon missile submarines be dismantled. But, acceding to those advisers who have been trying for years to destroy the fragile limits on the arms race, he allowed this action to be cast entirely in terms of "military cost effectiveness." The administration went out of its way to make clear that SALT will die when the United States converts the 131st B-52 to carry air-launched cruise missiles at the end of this year. When that 131st bomber is converted, the United States will exceed the SALT II ceiling of 1,320 launchers of multiple warhead missiles and ALCM-carrying heavy bombers unless offsetting reductions are taken.

Mr. President, I say an opportunity was lost because the President could have used this decision as a means to put immense pressure on the Soviet Union in the arms control negotiations. The President lost a golden opportunity. Instead of declaring that he would abandon the SALT no-undercut policy, the President could have stated publicly to Mr. Gorbachev that he was prepared to attend a summit on arms control before the end of this year. He could have committed the United States to stay with the SALT no-undercut policy for at least 6 months beyond the date of a summit devoted to arms control. This would give sufficient time for negotiators to turn agreement by the political leaders into binding treaty language. Further, he could have taken up the Soviet gauntlet and declared the United States would, for the same 6-month period after a summit, observe a mutual moratorium on all nuclear tests, subject to Soviet agreement to permit onsite inspections.

Such a dramatic announcement by the President could have broken the present logjam and set the stage for a summit which could have produced agreement between the two leaders on the outlines of a strategic arms reductions treaty.

The President could say to Mr. Gorbachev: "We'll meet at the summit. We'll abide by SALT II for at least 6 months after the summit. We won't do any underground testing for at least 6 months after the summit. But we want to test your seriousness. We will come to the summit seriously. Let us negotiate. Let us do something to stop this cloud of doom which hangs over the heads of both our countries and the rest of the world." Then you could have had real agreement between the two leaders.

The President would have created the best possible conditions for achieving his declared goal of deep reductions in nuclear weapons. The United States would have seized the moral high ground for the rest of the world.

If a summit under such conditions were to result in failure, the President could then make a final decision about whether to continue the current limits on strategic nuclear forces, secure in the knowledge that he had done his utmost, had gone the extra mile, that the United States had told the rest of the world that we are truly committed to arms control, and no damage would have been done to U.S. security in the interim. On the contrary, limitations which clearly favor the United States over the Soviet Union would continue in force for at least another year, perhaps more, if meaningful progress towards a new nuclear arms treaty were being made.

Instead, by characterizing his decision as a first step toward a wide-open arms race, the President has thrown away what may prove to be the last chance to have a nuclear reductions treaty before the end of his Presidency. We are in fact continuing to observe SALT, but will gain no credit with our allies or world opinion, and will not send positive signals to Soviet leaders that could enhance the prospects for a summit.

The President's decision flouts the strongly-held position of the United States and the NATO alliance with regard to the SALT no-undercut policy. The Senate has now, on two separate occasions—most recently in June 1985—voted its overwhelming bipartisan support for his commonsense approach. Our NATO allies have reacted very negatively to the President's announcement. At the recent Council of Ministers meeting in Halifax, Sir Geoffrey Howe, the British Foreign Minister, said:

> It is in the West's best interest to uphold and strengthen if possible those arms control agreements that already exist.

Canada's External Affairs Minister, Joe Clark, concurred by stating:

> We believe it is in the interests of arms control that the limits of SALT II be respected. . . . It's premature to put it in a coffin until there is a corpse.

Mr. President, I cannot believe that the United States gains anything in its security, or the rest of the world does, by this decision. It is a wrong decision at the wrong time, for the wrong reasons, and it gains nothing for our security or the security of our allies.

The bottom line is that the President's action, if carried through, will destroy what remains of the national consensus for sensible strategic and arms control policies aimed at strengthening stability and reducing the risk of nuclear war. A return to an open-ended arms race is premised on the belief that we can outbuild the Soviets and regain some sort of military superiority. That simply is not going to happen, and the costs, economic and political, will be staggering. This view remains unacceptable to the American people and to our allies. It represents a receipt for dangerous risks and needless confrontation, and therefore, must be overturned.

Mr. President, political, economic and military costs of destroying the last remaining limits on strategic offensive nuclear weapons are far too high for Congress to stand by and allow the no-undercut policy to die. If the Senate does not act, by the end of this year, the world could face for the first time since 1972, an open-ended

arms race with no restraint between the nuclear superpowers.

Mr. President, I ask unanimous consent to have printed in the RECORD, at the conclusion of my remarks, a number of articles which have appeared in newspapers in my State in connection with this matter.

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

(See Exhibit 1.)

Mr. LEAHY. Mr. President, Senators BUMPERS, CHAFEE, HEINZ and I will submit an amendment to an appropriate vehicle, probably the defense authorization bill, to provide the Senate a means to show where it stands on this most vital national security issue. The U.S. Senate, the only body in this country which can vote on an arms control treaty, will stand up and, I hope, be counted.

[From the Times Argus (Barre-Montpelier, VT), June 2, 1986]

EXHIBIT 1

ARMS RACE GAMBIT

Ronald Reagan is once again on the verge of putting his tough talk into action. This time, he is threatening to scrap the second Strategic Arms Limitation Treaty, better known as SALT II. Reagan has never liked the treaty, which was negotiated by the Carter administration but never ratified by the Senate. Nevertheless, for the last five and a half years he has abided by the terms of the agreement. Now, in his latest bit of Soviet-bashing, Reagan has told the "Evil Empire" that if it doesn't shape up and stop violating certain terms of SALT II, he will no longer feel obliged to adhere to it. Secretary of State George Shultz and Defense Secretary Caspar Weinberger, in a rare display of harmony, have been explaining that there has been a shift in U.S. policy. In the future, they said, U.S. strategic and security interests, not the "arbitrary limitations" of some "flawed" treaty, will dictate our course of action.

Reagan's belligerence toward the Soviet Union is nothing new, although he seems to gone out of his way lately to be antagonistic. The decision to go ahead with underground nuclear weapons testing, for example, was a particularly stinging slap in the face to Mikhail Gorbachev, coming as it did right after he had offered to continue the Soviet Union's unilateral moritorium on testing. In the elaborate dance that passes for super power relations, this and other acts of provocation might be explained as a test of the Soviet Union's willingness to negotiate arms reductions—the theory being that if they still want to talk after we have given them numerous excuses to back out, then they must be serious.

The problem with Reagan's latest threat is the same as the problem with his get-tough-with-terrorists policy: it jeopardizes our security instead of enhancing it. If President Reagan makes good on this promise to end U.S. Compliance with SALT II, especially if he breaks the treaty by deploying more cruise missiles, it is sure to spur the arms race. The Soviets already have issued a warning of their own, saying that if the United States exceeds the limits on the number of nuclear weapons each side has, then it also will exceed those limits. Each side will be caught up in the never-ending cycle of trying to get one step ahead of the other. We will waste precious resources while making the world a more dangerous place.

Like so many of the actions of this administration, the threat to scrap SALT II doesn't square with the stated objectives. Even if we accept the administration's position that the Soviets have committed serious violations of the treaty—a position that some arms experts reject—we fail to follow the reasoning for abandoning the entire pact. If we are interested in arms reductions and upset that the Soviets have not strictly abided by the terms of SALT II, does it make sense that we will be better off if they abide by none of the treaty's provisions?

Perhaps the answer lies in the fact that both Congess and the general public have come to the conclusion that Reagan's trillion-dollar military build-up has gone far enough. We no longer hear about the "window of vulnerability"—this administration's first ploy to justify its enormous military budgets. (It simply wasn't true, but unfortunately we didn't find that out until Reagan had thrown billions at the military.) Now, when the administration is faced with a new challenge to its budget priorities, this decision to abandon the arms limitation treaty appears to be an attempt to create a new "vulnerability"—and an excuse to lavish more money on the Pentagon and its defense contractors.

[From the Sunday Rutland Herald and the Sunday Times Argus, June 1, 1986]

PHYSICIANS, LEAHY URGE COMPLIANCE WITH SALT II

(By Tom Hill)

BERLIN.—Affirming the sentiments of featured speaker Sen. Patrick J. Leahy, doctors at the annual statewide meeting of Vermont Physicians for Social Responsibility unanimously passed a resolution Saturday urging the Reagan administration to reaffirm United States adherence to the SALT II treaty.

President Reagan last week announced that the U.S. will end compliance with the unratified arms-control accord.

The PSR resolution said that SALT II has kept the number of U.S. and Soviet missiles constant since the early 1970s through the dismantling of "hundreds of nuclear weapons." Statement said a SALT II provision limiting the number of warheads on each missile "has worked strongly to the advantage of the United States" and warned that a U.S. attempt "to spurt ahead of the Russians in strategic nuclear weapons would only end up with more missiles aimed at both sides, would derail the arms-control process, and would give greater national insecurity—compared to which the alleged, debatable Soviet violations of minor treaty provisions are insignificant."

"We are worried that breaking this treaty is the beginning of further treaty violations by this administration," the statement added.

LEAHY ASSAILS N-TESTS

Leahy assailed the Reagan administration for last week's decision, and for proceeding with underground nuclear weapons tests despite a unilateral Soviet testing moratorium.

He described the administration's decision on SALT II as a ploy to accelerate development of technology for the proposed Strategic Defense Initiative, popularly known as Star Wars, which he called "pure foolhardiness."

"If I were in the Soviet leadership, I'd be delighted to see this, because the Soviets have to do far more than we do under SALT II," Leahy told the group. He urged Reagan to pledge, before a tentatively scheduled summit meeting with Soviet leader Mikhail S. Gorbachev later this year, not to test any nuclear weapons for at least six months after the summit.

"Neither side loses anything by doing this," Leahy said. "Don't we have enough? Good Lord, what more do we need, to be able to destroy them 25 times over instead of 20? We've reached the point where we're talking about bouncing the rubble."

Leahy spoke at a day-long conference that marked the 25th anniversary of the national physicians' group, which advocates nuclear arms control. Approximately 40 doctors from throughout Vermont attended the session at Central Vermont Hospital.

As vice chairman of the Senate Intelligence Committee, Leahy said, he knew personally that verifying a test ban would be "one of the easier things to do." Pressing ahead with SDI, he said, "piles disaster on top of folly."

Hammering at each word for emphasis, Leahy added: "It makes no sense whatsoever. I cannot understand any rational person supporting the concept of Star Wars; it's not going to work." SDI research and development, he said, "will push as far as possible to finally bankrupt this nation."

Leahy said the Senate may be able, because of budget pressures, to reduce the administration's proposed increase in funding for SDI research from 74 percent to 3 percent. "We'll take our victories any way we can get them."

He charged the Star Wars actually would destabilize the balance of power by taking money away from the maintenance of conventional American forces. "We're going to put everything in the nuclear basket and roll the dice. What security is that? Ultimately, it's the security of the grave. It's not the security of a free and great people."

Leahy said that even if SDI worked perfectly—which, he stressed, it could not possible do—it would not protect the United States from tactical nuclear weapons anyway. "I'm not so concerned about ICBMs coming in from outer space as I am with cruise missiles coming in under the Brooklyn Bridge.

"Without arms control, we don't have national security," he added.

Leahy said the prospects for meaningful arms reduction are good now, because the Soviet Union wants and needs to devote more financial resources to improving its own "creaking economy." He accused Reagan of ignoring good-faith Soviet overtures.

WARMLY RECEIVED

Leahy, who has received a 100-percent rating from PSR for his views on arms control, was warmly received. He praised the group's efforts and urged members to keep speaking out.

"You're going to carry more weight; very few people who speak on this issue are going to carry the weight to make people stop and think the way you are," be said. "You've got to keep doing it."

Burton Tepfer, M.D., of Southeastern Vermont PSR, read a message of support from Gov. Madeleine Kunin. He told the group that former Gov. Richard D. Snelling, who is challenging Leahy for the Senate, was invited to the meeting but could not attend. An expected written statement from Snelling explaining his views on arms control never came, Tepfer said.

[From the Burlington Free Press, June 4, 1986].

TRUE BARGAINING IS DEMANDED ON ARMS RACE

Diplomacy apparently becomes a lost art when superpowers are jockeying for positions of military superiority.

And so it is with the SALT II treaty. Even though President Jimmy Carter recommended that the Senate refuse to ratify the agreement after the Soviet invasion of Afghanistan, the United States has abided by it for nearly seven years by observing the weapons limits in the document. Under it, the deployment of strategic or intercontinental nuclear missiles was restricted so that each side could have only 1,200 multiple warhead missiles. The combined number of those missiles and bombers armed with cruise missiles was set at 1,320 for each side. Adding a Trident submarine Nevada to the U.S. fleet will require the decommissioning of two Poseidon submarines to insure continued U.S. compliance. President Reagan late last month announced that the two Poseidons will be dismantled

At the same time, however, he announced his intention to abrogate the treaty in December when the 131st cruise-armed bomber goes into service, exceeding the agreement's weapons limit. The decision puzzled many people in Washington and in Europe. Some allied leaders believe the move will create hostility among anti-American groups who feel that the administration, driven as it is by ideology, really is not interested in any arms control agreements with the Soviets. Congressional leaders were openly confused by the administration's ambiguous stance on the compliance issue. Some claimed it was indicative of disagreements among the White House staff on arms control. Other critics said it was an invitation to Moscow to cast aside constraints and intensify its military buildup.

Saturday the Soviets offered to reduce their strategic nuclear weapons if the United States agreed not to annul a 1972 treaty on defensive anti-ballistic weapons for 15 to 20 years and to hold talks on strengthening it. Under an agreement with a private U.S. group, American scientists would be permitted to monitor underground nuclear tests if the United States would provide similar facilities for Soviet scientists. Administration officials, however, contend that the Soviet offers grow out of a fear that the United States will go ahead with development of a space-based nuclear defense system.

Defense Secretary Caspar W. Weinberger has announced he would oppose any attempt to strengthen the 1972 treaty on the grounds that it would prevent development and deployment of the so-called "Star Wars" defense. But the pact already contains a provision against the use of space as a nuclear battleground. So it appears that the administration is prepared to abrogate that treaty as well as SALT II.

That the arms race will not end until American and Soviet diplomats sit down at the bargaining table and work out their differences should be clear to the people of the nation.

Using ideology as a substitute for negotiations can only mean that the madness of escalation will continue for years to come.

RECOGNITION OF SENATOR DIXON

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

OVERRIDE THE VETO!

Mr. DIXON. Mr. President, today, the Senate will consider overriding the veto of Senate Joint Resolution 316. We have debated this proposed arms sale to Saudi Arabia extensively. The Senate and House have both spoken decisively and we will have another chance to reaffirm our position on this important matter later today. I have been following the issue for over a year. The President has, in a sense, admitted that the sale was not a particularly wise course of action, by scaling it back twice!

The administration's original proposal was equal in magnitude to the 1982 AWAC's package—the largest single U.S. arms transfer in history. In March, the President submitted a deal which was significantly smaller, but still troublesome. Now, he has reduced the package further by removing portable stinger missiles, which could easily be diverted into terrorist hands.

Mr. President, this sale is not necessary, and is not in the best interests of the United States. We seem to be selling these weapons to the Saudis in order to send a message to more extreme nations in the region. That doesn't make very much sense to me. If we are sending messages, there are less dangerous ways to do so.

Although Saudi Arabia is perceived by some as a moderate Arab nation, there are very disturbing facts which lead me to believe that this sale is very ill-advised, and that such a perception is inaccurate.

First, the administration maintains that this sale is necessary because of the escalation of the Iran-Iraq war. According to the administration, however, the first weapons are not scheduled for delivery until 1989, and the shipments would stretch to 1991. Given the nature of the region, it would seem unwise to make such a long-term commitment to a nation which has repeatedly scorned both American and Israeli interests.

Second, the Saudis have repeatedly supported Libya, condemning American efforts to constrain the outlaw agenda of Qadhafi and his cohorts. Saudi Arabia has publicly stated its allegiance to these international criminals, in direct opposition to American policy and interests.

Third, the Saudis continue to serve as a major contributor to the Palestine Liberation Organization. Last year alone, they provided Yassar Arafat and his followers with $28.5 million so that they could continue to carry out their agenda of terror and destruction.

Fourth, Saudi Arabia doesn't live up to its agreements. The 1981 AWAC's sale was based upon several conditions. One principal point was that a peaceful resolution of disputes in the region would be successfully completed or significant progress toward that goal would be accomplished with substantial assistance from Saudi Arabia. This vital commitment was made by the Saudis to President Reagan nearly 5 years ago, and still has not come to pass.

The situation in the Middle East is more unstable than ever. There has been no positive action by the Saudis to bring peace to the area. In fact, their overall stance has been negative. The Saudis continue to lead the Arab boycott against Israel. They are seeking to gain additional allies in Africa to confront Israel. They continue to reinforce the isolation of Israel at every opportunity.

Finally, Mr. President, we should acknowledge that the Saudis are already very well equipped militarily. There is no legitimate, urgent need for these additional arms. There is also no overpowering imperative requiring the United States to provide unneeded arms as a measure of friendship to a nation which has been unreceptive to the aim of the United States toward achieving a peaceful resolution to Middle Eastern problems.

Mr. President, this sale is not in the best interest of any nation which advocates peace in the Middle East and deplores terrorism against innocent civilians. Saudi Arabia is in a declared state of war with Israel. Although the administration maintains that it is unlikely the Saudis would use these weapons against our closest ally in the Middle East, it makes no sense to accommodate a country which has not lived up to its past commitments to us.

America has already sold more military equipment and services to Saudi Arabia than any other single country in the world.

Before we consider sending additional implements of war to the Saudis, we need to elicit from them a firm, irrevocable commitment to work for peace with Israel. Only then can we move in the direction of a lasting peace in the Middle East.

It is my sincere hope that my colleagues in the Senate and the House will uphold our earlier decision to oppose this sale. Although the package has been changed somewhat, the original reasons for opposing it remain as compelling today as they were on May 6. I opposed the sale then, I oppose it now, and I will vote to override the veto today.

I yield the floor.

RECOGNITION OF SENATOR WEICKER

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

S. 2515—THE REHABILITATION ACT AMENDMENTS

Mr. WEICKER. Mr. President, I rise today on behalf of myself, Mr. KERRY, Mr. HATCH, Mr. THURMOND, Mr. STAFFORD, Mr. KENNEDY, and Mr. INOUYE, to introduce legislation to amend and extend for 4 years programs authorized under the Rehabilitation Act of 1973. This legislation is critical to improving the quality of life of our Nation's handicapped citizens.

As a nation we have progressed in our attitudes toward persons with disabilities. Once we viewed such disabilities in terms of their limitations—limitations on what disabled individuals could learn, what they could accomplish, and what they could contribute to society. But these limitations have continually been challenged by the disabled and their advocates, and we now understand that they exist more as limited opportunities for disabled individuals to receive the education, training and other support they might need in order to become productive contributing members of our society.

In other words, the limitations are ours, not those of the disabled. Maybe we feel that for some reason or other they are lesser members of society and in tight fiscal times we can balance budgets at their expense, but there are no limitations as to what is possible insofar as the disabled themselves are concerned.

This understanding has led us to realize the importance of providing services to disabled individuals throughout the life cycle. It has been a decade since the enactment of Public Law 94-142, which ensures a free, appropriate public education for our Nation's handicapped children, and in the reauthorization of the Education of the Handicapped Act this spring, I proposed beginning services for handicapped children at birth.

That legislation, I might add, is due for action here on the floor of the Senate, hopefully within the next several days.

Research has indicated for some time now the benefits of beginning services as early as possible, and I am pleased to say we have finally responded with the birth initiative.

Similarly, there has been a great deal of activity recently in the area of adult services, or life after school for individuals with disabilities. Efforts on the part of professionals, national organizations, consumers and others have heightened our recognition of the potential of disabled individuals to live productive adult lives.

Indeed, demonstrations throughout the Nation have shown that even severely disabled persons are capable of meaningful employment, given appropriate supports, and nationally we are at the crest of a wave of new employment opportunities for disabled Americans. The reauthorization of the Rehabilitation Act is our opportunity to respond to significant progress in this area and to demonstrate our commitment to enhancing opportunities for the disabled citizens of our Nation who want to be employed.

Programs authorized under the Rehabilitation Act include grants to States for vocational rehabilitation, through which employment-related services are currently provided to more than than 900,000 individuals. These services are critical to the independence and productivity of individuals who want the opportunity to maximize their potential and become contributing members of society. A recent Harris poll, commissioned by the National Council on the Handicapped, indicated that two-thirds of disabled Americans between the ages of 16 and 64 are not working.

Furthermore, so we all understand, two-thirds of these individuals, when queried, wanted to work. The statistics are bad enough insofar as minorities in this country are concerned, but this particular statistic makes those pale by comparison. Two-thirds of our disabled population unemployed, and two-thirds of those unemployed want to work. Yet they do not have the opportunity in America.

I think it is imperative that we respond to this need by reauthorizing the Rehabilitation Act with the improvements included in the Rehabilitation Amendments of 1986.

The overall purpose of the Rehabilitation Act is to promote employment, an outcome which benefits us all.

Even if nobody has humanitarian concerns around here and you look at it from a budgetary point of view, believe me, the money you spend employing the disabled is money you do not have to spend over a lifetime in terms of their being a charge of the State. So it has a great cost-benefit ratio if that indeed is the reasoning that appeals to the American public in this day and age.

In addition to the humanitarian benefits employment brings to disabled individuals, making taxpayers out of tax-users is economically sound for us as a nation as well. Indeed, the tax and other savings realized through employment are significant.

The Rehabilitation Act Amendments of 1986 contain modifications which will strengthen States' ability to provide the breadth of services required to meet the needs of our most severely handicapped citizens. An important component of the new bill authorizes grants for States to develop supported employment services for severely disabled individuals. Supported employment is defined as competitive work in integrated work settings for individuals who, because of the severity of their disabilities, need intensive, ongoing support services to perform such work. The bill will enable States to develop and expand supported employment programs, in order to complement existing vocational rehabilitation services.

The bill also includes an increased emphasis on rehabilitation engineering as it relates to employment, and an increased role for the National Council on the Handicapped as a policy advisory body on issues of national scope affecting persons with disabilities, as well as numerous additional improvements developed following 2 days of hearings in March.

As a nation, we have the responsibility to assist our Nation's disabled citizens live independently as tax paying citizens. I believe the Rehabilitation Act Amendments of 1986 represent a significant contribution toward realizing that goal, and I urge my colleagues to reaffirm their commitment to the employment of disabled individuals through support of this legislation.

In conclusion, I have to say I had to become educated on this subject. There is nobody you see on the streets or anywhere else who is not fully capable of doing everything you and I do, although maybe in a somewhat different way. Do not be misled by a different manner of speech or a different physical appearance. It has nothing to do with what that individual is capable of if the world is opened up to that person. So do not impose on them what we think they can or cannot do. Give to them the opportunity and, believe me, it will be done probably better than by those of us who are "normal."

Mr. President, I ask unanimous consent to have the bill, S. 2515, printed in the RECORD.

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

S. 2515

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Rehabilitation Act Amendments of 1986".

TITLE I—GENERAL PROVISIONS AMENDMENTS

STATEMENT OF PURPOSE

SEC. 101. Section 2 of the Rehabilitation Act of 1973 (hereinafter referred to as the "Act") is amended by inserting immediately before the period at the end thereof a comma and "for individuals with handicaps in order to maximize their employability, independence, and integration into the workplace and the community".

REHABILITATION SERVICES ADMINISTRATION

SEC. 102. Section 3 of the Act is amended by adding at the end thereof the following new subsection:

"(c) The Secretary shall take such action as necessary to ensure that—

"(1) the staffing of the Rehabilitation Services Administration shall be in sufficient numbers to meet program needs and at levels which will attract and maintain the most qualified personnel; and

"(2) such staff includes individuals who have training and experience in the provision of rehabilitation services and that staff competencies meet professional standards.".

DEFINITIONS

SEC. 103. (a) Paragraph (5) of section 7 of the Act is amended—

(1) by inserting "recreational," in subparagraph (B) after "cultural, social,";

(2) by inserting "employability" after "individual's";

(3) by striking out "and" at the end of subparagraph (F);

(4) by striking out the period at the end of subparagraph (G) and inserting in lieu thereof a semicolon and "and"; and

(5) by adding at the end thereof the following new subparagraph:

"(H) the provision of rehabilitation engineering services to any individual with a handicap to assess and develop the individual's capacities to perform adequately in a work environment.".

(b) Section 7 of the Act is amended by redesignating paragraphs (6) through (10) as paragraphs (7) through (11), respectively, and by inserting after paragraph (5) the following new paragraph:

"(6) The term 'employability', with respect to an individual, means a determination that, with the provision of vocational rehabilitation services, the individual is likely to enter or retain full or part-time employment consistent with capacities or abilities of the individual in the competitive labor market, the practice of a profession, self-employment, homemaking, farm or family work (including work for which payment is in kind rather than in cash), supported employment training and time-limited post-employment services, sheltered employment, homebound employment, or in other work.".

(c) Section 7 of the Act is further amended by redesignating paragraphs (11), (12), and (13) as paragraphs (13), (14), and (15), respectively, and by inserting before paragraph (13) (as redesignated) the following new paragraph:

"(12) The term 'rehabilitation engineering' means the systematic application of technologies, engineering methodologies, or scientific principles to meet the needs of and address the barriers confronted by individuals with handicaps in areas which include education, rehabilitation, employment, transportation, independent living, and recreation.".

(d) Paragraph (13) of section 7 of the Act (as redesignated by subsection (c) of this section) is amended—

(1) by striking out "or" in subparagraph (C) and inserting in lieu thereof "and";

(2) by striking out "and" at the end of subparagraph (K);

(3) by striking out the period at the end of subparagraph (L) and inserting in lieu thereof a comma and "and"; and

(4) by adding at the end thereof "(M) psychosocial rehabilitation facility services for individuals with chronic mental illness.".

(e) Paragraph (15) of section 7 of the Act (as redesignated by subsection (c) of this section) is amended to read as follows:

"(15) The term 'severe handicap' with respect to an individual means an individual with handicaps—

"(i) who has a severe physical or mental disability which seriously limits one or more functional capacities (such as mobility, communication, self-care, self-direction, interpersonal skills, work tolerance, or work skills) in terms of employability;

"(ii) whose vocational rehabilitation can be expected to require multiple vocational rehabilitation services over an extended period of time; and

"(iii) who has one or more physical or mental disabilities resulting from amputation, arthritis, autism, blindness, burn injury, cancer, cerebral palsy, cystic fibrosis, deafness, head injury, heart disease, hemiplegia, hemophilia, respiratory or pulmonary dysfunction, mental retardation, mental illness, multiple sclerosis, muscular dystrophy, musculo-skeletal disorders, neurological disorders (including stroke and epilepsy), paraplegia, quadriplegia, and other spinal cord conditions, sickle cell anemia, specific learning disability, end-stage renal disease, or other disability or combination of disabilities determined on the basis of an evaluation of rehabilitation potential to cause comparable substantial functional limitation.".

(f) Section 7 of the Act is further amended—

(1) by redesignating paragraphs (14) and (15) as paragraphs (16) and (17), respectively; and

(2) by adding at the end thereof the following new paragraph:

"(18) The term 'supported employment' means competitive work in integrated work settings for individuals with severe handicaps for whom competitive employment has not traditionally occurred, or for individuals for whom competitive employment has been interrupted or intermittent as a result of a severe disability and for individuals who, because of their handicap, need on-going support services to perform such work. Such term includes transitional employment for individuals with chronic mental illness.".

MONITORING EVALUATION AND ADMINISTRATION

SEC. 104. (a) Section 12(a) of the Act is amended by striking out paragraph (5) and inserting in lieu thereof the following new paragraph:

"(5) provide monitoring and conduct evaluations.".

(b) Section 12(b) of the Act is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2) In carrying out the provisions of this Act, the Commissioner may appoint such task forces as may be necessary.".

EVALUATION

SEC. 105. (a) The first sentence of section 14(a) of the Act is amended by striking out ", including, where appropriate, comparisons with appropriate control groups composed of persons who have not participated in such programs" and inserting in lieu thereof "using appropriate methodology and evaluative research designs".

(b) Section 14 of the Act is amended by striking out "Secretary" each time it appears and inserting in lieu thereof "Commissioner".

TRANSFER OF FUNDS

SEC. 106. Section 16 of the Act is amended to read as follows:

"TRANSFER OF FUNDS

"SEC. 16. (a) Except as provided in subsection (b) of this section, no funds appropriated under this Act for any research program or activity may be used for any purpose other than that for which the funds were specifically authorized.

"(b) No more than one-half of 1 percent of funds appropriated for discretionary grants, contracts, or cooperative agreements authorized by this Act may be used for the purpose of providing non-Federal panels of experts to review applications for such grants, contracts, or cooperative agreements.".

REVIEW OF APPLICATIONS

SEC. 107. (a) The Act is amended by inserting after section 16 the following new section:

"REVIEW OF APPLICATIONS

"SEC. 17. Applications for grants or contracts authorized to be funded under this Act shall be reviewed by panels of experts which shall include non-Federal members. Non-Federal members may be provided travel, per diem, and consultant fees not to exceed the rate provided for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code.".

(b) The table of contents of the Act is amended by inserting after the item relating to section 16 the following:

"Sec. 17. Review of applications.".

REPORT OF THE COMMISSIONER

SEC. 108. (a) The Commissioner of Rehabilitation Services shall conduct an assessment of the direct and indirect cost rates charged by State agencies designated to administer or supervise the administration of the State plan under the Rehabilitation Act of 1973 and by other State agencies entering into cooperative agreements under section 101(a)(11) of the Rehabilitation Act of 1973.

(b) Not later than February 1, 1987, the Commissioner of Rehabilitation Services shall submit a report of such assessment to the Congress. Such report shall include recommendations regarding alternative methods for establishing indirect cost rates, including establishing predetermined fixed rates by statute and prescribing standards for negotiating such rates.

TITLE II—VOCATIONAL REHABILITATION SERVICES

AUTHORIZATION OF APPROPRIATIONS

SEC. 201. (a)(1) Section 100(b)(1)(A) of the Act is amended—

(A) by striking out "$1,037,800,000" and inserting in lieu thereof "$1,281,000,000";

(B) by striking out "1984" and inserting in lieu thereof "1987"; and

(C) by striking out "1985, 1986, and 1987" and inserting in lieu thereof "1988, 1989, and 1990".

(2) Section 100(b)(1)(B) of the Act is amended by striking out "1985 and 1986" and inserting in lieu thereof "1987, 1988, 1989, and 1990".

(3) Subparagraph (C) of section 100(b)(1) of the Act is repealed.

(b) Section 100(b)(2) of the Act is amended by striking out "1984, 1985, and 1986" and inserting in lieu thereof "1987, 1988, 1989, and 1990".

(c) Section 100(b)(3) of the Act is amended by striking out "1984, 1985, and 1986" and inserting in lieu thereof "1987, 1988, 1989, and 1990".

STATE PLANS

SEC. 202. (a)(1) Section 101(a)(5)(A) of the Act is amended—

(A) by inserting after "severe handicaps" the first time it appears, the following: "including individuals served under part C of title VI of this Act,";

(B) by inserting after "including" the following: "the results of a comprehensive, Statewide assessment of the rehabilitation needs of all individuals with severe handicaps residing within the State and the State's response to the assessment,"; and

(C) by inserting after "show" the following: "and provide the justification for".

(2) Section 101(a)(5) of the Act is amended—

(A) by striking out "and" at the end of subclause (A);

(B) by inserting "and" at the end of subclause (B); and

(C) by adding at the end thereof the following new subclause:

"(C) describe how rehabilitation engineering services will be provided to assist an increasing number of individuals with handicaps;".

(b) Section 101(a)(11) of the Act is amended by inserting "mental health community support programs," after "State's public assistance programs,".

(c) Section 101(a)(15) of the Act is amended—

(1) by striking out "(including" and inserting in lieu thereof ", including conducting a full needs assessment for serving individuals with severe handicaps and including"; and

(2) by striking out "agency)" and inserting in lieu thereof "agency".

(d) Section 101(a) of the Act is amended—

(1) by striking out "and" at the end of clause (21);

(2) by striking out the period at the end of clause (22) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new clause:

"(23) provide satisfactory assurances that the State has an acceptable plan for part C of title VI.".

INDIVIDUALIZED REHABILITATION PROGRAM

SEC. 203. (a) Section 102(b) of the Act is amended to read as follows:

"(b)(1) Each individualized written rehabilitation program shall—

"(A) be developed to achieve the employability of the individual;

"(B) include a statement of the long-range rehabilitation goals for the individual;

"(C) include a statement of the intermediate rehabilitation objectives related to the attainment of such goals;

"(D) where appropriate, a statement of the specific rehabilitation engineering services to be provided to assist in the implementation of intermediate objectives and long-range rehabilitation goals for the individual;

"(E) include an assessment of the expected need for post-employment services;

"(F) include a statement of the specific vocational rehabilitation services to be provided and the projected dates for the initiation and the anticipated duration of each such service;

"(G) include objective criteria and an evaluation procedure and schedule for determining whether such goals and objectives are being achieved;

"(H) provide for a reassessment of the need for post-employment services prior to case closure and, where appropriate, for severely handicapped individuals, the development of a statement detailing how such services shall be provided or arranged through cooperative agreements with other service providers; and

"(I) provide a description of the availability of a client assistance project established in such area pursuant to section 112.

"(2) Each individualized written rehabilitation program shall be revised as needed, but at least annually at which time such individual (or in appropriate cases, the parents or guardian of the individual) will be afforded an opportunity to review such program and jointly redevelop and agree to its terms.".

(b) Section 102(d) of the Act is amended to read as follows:

"(d)(1) Any individual with a handicap (and, in appropriate cases, the parent or guardian of the individual) who is not satisfied with any determination or decision by the designated State unit shall have the right to a review of that determination or decision.

"(2) The Director of any designated State unit shall establish procedures for the review of determinations made by the rehabilitation counselor or coordinator with respect to either a determination of ineligibility or the development or implementation of the individualized written rehabilitation program. Such review shall occur upon the request of the individual with a handicap (and, in appropriate cases, the parent or guardian of the individual). Such review shall be held before an impartial hearing officer.".

VOCATIONAL REHABILITATION SERVICES

SEC. 204. Section 103(a) of the Act is amended—

(1) by striking out "and" at the end of clause (10);

(2) by striking out the period at the end of clause (11) and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end thereof the following new clause:

"(12) rehabilitation engineering services designed to help individuals with handicaps to increase their functional abilities and potential for self-sufficiency.".

CLIENT ASSISTANCE PROGRAM

SEC. 205. (a) Section 112(a) of the Act is amended by inserting after "applicants" the first time it appears a comma and the following: "potential client applicants".

(b) Section 112(b) of the Act is amended by redesignating clause (2) as clause (3) and inserting after clause (1) the following new clause:

"(2) has the capacity to pursue such remedies; and".

(c)(1) The last sentence of section 112(c)(1) of the Act is amended by inserting after "may" a comma and the following: "in the initial designation,".

(2) Section 112(c)(1) of the Act is amended—

(A) by inserting "(A)" after the paragraph designation; and

(B) by adding at the end thereof the following new paragraph:

"(B) The Governor may not redesignate the agency designated under subparagraph (A) without good cause and only after notice has been given of the intention to make such redesignation to handicapped individuals or their representatives.".

(d)(1) Subsection (d) of section 112 is repealed.

(2) Section 112 of the Act is amended by redesignating subsections (e) through (i) as subsections (d) through (h), respectively.

(e)(1) Paragraph (1) of section 112(d) of the Act (as redesignated by subsection (c)(2) of this section) is amended by inserting at the end thereof the following new subparagraph:

"(D)(i) In any fiscal year that the funds appropriated for such fiscal year exceed $7,500,000, the minimum allotment shall be $75,000 for States and $45,000 for territories.

"(ii) Subject to subsection (c), the Commissioner may increase the minimum allotment under subparagraph (A) for any fiscal year for which funds appropriated under this section for such fiscal year exceed the sums appropriated under this section for the preceding fiscal year by more than the percentage increase in the Consumer Price Index published monthly by the Bureau of Labor Statistics.".

(2) Section 112(d)(3) of the Act is amended to read as follows:

"(3) The Secretary shall pay to the designated agency from the allotment of the State the amount specified in the application approved under subsection (e).".

(f) Paragraph (1) of section 112(f) of the Act (as redesignated by subsection (d)(2) of this section) is amended by striking out ", or receive benefits of any kind directly or indirectly from".

(g) Section 112(h) of the Act (as redesignated by subsection (d)(2) of this section) is amended to read as follows:

"(h) There are authorized to be appropriated $7,100,000 for fiscal year 1987, $7,550,000 for fiscal year 1988, $8,000,000 for fiscal year 1989, and $8,450,000 for fiscal year 1990 to carry out the provisions of this section.".

TITLE III—RESEARCH AND TRAINING

REAUTHORIZATION

SEC. 301. Section 201(a) of the Act is amended to read as follows:

"SEC. 201. (a) There are authorized to be appropriated—

"(1) for the purpose of providing for the expenses of the National Institute of Handicapped Research under section 202, other than expenses to carry out section 204, such sums as may be necessary for fiscal year 1987 and for each succeeding fiscal year ending prior to October 1, 1990; and

"(2) $48,500,000 for fiscal year 1987, $51,500,000 for fiscal year 1988, $54,500,000 for fiscal year 1989, and $57,500,000 for fiscal year 1990 for the purpose of carrying out section 204, of which $1,000,000 shall be available for fiscal year 1987, $1,050,000 for fiscal year 1988, $1,025,000 for fiscal year 1989, and $1,160,000 for fiscal year 1990 for the purpose of carrying out the last sentence of section 204(2)(C).".

NATIONAL INSTITUTE OF HANDICAPPED RESEARCH

SEC. 302. Section 202(j)(2) of the Act is amended—

(1) by inserting immediately before the period the following: "in order to improve services to individuals with handicaps through relevant rehabilitation research and training in the Pacific Basin and to assist in the coordination of rehabilitation services provided by a broad range of agencies and entities; and

(2) by adding at the end thereof the following: "Such Center shall (A) develop a sound demographic base, (B) analyze, develop, and utilize appropriate technology, (C) develop a culturally relevant rehabilitation manpower development program, and (D) facilitate interagency communication and cooperation, implementing advanced information technology.".

COMPOSITION OF INTERAGENCY COMMITTEE

SEC. 303. Section 203(a)(1) of the Act is amended by inserting "the Director of the National Institute of Mental Health," after "Institutes of Health,".

RESEARCH

SEC. 304. (a) The second sentence of section 204(a) of the Act is amended—

(1) by inserting "recreational," after "vocational, social,"; and

(2) by inserting "studies, analyses, and other activities related to supported employment;" after "needs of handicapped individuals;".

(b) Section 204(b) of the Act is amended—

(1) by adding at the end of paragraph (1) the following: "The host institution with which the Rehabilitation Research and Training Center is affiliated may not collect in excess of 15 percent in indirect cost charges.";

(2) in paragraph (2)—

(A) by striking out "and to (B)" and inserting in lieu thereof "to (B)"; and

(B) by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "and (C) to demonstrate and disseminate innovative models for the delivery of cost-effective rehabilitation engineering services to assist in meeting the needs of, and addressing the barriers confronted by individuals with handicaps. In fiscal year 1987, at least two such Rehabilitation Engineering Centers shall be established. One grant to provide demonstrations pursuant to clause (C) of this paragraph shall be made to an agency or organization in the State of South Carolina and one such grant shall be made to an agency or organization in the State of Connecticut."; and

(3) in paragraph (7) by inserting "the National Institute of Mental Health," after "Institutes of Health,".

(c) Section 204 of the Act is amended by adding at the end thereof the following new subsection:

"(d) In carrying out evaluations of research demonstration and related projects under this section, the Commissioner is authorized to make arrangements for site visits to obtain information on the accomplishments of the project.".

TITLE IV—SUPPLEMENTARY SERVICES AND FACILITIES

GRANTS FOR CONSTRUCTION

SEC. 401. Section 301(a) of the Act is amended—

(1) by striking out "1986" and inserting in lieu thereof "1990"; and

(2) by striking out "1987" and inserting in lieu thereof "1991".

VOCATIONAL TRAINING

SEC. 402. Section 302 of the Act is amended by striking out "1986" and inserting in lieu thereof "1990".

TRAINING

SEC. 403. (a) Section 304(a) of the Act is amended by redesignating clauses (2) and (3) as clauses (3) and (4), respectively, and inserting after clause (1) the following: "(2) personnel specifically trained to identify, assess, and meet the individual rehabilitation needs of individuals with severe handicaps,".

(b) The first sentence of section 304(b) of the Act is amended—

(1) by inserting before "rehabilitation medicine" the following: "rehabilitation engineering,";

(2) by inserting "rehabilitation dentistry," after "rehabilitation psychology,";

(3) by inserting "physical education, therapeutic recreation," after "speech pathology and audiology,"; and

(4) by inserting "specialized personnel in providing employment training for supported employment, other specialized personnel for those individuals who meet the definition of severely handicapped," after "services for handicapped individuals,".

(c) Section 304(e) of the Act is amended by striking out "$22,000,000 for the fiscal year 1984, $27,000,000 for the fiscal year 1985, and $31,000,000 for the fiscal year 1986" and inserting in lieu thereof "$31,000,000 for the fiscal year 1987, $33,000,000 for the fiscal year 1988, $35,000,000 for the fiscal year 1989, and $37,000,000 for the fiscal year 1990".

REHABILITATION CENTERS REAUTHORIZATION

SEC. 404. Section 305(g) of the Act is amended by striking out "1984, 1985, and 1986" and inserting in lieu thereof "1987, 1988, 1989, and 1990".

SPECIAL PROJECTS REAUTHORIZATION

SEC. 405. Section 310(a) of the Act is amended—

(1) by striking out "section 316" and inserting in lieu thereof "sections 311(d), 311(e), and 316"; and

(2) by striking out "$12,900,000 for the fiscal year 1984, $13,600,000 for the fiscal year 1985, and $14,300,000 for the fiscal year 1986" and inserting in lieu thereof the following: "$15,860,000 for fiscal year 1987, $16,790,000 for fiscal year 1988, $17,800,000 for fiscal year 1989, and $18,900,000 for fiscal year 1990".

SPECIAL DEMONSTRATION PROGRAMS

SEC. 406. Section 311 of the Act is amended by inserting at the end thereof the following new subsections:

"(d)(1)(A) The Commissioner may make grants to public and nonprofit rehabilitation facilities, designated State units, and other public and private agencies and organizations for the cost of developing special projects and demonstrations providing supported employment.

"(B) Not less than one such grant shall be nationwide in scope. The grant shall (i) identify community-based models that can be replicated, (ii) identify impediments to the development of supported employment programs (including funding and cost considerations), and (iii) develop a mechanism to explore the use of existing community-based rehabilitation facilities as well as other community-based programs.

"(2)(A) The Commissioner may make grants to public agencies and nonprofit private organizations for the cost of providing technical assistance to States in implementing part C of title VI of this Act.

"(B) Not less than one such grant shall be nationwide in scope. Each eligible applicant must have experience in training and provision of supported employment services.

"(3)(A) On June 1, 1988, and on each subsequent June 1, the Commissioner shall submit a report to the Congress on activities assisted under paragraph (1) for the preceding fiscal year which includes—

"(i) a list of the grants awarded under this subsection;

"(ii) the number of individuals with severe handicaps served by each grant recipient, the average cost to provide support services to each such individual, and the average wage paid to each such individual; and

"(iii) the recommendations of the projects under paragraph (1)(B).

"(B) Each such report shall also include activities assisted under paragraph (2) for the preceding fiscal year, including (i) a list of the grants awarded under subsection (2), (ii) the nature of technical assistance activities undertaken, and (iii) recommended areas where additional technical assistance is necessary.

"(4) There are authorized to be appropriated to carry out the provisions of this subsection $9,000,000 for the fiscal year 1987, $9,520,000 for the fiscal year 1988, $10,080,000 for the fiscal year 1989, and $10,690,000 for the fiscal year 1990.

"(e)(1) The Commissioner, subject to the provision of section 306, shall make a grant to a public agency in Massachusetts to expand existing model statewide transitional planning services to severely handicapped youth.

"(2) No grant may be made under this subsection unless an application is submitted to the Commissioner in such form, at such time, and in accordance with such procedures as the Commissioner may require. Each such application shall—

"(A) provide assurances that a bureau of transitional programs with statewide responsibilities be established, comprised of relevant State agencies. Such bureau will coordinate the development and monitor the implementation of individualized transition plans;

"(B) provide assurance of cooperation by relevant State agencies with the bureau of transitional programs;

"(C) provide assurances that the designated relevant agency approved by the bureau of transitional programs in consultation with the local educational agency as an appropriate transitional agency, shall begin to develop an individualized transition plan three years prior to the loss of special education services for eligible individuals; and

"(D) contain such other assurances as the Commissioner may reasonably require.

"(3) There are authorized to be appropriated $150,000 for fiscal year 1987, $157,000 for fiscal year 1988, $165,400 for fiscal year 1989, and $182,400 for fiscal year 1990 to carry out the provisions of this subsection.".

SPECIAL RECREATIONAL PROGRAMS

SEC. 407. Section 316 of the Act is amended to read as follows:

"SEC. 316. (a)(1) The Commissioner, subject to the provisions of section 306, shall make grants to States, public agencies, and nonprofit private organizations for paying part or all of the cost of initiation of recreation programs to provide handicapped individuals with recreational activities and related expenses to aid in the mobility, socialization, independence, and community integration of such individuals. The programs authorized to be assisted under this section may include, but are not limited to, leisure education, leisure networking, leisure resource development, physical education and sports, scouting and camping, 4-H activities, music, dancing, handicrafts, art, and homemaking. Whenever possible and appropriate, such programs and activities should be provided in settings with nonhandicapped peers. Programs and activities under this section shall be designed to demonstrate ways in which such programs assist in maximizing the independence and integration of individuals with handicaps.

"(2) Each such grant shall be made for a minimum of a three-year period.

"(3) No grant may be made under this section unless the agreement with respect to such grant contains provisions to assure that, to the extent possible, existing resources will be used to carry out the activities for which the grant is to be made, and that with respect to children the activities for which the grant is to be made will be conducted before or after school.

"(b) There are authorized to be appropriated $2,330,000 for fiscal year 1987, $2,470,000 for fiscal year 1988, $2,620,000 for fiscal year 1989, and $2,780,000 for fiscal year 1990, to carry out this section.".

TITLE V—NATIONAL COUNCIL ON THE HANDICAPPED

PURPOSE OF THE COUNCIL

SEC. 501. Section 400(a) of the Act is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2) The purpose of the National Council is to promote the full integration, independence, and productivity of handicapped individuals in the community, schools, the workplace and all other aspects of American life.".

DUTIES OF THE COUNCIL

SEC. 502. Section 401(b) of the Act is amended to read as follows:

"(b) The National Council shall—

"(1) examine existing data regarding circumstances of disabled citizens with respect to employment, income, housing, community living, education, discrimination, health services, and participation in community activities;

"(2) based on data developed under clause (1), establish goals to be reached by the year 2000 for individuals with handicaps in each of the areas referred to in clause (1), and recommend strategies for meeting such goals;

"(3) issue a report outlining the goals and strategies outlined in clauses (1) and (2) within 6 months after the date of enactment of the Rehabilitation Act Amendments of 1986; and

"(4) submit a biannual report, beginning on January 30, 1989, to the President and to the Congress outlining the progress of the Nation in meeting such goals.

"(c) The National Council shall—

"(1) review and assess the adequacy and effectiveness of existing mechanisms and efforts of the Federal Government to enforce compliance with sections 503 and 504 of this Act and the provisions of the Education of All Handicapped Children Act of 1975; and

"(2) issue a report to Congress and to the President within 1 year after the date of enactment of the Rehabilitation Act Amendments of 1986 outlining the results of the assessment required under clause (1) and making recommendations to the President and to the Congress, including recommendations for legislative, regulatory, and procedural changes to improve the monitoring and enforcement of sections 503 and 504 of this Act and the provisions of the Education of the Handicapped Act.".

STAFF

SEC. 503. Section 403(b) of the Act is amended by striking out paragraph (4).

ADMINISTRATIVE PROVISIONS

SEC. 504. Section 404 of the Act is amended by adding at the end thereof the following new subsection:

"(f) Not later than three months after the date of enactment of the Rehabilitation Act Amendments of 1986, the National Council shall transmit to the Congress a transition plan for the implementation of the amendments made to this Act by title V of the Rehabilitation Act Amendments of 1986.".

REAUTHORIZATION

SEC. 505. Section 405 of the Act is amended by inserting before the period at the end thereof the following: "for each of the fiscal years 1987, 1988, 1989, and 1990".

TITLE VI—ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD REAUTHORIZATION

SEC. 601. Section 502(i) is amended by striking out "1986" and inserting in lieu thereof "1990".

TITLE VII—PROJECTS WITH INDUSTRY AND BUSINESS OPPORTUNITIES FOR HANDICAPPED INDIVIDUALS

COMMUNITY SERVICE EMPLOYMENT REAUTHORIZATION

SEC. 701. Section 617 of the Act is amended by striking out "fiscal years 1984, 1985, and 1986" and inserting in lieu thereof "fiscal years 1987, 1988, 1989, and 1990".

PROJECTS WITH INDUSTRY

SEC. 702. (a)(1) Section 621(a) of the Act is amended—

(A) by redesignating paragraphs (1), (2), and (3) as paragraphs (2), (3), and (4), respectively; and

(B) by inserting after the subsection designation the following: "(1) The purpose of this title is to promote opportunities for competitive employment of individuals with handicaps, to provide realistic placement resources, to engage the talent and leadership of private industry as partners in the rehabilitation process, to create practical settings for job readiness and training programs, and to secure the participation of private industry in identifying and providing job opportunities and the necessary skills and training to qualify people with handicaps for competitive employment.".

(2) Clauses (A), (B), and (C) of section 621(a)(2) of the Act (as redesignated by this subsection) are amended to read as follows:

"(A) shall create and expand job opportunities for individuals with handicaps by providing for the establishment of appropriate job placement services;

"(B) shall provide individuals with handicaps with training in a realistic work setting in order to prepare them for employment in the competitive market;

"(C) shall provide handicapped individuals with such supportive services as may be required to permit them to continue to engage in the employment for which they have received training under this section; and

"(D) shall, to the extent appropriate, expand job opportunities for handicapped individuals by providing for (i) the development and modification of jobs to accommodate the special needs of such individuals, (ii) the distribution of special aids, appliances, or adapted equipment to such individuals, and (iii) the modification of any facilities or equipment of the employer which are to be used primarily by handicapped individuals.".

(b) Section 621(b) of the Act is amended—

(1) by striking out "and" at the end of clause (2);

(2) by striking out the period at the end of clause (3) and inserting in lieu thereof a semicolon and "and"; and

(3) by inserting after clause (3) the following new clause:

"(4) provides assurances that an evaluation report containing data specified under subsection (a)(4) shall be submitted to the Commissioner.".

(c) Section 621(d) of the Act is amended to read as follows:

"(d) The Commissioner may provide, directly or by way of grant or contract, technical assistance to (1) entities conducting Projects With Industry for the purpose of assisting such entities in the improvement of or in the development of relationships with private industry or labor, and (2) entities planning the development of new Projects With Industry.".

(d) Section 621(e) of the Act is amended to read as follows:

"(e)(1) Each grantee receiving assistance under this section in fiscal year 1986 shall continue to receive assistance through September 30, 1987, unless the Commissioner determines that the grantee is not substantially in compliance with standards described in subsection (d)(1) of this section and with the provisions of the approved application of the grantee.

"(2) Grantees continuing to receive assistance on the basis of the review described in paragraph (1) of this subsection and any grantees subsequently funded under this section shall be evaluated by the Commissioner not less than once every three years. Each such grantee shall continue to receive assistance unless the Commissioner determines that the grantee is not substantially in compliance with such standards and with the provisions of the approved application of the grantee. In determining whether the grantee is in compliance as required by this sentence, the Commissioner shall annually review each evaluation report submitted under subsection (b)(4) and make a determination concerning the termination, modification, or renewal of each agreement for financial assistance under this section.

"(f) In approving applications under this section, the Commissioner shall give priority to areas of a State not served by projects with industry.".

PROJECTS WITH INDUSTRY REAUTHORIZATION

SEC. 703. Section 623 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 623. There are authorized to be appropriated to carry out the provisions of section 621, $16,070,000 for fiscal year 1987, $17,010,000 for fiscal year 1988, $18,030,000 for fiscal year 1989, and $19,140,000 for fiscal year 1990, and for section 622 such sums as may be necessary for each of the fiscal years 1987, 1988, 1989, and 1990.".

SUPPORTED EMPLOYMENT SERVICES FOR SEVERELY HANDICAPPED INDIVIDUALS

SEC. 704. Title VI of the Act is amended by inserting after part B of such title the following new part:

"PART C—SUPPORTED EMPLOYMENT SERVICES FOR SEVERELY HANDICAPPED INDIVIDUALS

"PURPOSE

"SEC. 631. It is the purpose of this part to authorize grants (supplementary to grants for vocational rehabilitation services under title I) to assist States in developing collaborative programs with appropriate public agencies and private nonprofit organizations for training and short-term post employment services leading to supported employment for severely handicapped individuals.

"ELIGIBILITY

"SEC. 632. Services may be provided under this part to any severely handicapped individuals whose ability or potential to engage in a training program and whose ability to engage in a supported employment setting has been determined by an evaluation of rehabilitation potential as specified under section 7 of this Act.

"ALLOTMENTS

"SEC. 633. (a)(1) The Secretary shall allot the sums appropriated for each fiscal year under this section among the States on the basis of relative population of each State, except that no State shall receive less than

$250,000 or one-third of 1 percent of the sums made available for the fiscal year for which the allotment is made, whichever is greater.

"(2)(A) For the purposes of this subsection, the term 'States' does not include—

"(i) Guam,

"(ii) American Samoa,

"(iii) the Virgin Islands,

"(iv) the Republic of the Marshall Islands,

"(v) the Federated States of Micronesia,

"(vi) the Republic of Palau, and

"(vii) the Commonwealth of the Northern Mariana Islands.

"(B) The jurisdictions described in clauses (i) through (vii) of subparagraph (A) shall be allotted not less than one-eighth of 1 percent of the amounts made available for purposes of this subpart for each such clause for the fiscal year for which the allotment is made.

"(b) Whenever the Commissioner determines that any amount of an allotment to a State for any fiscal year will not be expended by such State to carry out the provisions of this part, the Commissioner shall make such amount available for carrying out the provisions of this part to one or more of the States which the Commissioner determines will be able to use additional amounts during such year for carrying out such provisions. Any amount made available to a State for any fiscal year pursuant to the preceding sentence shall, for the purposes of this section, be regarded as an increase in the State's allotment for such year.

"STATE PLAN

"SEC. 634. (a) In order to be eligible for grants under this part, a State shall submit to the Commissioner as part of the State plan under title I of this Act a State plan supplement for a three-year period for providing supported employment services to severely handicapped individuals. Each State shall make such annual revisions in the plan supplement as may be necessary.

"(b) Each such plan supplement shall—

"(1) designate the sole State unit of such State designated under section 101 of this Act as the agency to administer the program assisted under this part;

"(2)(A) specify results of the needs assessment conducted as required by title I of this Act of severely handicapped individuals, including the extent of need for supported employment services, and the coordination and use of the information within the State available under section 618(b)(3) of the Education of the Handicapped Act; and

"(B) describe the quality, scope, and extent of supported employment services to be provided to severely handicapped individuals under this part, and specify the State's goals and plans with respect to the distribution of funds received under section 635 of this part;

"(3) provide assurances that—

"(A) an evaluation for each individual has been performed outlining supported employment services needed;

"(B) an assessment of the needs of individuals with severe handicaps has been conducted;

"(C) such services will be provided in accordance with such program;

"(D) such services will be coordinated with the evaluation, the individual written rehabilitation plan or education plan as required under section 102 of this Act, section 123 of the Developmental Disabilities Act of 1984, and sections 612(4) and 614(5) of the Education of the Handicapped Act, respectively;

"(E) the State will conduct periodic reviews of the progress of individuals assisted under this part to determine whether services provided to such individuals should be continued, modified, or discontinued; and

"(F) the State will make maximum use of services from public agencies, private nonprofit organizations, and other appropriate resources in the community to carry out this part;

"(4) demonstrate evidence of collaboration by and funding from relevant State agencies and private nonprofit organizations to assist the designated State agency in providing supported employment services;

"(5) provide assurances that all designated State agencies will expend not more than 5 percent of the State's allotment under this part for administrative costs for carrying out this part; and

"(6) contain such other information and be submitted in such form and in accordance with such procedures as the Commissioner may require.

"SERVICES; AVAILABILITY AND COMPARABILITY

"SEC. 635. (a) Services available under this part may include but are not limited to skilled job trainers who accompany the worker for intensive on-the-job training, systematic training, job development, follow-up services (including regular contact with the employer, trainee, and the parent or guardian), regular observation or supervision of the severely disabled individual at the training site and any other services needed to support the individual in employment.

"(b) Services provided under this part shall be complementary to services provided under title I of this Act.

"RESTRICTION

"SEC. 636. Each State shall assure that the data collection requirements contained in title I of this Act are carried out separately for supported employment activities under this part and for supported employment activities under title I.

"SAVINGS PROVISION

"SEC. 637. Nothing in this part shall be construed to prohibit a State from conducting or from carrying out supported employment services in accordance with the State plan submitted under section 101 from its State allotment under section 110.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 638. There are authorized to be appropriated to carry out this part $25,000,000 for the fiscal year 1987, $26,470,000 for the fiscal year 1988, $28,060,000 for the fiscal year 1989, and $29,730,000 for the fiscal year 1990.".

TITLE VIII—SERVICES OF INDEPENDENT LIVING

ELIGIBILITY FOR COMPREHENSIVE SERVICES

SEC. 801. Section 702(b) of the Act is amended by striking out "recreational activities" and inserting in lieu thereof "recreational services".

STATE PLAN ASSURANCE

SEC. 802. Section 705(a) of the Act is amended—

(1) by redesignating clauses (5), (6), (7), (8), and (9) as clauses (6), (7), (8), (9), and (10), respectively; and

(2) by inserting after clause (4) the following:

"(5) provide assurances that the State will consider recommendations of the State independent living council in determining how independent living services will be expanded or modified;".

STATE INDEPENDENT LIVING COUNCIL

SEC. 803. Part A of title VII of the Act is amended by adding at the end thereof the following new section:

"STATE INDEPENDENT LIVING COUNCIL

"SEC. 706. (a) There shall be established in each State receiving assistance under this title a State Independent Living Council. The Council shall—

"(1) provide guidance for the development and expansion of independent living programs and concepts on a statewide basis;

"(2) provide guidance to State agencies and to local planning and administrative entities assisted under this title; and

"(3) prepare and submit to the State agency designated under section 705(a)(1) a five-year plan addressing the long-term goals and recommendations for need for independent living services and programs within the State.

"(b)(1) The Council shall be composed of representatives of the principal State agencies, local agencies, and nongovernmental agencies and groups concerned with services to handicapped individuals under this title; handicapped individuals and parents or guardians of handicapped individuals; directors of independent living centers; representatives from private business employing or interested in employing handicapped individuals; representatives of other appropriate organizations and other appropriate individuals.

"(2) A majority of the membership of the Council shall be handicapped individuals or parents or guardians of handicapped individuals.

"(3) The members of the Council shall be appointed by the director of the State agency designated under section 705(a)(1), subject to the approval of the chief executive of the State.

"(c) The chairperson of the Council shall be selected from among the membership and shall also serve as a member of any other State advisory committee concerned with services to handicapped individuals.".

GRANTS FOR CENTERS FOR INDEPENDENT LIVING

SEC. 804. (a) Section 711(b) of the Act is amended—

(1) by striking out "and" at the end of clause (1);

(2) by striking out the period at the end of clause (2) and inserting in lieu thereof a semicolon and the word "and"; and

(3) by adding at the end thereof the following new clause:

"(3) contains assurances that each center will have a board which is composed of a majority of handicapped individuals or parents, guardians, or family members of handicapped individuals.".

(b) Section 711(c)(2) of the Act is amended—

(1) by inserting after "housing" in clause (E) a comma and the following: "recreation";

(2) by inserting after "housing" in clause (F) a comma and the following: "recreational opportunities"; and

(3) by striking out "activities" in clause (K) and inserting in lieu thereof "services".

(c) Section 711(d) of the Act is amended by striking out "six months" and inserting in lieu thereof "three months".

EVALUATION AND REVIEW OF INDEPENDENT LIVING CENTERS

SEC. 805. Section 711 of the Act is amended by adding at the end thereof the following:

"(g)(1) Each grantee receiving assistance under this section in fiscal year 1986 shall continue to receive assistance through September 30, 1987, unless the Commissioner determines that the grantee is not substantially in compliance with standards described in subsection (e)(1) of this section and with the provisions of the approved application of the grantee.

"(2) Grantees continuing to receive assistance on the basis of the review described in paragraph (1) of this subsection and any grantees subsequently funded under this section shall be evaluated by the Commissioner not less than once every three years. Each such grantee shall continue to receive assistance unless the Commissioner determines that the grantee is not substantially in compliance with such standards and with the provisions of the approved application of the grantee.

"(h) In approving applications under this section, the Commissioner shall give priority to areas of a State not served by independent living centers.".

REAUTHORIZATION FOR TITLE VII

SEC. 806. Section 741 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 741. (a) There are authorized to be appropriated to carry out part A of this title $11,830,000 for fiscal year 1987, $12,310,000 for fiscal year 1988, $13,050,000 for fiscal year 1989, and $13,860,000 for fiscal year 1990.

"(b) There are authorized to be appropriated to carry out part B of this title $24,320,000 for fiscal year 1987, $25,750,000 for fiscal year 1988, $27,300,000 for fiscal year 1989, and $28,980,000 for fiscal year 1990.

"(c)(1) There are authorized to be appropriated to carry out part C of this title $5,290,000 for fiscal year 1987, $5,600,000 for fiscal year 1988, $5,930,000 for fiscal year 1989, and $6,300,000 for fiscal year 1990.

"(2) The provisions of section 1913 of title 18 of the United States Code shall be applicable to all moneys authorized under the provisions of this subsection.

"(d) There are authorized to be appropriated to carry out part D of this title such sums as may be necessary for each of the fiscal years 1987, 1988, 1989, and 1990.".

TITLE IX—HELEN KELLER NATIONAL CENTER

REAUTHORIZATION

SEC. 901. Section 205(a) of the Helen Keller National Center Act is amended by striking out the first sentence and inserting in lieu thereof "There are authorized to be appropriated to carry out the provisions of this title such sums as may be necessary for the fiscal year 1987 and for each succeeding fiscal year ending prior to October 1, 1990.".

TITLE X—TECHNICAL AMENDMENTS AND MISCELLANEOUS PROVISIONS

TECHNICAL AMENDMENTS

SEC. 1001. (a)(1) Section 7(3) of the Act is amended by striking out "designated State units" and inserting in lieu thereof "designated State unit".

(2) Section 7(11) of the Act is amended—

(A) by striking out subparagraph (B) and inserting in lieu thereof "(B) testing, fitting, or training in the use of prosthetic and orthotic devices,"; and

(B) in subparagraph (F) by inserting "psychiatric," before "psychological".

(b)(1) Section 101(a)(8) of the Act is amended by striking out "clauses (1) through (3)" and inserting in lieu thereof "clauses (1) through (4)".

(2) Section 101(a)(8) of the Act is amended by striking out "clauses (4) and (5)" and inserting in lieu thereof "clauses (5) and (6)".

(c) Section 304(a)(2) of the Act is amended by striking out "program, and" and inserting in lieu thereof "program, and".

(d) Section 306 of the Act is amended by striking out "305(g)" and inserting in lieu thereof "305(f)".

(e)(1) Section 501 of the Act is amended by striking out "Office of Personnel Management" each place it appears and inserting in lieu thereof "Equal Employment Opportunity Commission".

(2) Section 501(d) of the Act is amended by striking out "of the the activities" and inserting in lieu thereof "of the activities".

(f) Section 502(d)(2)(A) of the Act is amended by striking out "any, final order" and inserting in lieu thereof "any final order".

(g) Section 503(a) of the Act is amended by striking out "section 7(7)" and inserting in lieu thereof "section 7(8)".

(h) Section 504 of the Act is amended by striking out "section 7(7)" and inserting in lieu thereof "section 7(8)".

(i) Section 611(a) of the Act is amended by striking out "section 7(7)" and inserting in lieu thereof "section 7(8)".

(j) Section 702 of the Act is amended by inserting "(a)" after the section designation.

PRESIDENT'S COMMITTEE ON EMPLOYMENT OF THE HANDICAPPED

SEC. 1002. The joint resolution entitled "Joint resolution authorizing an appropriation for the work of the President's Committee on National Employ the Physically Handicapped Week", approved July 11, 1949 (63 Stat. 409) is amended by inserting at the end thereof "The President's Committee on Employment of the Handicapped shall be guided by the general policies of the National Council on the Handicapped.".

EFFECTIVE DATE

SEC. 1003. This Act shall take effect October 1, 1986.

Mr. WEICKER. Thank you, and I yield the floor.

● Mr. KERRY. Mr. President, I rise today to join with my distinguished colleague from Connecticut, Senator WEICKER, to introduce the Rehabilitation Act Amendments of 1986. The purpose of the historic Rehabilitation Act is to provide essential comprehensive vocational rehabilitation services to mentally and physically challenged indivduals across our Nation. The act has proven its true value over the years by assisting millions of disabled persons in achieving employment and self-sufficiency. It is widely recognized as model legislation designed to benefit handicapped individuals who have employment potential.

The legislation that we are introducing today builds upon the existing law which represents a vital investment into the lives of disabled adults throughout America. Rehabilitation services offer handicapped persons the opportunity to become contributing taxpayers thus avoiding the need for continuous Federal financial support. Today's legislation, represents an innovative forward approach to assisting the more severely handicapped Americans in attaining employment by establishing a new and separate title for supportive employment. For those severely handicapped individuals who in the past, were less likely to be eligible for rehabilitation services, this new measure opens the door to employment opportunities. The purpose of this new measure is to ensure that persons with severe disabilities are allowed the opportunity to be trained and assisted so that they too can achieve successful competitive employment. Presently, many States already have supported work programs funded under title I, the State Grant Program. Our legislation goes one step further, by establishing this new title we are in fact providing the States the necessary funds to implement this very critical program. Furthermore, our legislation establishes a mechanism by which we can closely examine the impact of supportive employment on the existing rehabilitation agencies, so that we can devise responsible future strategies to help the severely handicapped become more independent.

The Subcommittee on the Handicapped held 2 days of hearings on the reauthorization of this act and based on the experience and input of clients, advocates and rehabilitation providers, we were able to develop a bill designed to enhance the existing rehabilitation system, which will improve the lives of handicapped persons throughout this country by helping them reach new heights of independence. To that end, I urge my fellow colleagues to join with us and cosponsor this vital reauthorization. To name but a few of the additional changes to the existing act, today's legislation places a new emphasis on rehabilitation engineering, includes initiatives to assist the chronically mentally ill, and improves the evaluation of programs so that effective programs will not be curtailed during the lengthy competitive grant process. In addition, the legislation prioritizes the need for physical educational services.

Furthermore the bill has incorporated a recommendation from the National Council on the Handicapped to establish core funding for our Nation's independent living centers. The independent living centers have become an integral component of our service delivery system for disabled people. As consumer controlled organizations, the independent living centers make an essential contribution in the lives of disabled Americans and I am particularly pleased that this legislation strengthens these centers.

The Rehabilitation Amendments of 1986, also provides for a demonstration grant for transitional planning services for severely disabled youth exiting the educational system. Experi-

ence has shown that severely handicapped students having received state of the art educational services often leave school with significant vocational needs and a confusing array of agencies to contact for appropriate services. To avoid confusion and loss of valuable services that can lead to self-sufficiency, transitional planning programs have proven truly invaluable to smoothing the way into the realm of adult services for many handicapped persons. In fact, a recent report by the National Association of State Directors of Special Education highlights a transition program in my own State of Massachusetts and points to the tremendous success that such a program can have in meeting the needs of handicapped individuals by making coordinated adult services a reality.

According to a recent Harris poll, there are over 20 million unemployed disabled Americans of working age who want to work. A staggering 60 percent. The reauthorization bill being introduced today is designed to assist these individuals so that they can in fact become employed, develop positive self-esteem and become active contributing members of our society. I am proud to be a cosponsor of legislation that when enacted, will enhance the lives of countless disabled citizens across America.●

● Mr. STAFFORD. Mr. President, I am pleased to join with the chairman of the Subcommittee on the Handicapped [Mr. WEICKER] to introduce the Rehabilitation Act Amendments of 1986.

There is a need to extend the State Grant Program for another 4 years and there is a need to create a new Supported-Employment Training Program for Severely Handicapped Persons. This bill will meet that need, and will provide for other improvements in the law.

As with all bills as introduced, this measure is the beginning point. I anticipate it will be improved as it moves through the legislative process.

My friend, the Senator from Connecticut [Mr. WEICKER] is aware of some of my thoughts on the need for improvements and I am confident we will be successful in merging our views through cooperative legislative effort.

The State Grant Program has been in operation for 65 years and is the most cost effective of all job training programs for handicapped persons. In the last 3 years, it has helped to rehabilitate 600,000 persons—400,000 of those individuals are employed in the competetive labor market.

The Supported-Employment Training Program for Severely Handicapped Persons will help those who need continuing services to keep working. It holds the prospect that—for the first time—those who are believed to be unable to compete in the job market will become more self-sustaining.

This concept has been used in my State of Vermont, through the cooperation of agencies responsible for programs ranging from vocational rehabilitation to mental health, special education and developmental disabilities.

The Rehabilitation Act Amendments of 1986 hold high promise as we introduce them today. I am confident the legislation will provide even greater hope when we complete our task.●

Mr. THURMOND. Mr. President, I am pleased to cosponsor the Rehabilitation Act of 1986 which reauthorizes many of the Federal programs in the rehabilitation field.

Mr. President, I would like to take this opportunity to commend the leadership of Senator WEICKER in this area. As chairman of the Senate Subcommittee on the Handicapped, he has been most active in reporting legislation which benefits the disabled citizens of our Nation.

For many years, I have been an ardent supporter of vocational rehabilitation. Citizens who are less fortunate than others should be given the opportunity to overcome obstacles which may confront them during the course of their lives. Throughout the years, vocational rehabilitation programs have consistently demonstrated that properly trained persons with disabilities can function as superior employees. Recent studies show that, through these programs, approximately 226,000 persons are rehabilitated yearly.

In addition, during this period of budgetary restraint, we should not forget the cost effectiveness of programs like vocational rehabilitation. Recent reports show that in the first year after completion of the rehabilitation program, persons rehabilitated paid Federal, State, and local governments an estimated $211.5 million more in income, payroll, and sales taxes, than if they had not been rehabilitated. Furthermore, another $68.9 million is saved as a result of decreased dependency on public support payments and institutional care. Therefore, the grand total first-year benefit from persons rehabilitation is over $280 million.

Mr. President, with results such as these, it is easy to see why I support this legislation, and I urge my colleagues to do likewise.

□ 1040

RECOGNITION OF SENATOR GORE

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

Mr. GORE. Thank you, Mr. President.

STRATEGIC DEFENSE INITIATIVE

Mr. GORE. Mr. President, I have been making a series of speeches on the strategic defense initiative at the rate of one each day. Yesterday I dealt with the subject of cost effectiveness. I referred to the famous criterion established by Ambassador Nitze stating that before SDI is deployed, we must prove that it is cost effective at the margin; in other words, it must be cheaper to deploy an increment of defense than to deploy an increment of offense capable of overwhelming or meeting the increment of defense just deployed.

Today I would like to continue the discussion of the cost effectiveness criterion and state why I believe that this particular criterion defines the critical differences between what I have referred to as SDI I and SDI II.

SDI I, Mr. President, is the version of the program outlined by President Reagan in his public pronouncements, a program intended to replace deterrence by threat of retaliation, a program intended to make nuclear weapons at some point important and obsolete and dramatically change our pursuit of strategic policy.

SDI II, by sharp contrast, is intended not to replace deterrence by threat of retaliation but actually to enhance deterrence by threat of retaliation by focusing on the narrow goal of complicating a Soviet first strike against our retaliatory forces.

SDI I, according to the President, is intended to be deployed jointly by the United States and the Soviet Union in a mutual transition orchestrated through arms control. SDI II, again by sharp contrast, would be deployed without regard to whether or not there was a mutual transition and certainly without regard to whether or not arms control was necessary to assure its safe deployment.

But the criterion of cost effectiveness also defined a critical difference between these two versions of SDI. In the President's version, SDI would be cost effective at the margin; in other words, it would be much cheaper to deploy an increment of defense than it would be for the Soviets to employ an increment of offense and overwhelm SDI and, as a direct result, the Soviet planners would look into the future and conclude that it would be futile for them to engage the United States in a new round of an arms race they were destined to lose by the pure mathematical odds confronting them.

SDI II on this score, as on all the others, is very different. We are now witnessing a debate within the administration which, in classic fashion, pits the Secretary of Defense against more moderate voices in the administration, with the Secretary of Defense arguing that the cost-effectiveness criterion

should be scrapped and in any event should not be used as a reason for not going forward with SDI as quickly as possible.

What are we to make of this argument presented by the Secretary of Defense? When he himself was asked what the United States response would be to the deployment of the Soviets of a limited defensive system capable of complicating the ability of United States strategic missiles that hit their intended targets in the Soviet Union, the Secretary responded, without any hesitation, by saying:

> Of course, we would have to immediately increase the number of offensive missiles that we have deployed so as to ensure our continued ability to penetrate Soviet defenses and hit the targets that we now intend to hit if that eventuality should ever come to pass.

The natural followup question, was asked:

> Mr. Secretary, if we would react that way to limited Soviet defenses, why then would not the Soviet Union have the same reaction to a limited defense deployed by the United States?"

His response was:

> No, they would not have that reaction, because they know that we would never launch a first strike against their strategic missiles.

Unfortunately, we have seen all too often in the nuclear age that what matters is not intentions but capabilities. Regardless of how the Soviets would interpret our intentions, if they saw us developing a limited defensive system that could be overwhelmed by more offensive missiles, they would deploy more offensive missiles. It is just that simple. And a failure to see that simple truth is a very tragic blunder. If that blunder is allowed to guide America's strategic policy, then it is indeed a very deep tragedy.

This debate would, if it is continued along the lines proposed by the Secretary of Defense, be a reprise of the debate which occurred from 1969 to 1972 and ended with the Antiballistic Missile Treaty. We need not have that same debate all over again. The simplest way to avoid it is to insist upon rigid adherence to the cost effectiveness criterion enuniciated by Ambassador Paul Nitze and insist that the research program which now makes up SDI be focused on the goals enunciated by the President and be faithful to the criterion enunciated by Ambassador Paul Nitze.

Mr. President, as I continue this series in tomorrow's speech, I hope to address the question not of cost effectiveness at the margin, but of cost, period.

TAX REFORM

Mr. DOLE. Mr. President, we have just had a meeting with about 70 or more of our colleagues with the President, a breakfast meeting, where we discussed tax reform. I am able to report—I believe the distinguished minority leader will do the same—that it was a good meeting. Certainly on tax reform, there is a spirit of bipartisanship.

I must say, just as I walked into the Capitol, I met a family from Wisconsin, asking: "What is going to happen to the tax bill?" I said, "Well, it is going to pass pretty much the way it is." They said, "Good, we like to keep it simple."

I think that is the attitude of many people across the country. They do not want us cluttering up this bill. Obviously, there will be amendments, and some may be adopted.

But overall, the magic of this bill, I would say, are the rates—three rates. There is the corporate rate of 33 percent, down from 46 for individuals, 80 percent of the Americans will pay the 15 percent rate; and everyone else will pay 27 percent. The personal exemption will go up to $2,000. That has an appeal to a lot of people, working people, in America.

So it is very exiciting. I think it is fair to say that Senator BYRD predicted there might be 100 votes for the tax bill. That would be almost without precedent in this body. Again, it is an indication of what appeal the bill may have.

SDI—PRESIDENT'S FUNDING REQUEST

Mr. DOLE. Mr. President, recently a number of Senators have written a letter to the chairman and ranking member of the Armed Services Committee, expressing concern about the President's request for fiscal year 1987 funding of the strategic defense initiative. SDI. This morning, I want to comment briefly on the points made in that letter and on the President's request.

Let me make clear at the outset: I support the President's request; and I disagree with many of the assertions of the letter. Let me tell you why.

□ 1050

SDI NOT BUDGET BUSTER

The letter suggest that the SDI program is a budget buster; $4.7 billion—the President's fiscal year 1987 request for SDI—is a lot of money, even in these times of inflated budgets. But let us keep that figure in perspective. The SDI request represents only a time fraction—1.5 percent, to be exact—of the entire defense budget. Obviously, if there is money to be saved on SDI, we should save it. But let us not kid ourselves that we can make any major savings just by slashing our spending in this vital area. If we need to cut the defense budget by a half percent—and that is what the letter suggests—let us find that half percent somewhere other than in the most advanced, promising section of the defense budget.

PROGRAM GROWTH REFLECTS RESEARCH NEEDS AND PRIORITIES

The letter also indicates that the SDI program is growing too fast to be manageable. And, indeed, in isolation, the projected percentage spending increase over last year does sound large. But it is not inconsistent, historically, with spending increases for other programs in the R&D stage, especially programs being developed at the cutting edge of new technologies. Funding increases in comparable periods for the Manhattan project and the Apollo project, for example, were greater than for SDI. More recently, the Trident II Program—a program strongly backed by some of the letter's signers—increased by 150 percent from fiscal years 1981 to 1982 and by another 300 percent from fiscal years 1983 to 1984. In the fiscal year 1987 budget itself, another program which many of those who signed this letter have pushed vigorously—the small ICBM Program—will be increased by 167 percent.

In fact, the implied assertion in the letter that all programs should grow in exact proportion to the overall budget increase is absurd on its face. I doubt that any single signer of the letter really believes that. Some programs are new, good and developing ones. They deserve increased funding. That is what an improved force posture, efficient management and expenditure of funds, and a stronger America are all about. Some programs—the older, less effective ones—they deserve to be straight lined or cut back.

It is that kind of priority setting that is central to the whole congressional budget process and the whole executive branch management effort. It is what we extol and what we insist upon in speeches on the floor of the Senate every day. It is what the President's defense budget attempts to provide.

EVIDENCE INDICATES GOOD PROGRAM MANAGEMENT

Nor is there any credible evidence, contrary to the assertions of the letter, that the SDI Program is being ill managed or being pushed faster than the technologies will take it. For last fiscal year, SDI funds were 98 percent obligated, with a 78 percent expenditure rate—better figures than for Army or Air Force R&D as a whole.

For that year our Appropriations Committee concluded, and I quote:

> The SDI program is experiencing a stable and manageable financial performance. Obligation rates are above average for military R&D—that means the money is being spent promptly for the things it was intended to be spent for—there is no evidence to date that the rapidly expanding SDI effort has been overfunded.

FLETCHER PANEL SUPPORTS INCREASED SPENDING

The letter cites approvingly the prescription of the Fletcher panel—the most authoritative, independent group to look at the SDI effort—that there should be a "vigorous SDI effort within a controlled budget." I agree with that, and the President does, too. The letter seems to suggest that the Fletcher panel, therefore, has recommended cuts in the President's request.

The opposite, in fact, is true. Due to past cuts already made here in Congress, SDI has been funded at levels substantially below the levels recommended by the Fletcher panel. And, if we accept the levels suggested in this new letter, we will end up 33 percent behind the funding schedule the Fletcher group recommended.

SUGGESTED FUNDING LEVEL DISRUPTIVE AND INEFFICIENT

And what about the figure that the signers have suggested for SDI for fiscal year 1987—$3 billion? That, too, sounds like a lot of money. But once again let us look at the context. If the SDI Program is to move forward in a minimally efficient way—if it is just to go forward on the contracts already signed under the congressionally approved fiscal year 1986 level—that would cost $4.1 billion in fiscal year 1987. No new initiatives; no new research programs; no new opportunities—just a continuation of the already planned and contracted for research and development effort. That is $4.1 billion.

What a $3 billion level would do is force the juggling of the scheduling of existing contracts; lead to shelving of promising areas of R&D; and cause the further disruption and delay of a program which, under the current timetable, will begin to come to fruition only in the next decade. Drastic cutbacks such as this will create inefficiency, not prevent it; and will cost money in the long run, not save it.

SPENDING ON OUR SECURITY IMPERATIVE

Mr. President, I wish we did not have to spend billions of dollars on our defense. But we do.

I wish the Russians were not pushing ahead, far more aggressively and menacingly than we are, with the development of sophisticated new weapons systems, both offensive and defensive. But they are.

I wish we could join together, with the Russians and all the other nations on Earth who have the bomb, to devise a way to be sure it will never be used. But, so far—and in largest part due to the Russians' refusal to deal seriously—we have made little progress in that area.

That is the real world.

WE NEED THE SDI R&D PROGRAM

SDI is a good program, a needed program. That is why the Russians are pushing ahead with an SDI-like program, too, and in some areas faster than we are.

SDI has already paid substantial dividends. It is generating new technologies, which will not only improve our security as a nation but, potentially, our well-being and prosperity as a people. It is one major reason the Russians returned to the Geneva arms control talks, and it could one day be the "carrot" which gets them to negotiate seriously on real arms reductions.

And, of course, it offers us the eventual prospect of an end to the sole reliance on the doctrine of mutual assured destruction—the MAD doctrine—under which both we and the Russians try to ensure our security by opening ourselves to potential destruction by the other.

SDI deserves a chance. The American public deserves the chance, too, to see if there might not be a safer, more secure future. Let us not nip this program in the bud or disrupt it so badly that we have to put off a decision on its true merits until it is dangerously late.

The President's request is a reasonable, prudent request. I intend to support it. I urge all my colleagues to do likewise.

Mr. President, I take this time to at least give the other side, and to remind those who in good faith signed the letter, that we ought to take a look at some of the programs which we have a deep interest in. If they are concerned about the increased spending in SDI, then I believe the same would apply to the programs which I have mentioned, and the programs with which they now seek to derail the SDI Program.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. Under the previous order, the minority leader is recognized.

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

PRESIDENT REAGAN'S MEETING WITH SENATORS

Mr. BYRD. Mr. President, the distinguished majority leader has referred to a meeting at the White House this morning. It was an interesting meeting. The President, as always, was congenial, friendly, warm, and a most personable man.

There were some questions asked following the meeting. Some dealt with the tax bill, some dealt with SALT II, and some dealt with the Saudi arms sale.

The President himself spoke mainly on the tax bill to begin with, and urged the support of both parties. Also, he spoke in support of the Saudi arms sale.

My viewpoint is, as I expressed it there, that this tax bill is a real tax reform bill. It is going to pass the Senate. It is going to be on the President's desk early in midsummer, I would say.

Support of tax reform really began in Woodrow Wilson's administration, and extended through Franklin Roosevelt's administration and that of John F. Kennedy. The Democratic House of Representatives last December passed a tax reform measure. Mr. BRADLEY and Mr. GEPHARDT, both Democrats, have been very active over a period of several years in pressing for tax reform, broadening the base, and lowering the rates.

I am proud to say here, and everywhere, that our Democratic colleague, Senator BRADLEY, has long championed this cause, and very effectively.

The tax reform bill came out of the Senate Finance Committee by a vote of 20 to nothing. Every Republican voted for it, and every Democratic member voted for it. There is much to be said in commending the distinguished chairman of that committee, Mr. PACKWOOD, and also the venerable former chairman and present ranking member, Mr. LONG, on the handling of the measure in committee. And all of the members of that committee are to be commended.

I can remember, when I was a boy, reading about Lindberg crossing the Atlantic in his single-engine plane, The *Spirit of St. Louis*. I recall reading that he flew over New York City at the "terrific speed" of "100 miles per hour."

Well, the tax bill came out of the Finance Committee of the Senate by a vote of 20 to nothing, which is equivalent to the "terrific speed of 100 miles per hour." I will be surprised if it does not pass the Senate by a vote of 100 to nothing.

As I said at the White House, and I say again, there will be some amendments called up. This is not the Soviet Union. We are not going to say that no Senators will be allowed to call up amendments. Such amendments will be acted upon by the Senate, and the Senate will work its will. Any amendment may be voted up; it may be voted down. That is the legislative process.

I also congratulate the President, because in my service under nine Presidents over the 34 years that I have been a Member of the House and the Senate, this is the first Republican President that I can remember who has actively supported tax reform. He is to be commended, as I commended the President this morning.

So, I have no concern about this tax reform bill's bipartisan support. It is, I think, unanimously bipartisan. But as Senator LONG said at the White House, it may not be perfect, and perhaps it can be improved. We will see whether or not that occurs here. But the legis-

lative process will go on so the people's will and the Nation will be served.

On the Saudi arms sale, the President spoke in support of the sale and urged Senators to vote to sustain the veto.

As I said in the news conference that followed the meeting with the President, I do not know the outcome. I do not have the vote count. Mr. CRANSTON is performing that duty on this issue. This President is not quite as good, I would suppose, at twisting arms as was President Johnson, but he is almost as good. I would not hazard a guess either way. It will be a photo finish.

□ 1100

The majority leader, I believe, has indicated that it might be close. I, myself, will vote to override the veto. I will have more to say about that later.

I congratulate all Senators who attended the meeting. I particularly congratulate the President, who took the occasion to commend Senator LONG and to express his own thanks and the Nation's good wishes to this great Senator who for so many years has been a Member of this body and, for a considerable number of years, chairman of the Senate Finance Committee. He is a brilliant Senator, and one who has a very persuasive way about him.

The President gave Senator LONG a nice little T-shirt with the words on it "Don't tax you, don't tax me, tax that fellow behind that tree."

Well, Senator LONG often has paraphrased that old poem, "Woodman, Spare That Tree" here in the Senate when he has from time to time brought his tax bills up on the floor of the Senate as chairman of the committee.

So, Mr. President, I am glad the President gave this recognition to Senator LONG. All Senators on both sides, Republicans and Democrats, enthusiastically received the President's approbations with respect to Senator LONG.

Mr. President, have I time remaining?

The PRESIDING OFFICER (Mr. NICKLES). The Senator has 2 minutes remaining.

Mr. BYRD. I thank the Chair. I ask unanimous consent to reserve the remainder of my time throughout the day.

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

RECOGNITION OF SENATOR McCONNELL

The PRESIDING OFFICER. Under the previous order, the Senator from Kentucky [Mr. McCONNELL] is recognized for 5 minutes.

S. 2046—LITIGATION ABUSE REFORM ACT OF 1986

Mr. McCONNELL. Mr. President, I send to the desk today an amendment in the nature of a substitute for S. 2046, the Litigation Abuse Reform Act of 1986. I ask that this amendment be printed in the RECORD for the benefit of my colleagues.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. President, this amendment is designed to make some appropriate changes in the legislation I introduced earlier this year, as well as to resolve some minor problems with the earlier bill. In substantial part it draws on the testimony of the witnesses who testified before the Judiciary Committee at the hearing held on this issue on March 26, 1986.

First, my new substitute broadens the scope of the original legislation to include tort actions filed in either State or Federal court. My earlier version limited its application to cases filed in Federal court. It has been my thinking that such a limitation, though it engendered certain practical problems by establishing a dual system of tort law, was preferable to a preemptive approach to the problem. I know that a great many of my colleagues are troubled by any legislation that overrides the ability of the State legislatures to set their own rules of law within the boundaries of their jurisdictions. And I am not one to run roughshod over the notion of States rights.

It has become clear, however, that the practical objections to the approach presented in the original version of S. 2046 are more troublesome than the preemptive approach. Consequently, this substitute is designed to preempt the law of the several States to the extent that the bill establishes a rule of law applicable to any given case. Under the approach presented by this substitute, any civil action presenting the kind of claim covered by the legislation would be covered, no matter what court the action was initiated in. I believe that this is the only realistic way to deal with the problem of tort reform, as well as with the liability crisis.

I recognize, Mr. President, that this approach is difficult for many of my colleagues to accept. Indeed, the administration has steadfastly opposed any attempt to preempt State law in the manner this legislation proposes. Yet ultimately, we must all take a stand on dealing with what has become a monstrous crisis for Americans from all walks of life. I believe it is time we put aside esoteric objections to meaningful reform of the tort system, and relief from the litigation crisis. It is time we deal head on with the substance of the problem. This comprehensive, preemptive approach to tort reform is the way to do just that.

In addition to expanding the scope of the legislation, Mr. President, this substitute amendment adopts the elimination of the doctrine of joint and several liability for dependents who are not liable for at least 50 percent of the cause of any injury. By doing so, it protects from catastrophic or unreasonable liability those individuals, municipalities, boards, councils, charities, and corporations who are not substantially responsible for the damages awarded in a case. My earlier legislation proposed just such a reform, but only in the context of noneconomic damages. I believe this change is both necessary and appropriate. It is recommended by a wide range of respected authorities in the field, and was part of the report of the administration's Tort Policy Working Group.

The substitute bill retains the basic proposal of S. 2046 regarding the application of collateral source benefits. It narrows the scope of the provision, however, by excluding from its coverage private health care benefits that are received by a plaintiff in a case covered by the bill. It also retains the original provision for requiring periodic payments of large awards of future damages. These are reforms that I endorse as fully now as I did in February.

With respect to the treatment of noneconomic damages, the substitute bill takes a rather dramatic departure from my original proposal. Without departing from the concept of limiting noneconomic damages, the substitute proposal calls for a cap of $500,000. This is five times the cap proposed in my original bill, and I believe represents a realistic compromise between those who would have no reform, and those who propose to limit unduly the ability of injured plaintiffs who have suffered devastating or ongoing injuries. A number of witnesses testified that a limit of $100,000 is inadequate to deal with the wide variety of cases, many involving injuries that will subject the victims of accidents or injury to daily pain or trauma for years to come. I am not unsympathetic to these concerns, but I also recognize that at some point, faced with increasingly capricious judgments and arbitrary awards, we have a responsibility to act. These awards are inherently unquantifiable and we are as able as jurors to deal with this troublesome issue.

In the area of contingency fees, the substitute retains the essence of the earlier bill. It does so, however, in a much more generous fashion. Under the substitute, an attorney representing a plaintiff would be entitled to effectively 30 percent of the first $500,000 of award, and to 10 percent of

any excess. This compares to the effective limitation of 16 percent of the first $500,000 under the original bill, and 10 percent of any excess. Mr. President, I am convinced that this is a reasonable and appropriate reform of the way in which our tort system operates. It is both fair and generous to the attorney representing a plaintiff. Most importantly, it provides more money to the injured plaintiff without removing the incentive for attorneys to represent them.

The substitute retains my basic proposal for dealing with punitive damages, with one change. I have been advised by the administrative office of the U.S. courts that the proposal to pay punitive damages to the courts could conceivably raise questions of apparent conflicts of interest on the part of the court, since the administrative office would have a pecuniary interest in the outcome of some cases. While I do not believe that the objection is necessarily correct, I appreciate the position taken by the administrative office, and respect it. Consequently, the substitute proposes that awards of punitive damages be paid to the Treasurer of the United States or of the appropriate State.

Finally, Mr. President, the substitute bill proposes to subject both defense and plaintiff attorneys to similar penalties for conduct that the court finds to be inconsistent with the efficient functioning of the civil justice system. My earlier bill dealt only with the problem of plaintiff lawyers who initiate lawsuits in bad faith. I still believe that that is a problem we ought to addresss. But it ought to work both ways. This new version would apply the same sanctions to defense lawyers whose conduct is found by the judge not to promote the just, speedy, and inexpensive resolution of a matter. In this respect, the substitute bill will be both reasonable and balanced in its approach to attorney sanctions.

Mr. President, I expect that the provisions of this substitute for S. 2046 will receive a great deal of attention as the debate on tort reform and the liability crisis comes to a head in the next few weeks. I urge each of my colleagues who is interested in serious efforts to resolve this vexatious problem to join me in this debate.

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

(The amendment is printed later in today' RECORD under Routine Morning Business.)

PROHIBITING THE SALE TO SAUDI ARABIA OF CERTAIN DEFENSE ARTICLES—VETO

The PRESIDING OFFICER. Under the previous order, the hour of 11 a.m. having arrived, the Senate will now proceed to consider the President's veto message on Senate Joint Resolution 316, the Saudi arms sale, with 3 hours of debate thereon, with 2 hours under the control of the minority leader and 1 hour under the control of the majority leader, or their designees. The clerk will report.

The legislative clerk read as follows:

Veto message on S.J. Res. 316 prohibiting the sale to Saudi Arabia of certain defense articles and related defense services.

(The text of the President's veto message is printed on page 11705 of the CONGRESSIONAL RECORD of May 21, 1986.)

The Senate proceeded to consider the veto message.

Mr. DOLE. Mr. President, let me designate the distinguished chairman of the Foreign Relations Committee, Senator LUGAR, to control the time on this side.

Mr. BYRD. Mr. President, I yield control of my time to the control of the distinguished ranking member of the committee, Senator PELL, except that I would like to withhold 10 minutes of that time. He would have control of the other 1 hour, 50 minutes.

Mr. LUGAR. Mr. President, I yield 4 minutes to the distinguished Senator from Nebraska [Mr. EXON].

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, I thank my colleague from Indiana.

Mr. President, the proposal to authorize further arms sale to Saudi Arabia is before us again, this time in the different form of sustaining a Presidential veto and absent the previous request for approval of the troublesome option of Stinger missiles.

This Senator has felt it was in America's interest to send a clear message to the Saudi's and through them to the world that we were not pleased by the outspoken condemnation of our actions to forcefully oppose terrorism. In my view, that was necessary and advisable. It has been done. Both the House and Senate delivered such an unmistakable signal, without equivocation and by overwhelming majorities. The world and the terrorists were listening and I hope they heard and believed.

Today, we have the President of the United States, the leader of the free world, laying his national and international prestige on the line. That makes this a considerably different proposition, in the view of this Senator.

I concede that this is a judgment call. The judgment in this instance is how strongly each Senator feels, pro or con, as to what is at this time in the best security interest of the United States to the exclusion of all others.

Many of my colleagues, on a bipartisan basis, genuinely believe our security interests will be best served by a veto override. I have no quarrel with them; they may be right after all.

President Reagan and former President Carter have both contacted me in support of the veto. I was surprised to learn that President Reagan had not contacted his predecessor seeking his help. Sometimes I wonder if President Reagan knows who his likely compatriots are on vital security matters.

If we ever have a measure of sustained peace in the Middle East, I am convinced history will eventually record it happened primarily because of President Carter's remarkable achievement in bringing about the Camp David accords. Absent Camp David, there would not be the fleeting chance for a resolution there.

The President is always entitled, when one can give it in considered conscience, to support on his clearly defined important foreign policy matter. With the exceptions of sending marines into Beirut, which turned out to be a disaster, and unrestrained military aid to the Contras before other possible peaceful alternatives were exhausted, I have always given Presidents the benefit of any doubt on vital foreign policy issues.

It is my best judgment that in this instance, the security interests of America rest with sustaining the veto.

□ 1110

I reserve and yield back any time remaining to the Senator from Indiana.

Mr. LUGAR. Mr. President, I thank the distinguished Senator from Nebraska for his important statement at the outset of our debate.

Mr. President, we meet today on a solemn occasion because the authority of our President is at stake. There is no doubt in my mind that Members have honest differences of opinion on Saudi Arabia, on questions in the Middle East, and on specific weapons that are involved.

Mr. President, we are about to decide whether a very modest arms sale proposal to Saudi Arabia should go forward, and I must say I am dismayed that this has become such a controversial issue. I recognize it has.

Clearly, the very large rejection of the proposal in its initial instance in the House and the Senate indicated that many Members of the House and the Senate did not want to make a sale to the Saudis. There were reasons expressed for this. The President has listened to those, as has the Government of Saudi Arabia, but we have two very different aspects in our debate today that were not present when we considered this issue last month.

First of all, Stinger missiles, which were a controversial part of the package, representing $89 million of the original $354 million, have been removed, and they are not a part of our consideration today. In that very real aspect, the issue is a different one.

The other difference is that the President of the United States has asserted through his veto that he believes his authority to conduct foreign policy in the Middle East is at stake, his effectiveness is at stake. That is certainly a new element as well. It is a very important issue. The Senator from Nebraska has addressed that in pointing out clearly, if one had a difference on the sale, on the specific components, one ought not to have a difference when it comes to the ability of the President of the United States, our Chief Executive, to be effective.

The Saudi arms sale adds no new weapons or no new capabilities to the Saudi Armed Forces. These are weapons that are already in the inventory of the Saudis. Furthermore, most of the weapons would not be delivered for at least 3 years unless there were emergencies, such as that brought on by an Iranian air attack on the Saudis in which it was in their interest and ours to try to make certain the Middle East was more secure.

The sale may not add a very great deal militarily, but the sale does preserve something that is very important in our foreign policy, namely 40 years and 8 successive Presidential administrations working with moderate Arab States to try to move toward peace in the Middle East. It has been a long and tortuous process. The cynics can almost always point out that peace is elusive, but even the cynics would have to agree that President Reagan, Secretary Shultz, Ambassador Murphy, and others have played a very important role, a role of which we are proud, in the Middle East in attempting to move toward peace.

In order to be effective, they must preserve the ties that 40 years have brought about. And we have had 40 years of work at least in part sponsored through arms sales, through the infrastructure of trainers, of technicians, of our military forces, the training of Middle Eastern forces in the United States of America, of American citizens interacting with moderate Arab States, in friendly ways to keep the peace. That is important, and that is at stake today. Failure to permit this sale would jeopardize the ability of the United States to provide pro-Western Arab regimes even minimal arms necessary to defend themselves. It would have a profound effect not only upon the Saudis but other Arab States.

Mr. President, let me just review the short history of this particular sale because it is reminiscent of so many other proposals which have come along in recent years. When one even hears rumors of a potential arms sale, however small, and of arms already in the inventory of a country, however of no particular threat to Israel or to any other friendly state in the area, whatever the circumstances, there are Senators who even at the beginning of the rumor rush to circulate petitions to stop the sale. It really does not make a difference what is in the sale or to whom the sale is. There are Members of this body who simply are opposed to sales of arms to almost any Arab State in the Middle East under an circumstances.

I respect their right to have that point of view, but I believe it is not a very helpful view in terms of American foreign policy. It is a disastrous point of view in terms of the peace process. It is an interesting view, I presume, in terms of American politics, but it has nothing to do with regard to the effectiveness of the President of the United States, the Secretary of State, and the interests of our Nation, the United States of America. And that really must be our prime consideration as we debate the motion before us today. That is the bottom line issue in the vote we will have at 2 o'clock.

The damage in the event we do not sustain the President's veto will be political. It will also be military, in the sense that nations will be less well prepared in fighting off adversaries with whom we really do have genuine differences in the Middle East. There is no doubt that Iran has been surging in that long war, now nearing the start of its sixth year, with Iraq. Iran is a threat not just to the Saudis but all the Arab States of the Persian Gulf—and as a matter of fact, a threat to Israel and to us. It is very important. Mr. President, that at this early time we send strong political and psychological signals through the sale to the Middle East that we are constant to our friends in the face of that danger. We are prepared to make sure that they are not left without support.

□ 1120

That is what this sale is about—inventory down the trail, a strong signal that the United States still is prepared to help the Saudis and other moderate States against Iran, against Libya, or against others that do not wish us or them well.

Mr. President, I believe it is also important that we take a look at the economic issues. They have paled in significance, but Senators in the past who rushed forward to stop all sales, stop them cold, have been effective.

The Saudi request for aircraft last year never came really to this kind of vote we have today. It was apparent, as the petitions were circulated, as the bandwagon got going, that the sale could not be made. The Saudis purchased aircraft from Great Britain. An order for $8.5 billion was placed. As a matter of fact, as all the orders involved with those aircraft sales finally play out, the Saudis will give about $20 billion of business to our friends in Great Britain. We wish them well. But I would just say, Mr. President, that often when we are on this floor discussing the balance of payments, when we are discussing trade issues, when we are discussing jobs, when we have economics in the domestic sense before us, $20 billion in exports would mean something.

I remain amazed that, in the context of this debate, the fact that we are making a sale to the Saudis for cash, for jobs in America, for strength of American industry, this is waived as trivial. As a matter of fact, many Senators, in the previous debate, said: "We are tired of giving things to the Saudis, tired of giving aircraft or missiles." We are not giving anything in this proposal, Mr. President, we are making a cash sale.

Some Senators have said that we have made too many cash sales. They have said that we have sold the Saudis $50 billion of arms since 1953. In truth, that needs to be corrected. We have made sales of about $4 billion of actual arms. Approximately half of all the remaining money was for infrastructure, construction of bases, buildings, communications, all the associated backup that is required. Of the $50 billion, only $30 billion has been delivered.

Mr. President, I am pleased that we made $50 billion sales to the Saudis. We have delivered; we got our money. I would have thought, in most debates on the floor of the Senate, that kind of sale to a friendly government would be accorded at least acclaim, as opposed to disdain. We have, in a very strong advocacy, done the right thing diplomatically and for the security of our country and for the commerce involved.

Mr. President, let me review for a moment some myths that have surrounded this issue, to try to set the record straight.

Some have said that Iran is a threat to the Middle East, to the moderate Arabs, to the Israelis, to us. But they contend that the Iranian Air Force is weak and is no threat to Saudi Arabia.

Mr. President, given the long lead time for acquiring modern weapons systems, prudent defense planners must evaluate future as well as current needs. For example, 5 years ago, no one would have predicted that the Iran-Iraq war would be going on in 1986. Saudi military planners now see a number of potentially hostile neighbors on that side of the gulf in the next decade. Saudi Arabia has limited manpower and limited production facilities. It is looking ahead and so are we.

The facts are that our Joint Chiefs of Staff—the U.S. Joint Chiefs of Staff—attempt to evaluate with the Saudis what their needs might be and project ahead, in the interests of the

United States and Saudi Arabia, for the next 3 to 5 years.

Another myth: That the sale provides more missiles to Saudi Arabia than it needs.

The facts are, once again, that our Joint Chiefs of Staff—the U.S. Joint Chiefs of Staff—confirmed the need for the types and quantities of missiles we are proposing to sell to Saudi Arabia today. These requirements were calculated using the same criteria the U.S. Air Force uses, with adjustments for factors unique to Saudi Arabia, such as lack of an industrial base and ready sources of resupply.

Another allegation: Delivery of these missiles will result in a Saudi Air Force missile-to-aircraft ratio of 37 to 1.

The fact is that the missile to aircraft ratio argument is irrelevant and misleading, as air defense missile requirements are based on the number of potential threat aircraft, not on the number of aircraft available to carry the missiles. The Defense Department, nonetheless, has concluded that after the missiles in the proposed sale have been delivered in 1991, 5 years down the trail, with appropriate adjustments for obsolescence, training, and attrition, the Saudi inventory available for air defense measured as a "missile-to-aircraft" ratio would remain less than 10 to 1. The Saudi figure is roughly comparable to our own Air Force and Israel's—which, unlike that of Saudi Arabia, have the advantage of indigenous sources of resupply and the total support of the United States of America.

The allegation has been made over the years that the United States has supplied military equipment in excess of Saudi Arabia's legitimate defense needs, creating a massive Arab arms cache which will fuel further Middle East conflict.

The fact is that from 1953 through September 1985, the U.S. Government sold Saudi Arabia just under $50 billion worth of defense articles and services. But only $4.8 billion, less than 10 percent of the total, went for weapons and ammunition. A far larger portion, $33.7 billion, was for support services, such as construction, repair, supply operations, and training. Construction alone accounted for more than $20 billion—the Saudis, with U.S. assistance, have built from scratch a modern military infrastructure for a country the size of the United States east of the Mississippi River.

The allegation is that the Saudis have failed to support U.S. strategic interests in the region and have worked to frustrate the peace process. In fact, this sale promotes important U.S. interests. By the 1990's, Gulf oil will become more critical to the United States and our allies. We cannot undermine our relationship with our principal friend in the gulf now and expect to rebuild it later. Strengthening Saudi air defense capabilities will help ensure that Saudi Arabia and other moderate Arab Gulf States do not become victims to an expansion of the Iran-Iraq war and the spread of Khomeini-type radicalism. It will complement our own regional security objectives and reduce the probability of future direct U.S. military involvement.

Saudi Arabia is alleged to have opposed American peace efforts, including the Reagan plan and the Hussein initiative, and to have frustrated United States policy in Lebanon.

The fact is that Saudi Arabia has worked within the Arab world to shift the consensus away from confrontation with Israel to constructive efforts to achieve peace. Saudi policies have often complemented our own even when not supporting our positions completely because of its commitment to Arab solidarity. For instance, despite their reservations, the Saudis scrupulously avoided opposing the Reagan plan and the Hussein initiative. In Lebanon, Saudi Arabia played a constructive role, attempting to end the fighting and assisting the United States in extricating our forces. Saudi Arabia has taken a number of steps to move Arab consensus back toward recognition of Egypt—including working quietly to ensure Egypt's reentry into the Organization of the Islamic Conference.

□ 1130

The allegation is that Saudi Arabia has worked to obstruct the United States strategic presence in the gulf and, with Kuwait, attempted to bribe Oman into curtailing its military cooperation with the United States.

The facts are that Saudi Arabia has not blocked United States security cooperation with area States, nor has it objected to Oman's cooperating with the United States. In fact, Saudi Arabia currently hosts a USAF AWACS detachment, a sizeable U.S. military training mission, and regular U.S. Navy ship visits to ports on the gulf and the Red Sea. Saudi Arabia has worked with Kuwait and Oman and other members of the Gulf Cooperation Council to establish a collective defense which complements our strategy in the region.

The allegation is that the sale of additional missiles to Saudi Arabia poses an increased threat to Israel.

The facts are that the United States commitment to Israel's security and qualitative military superiority remains absolutely firm. This sale of defensive equipment will not erode this advantage nor change the force equation in the region. We are confident that the Saudis have no intention whatsoever of using the weapons against Israel.

I simply point out, Mr. President, that we have welcomed the distinguished Defense Minister of Israel, Yitzhak Rabin, at our Foreign Relations coffee, and seen the distinguished Prime Minister, Shimon Peres, on television, both affirming that Israel cannot endorse sales of arms to any nation still not at peace with Israel. It is boilerplate language, and they state it tactfully and quietly. They also said they would respect the judgment of our President, of our Congress, and the opinions of Jewish citizens of the United States of America. These must be the decisionmakers with regard to what is in the best interest of the United States as a forceful player for peace in the Middle East, when peace is of tremendous importance to Israel.

I would argue, Mr. President, that if the United States is not an effective player, if the Senate successfully today were to cut off the President at the knees with regard to effectiveness in the Middle East, Israel would be a very large loser as a result. Those who advocate, almost blindly, opposition to every sale to moderate Arab States must take on the responsibility that if they truly care about Israel and they truly care about peace, the United States must be an effective player. And the price for effectiveness is the occasional sale such as this to a moderate Arab State of weapons already in its inventory for delivery 3 to 5 years from now. This is a relatively inconsequential sale but tremendously important psychologically in saying that the United States is constant to its friends, and constant to those who may need our help in the fight for peace in the Middle East.

Finally, Mr. President, the suggestion is made that there is a real danger that the advanced weaponry we are talking about today could fall into the hands of terrorists or be compromised to the Soviets. The facts are that the Saudis have a spotless record of safeguarding American technology and the weapons systems we have sold them. No allegation to the contrary has ever withstood investigation. Normal Saudi security procedures are extremely tight and, for certain sensitive systems such as the AIM-9L and Stinger, the United States has insisted on additional, even more stringent security precautions.

Mr. President, I believe the case is persuasive for supporting President Reagan. I am hopeful that Senators will reconsider carefully the action this body took. I am hopeful that, at the time of the vote, which will come at 2 o'clock this afternoon, Senators will vote "no" on the resolution to override the veto of President Reagan, that they will support the President and that they will support an ongoing

strong foreign policy of our country in the Middle East.

Mr. President, I yield the floor.

Mr. PELL. Mr. President, last month we voted overwhelmingly against the proposed sale of missiles to Saudi Arabia. I believe that the Senate was right in that decision.

Following our vote last month, the President's advisers urged him to withdraw the Stinger missile component of the sale to make it more palatable. However, now as before in the original decision to press for the sale, the determination to forge ahead has been made on the basis of what I really believe is very limited consultation with Congress. Essentially, we are being told what we should support, rather than being asked what we could support as being in our best long-term, long-run interest.

Frankly, the key question should not be what adjustments are made in the proposed package, since the contents of the package were essentially peripheral in the assessments leading to the original overwhelming judgments of the Committee on Foreign Relations and of the Senate and the House that the sale should not be made.

There were two primary reasons for rejection then. Those two reasons remain valid today. The reasons were as follows:

First, the Saudis already have more than an adequate reserve of Sidewinder, Harpoon, and Stinger missiles. In effect, the administration is recognizing that fact with regard to the Stingers by withdrawing them from the package. This will still leave the Saudis with 200 Stinger launchers and 400 Stinger missiles they were provided by the administration in 1984 using the President's emergency transfer powers. With regard to the Sidewinders and Harpoons, the point remains valid. In any case the administration has, I believe, failed to make a compelling case that additional missile sales contracts must be negotiated now, rather than next year or the year after.

Then that brings us to our second point. While there is no demonstrated time urgency to the sale, there is clearly a time urgency to bringing an end to conflict there and forging a just and lasting peace. Unfortunately, the Saudis have been, at best, only sometime partners in the peace process. While there have been modest contributions, these positive gestures have been offset, to my mind, at least, by such activities as major financial support of elements of the Palestine Liberation Organization and the continued shabby treatment of fellow Arab country Egypt since that nation made peace with Israel.

In the nearly 1 month since the vote, the administration has had an opportunity to work with the Saudis. Certainly, the overwhelming judgment of both Houses of Congress should have made it clear both to the administration and the Saudis that Congress is not willing to allow major sales to the Saudis in some vague hope that they will, at some unidentifiable point, take a significant role in the attainment of peace. The past month afforded an opportunity for the Saudis to give a demonstration of some concrete commitment to the peace process. Instead, what do we hear? We heard a resounding and revealing silence.

Mr. President, I would like once again to draw the attention of my colleagues to a very pertinent section of the committee's report on the sale:

> It is imperative that we as a nation pursue peace in the Middle East with renewed energy and that we insist that others in the Middle East who profess a commitment to bringing an end to conflict in that region do so with deeds, as well as private assurances. It is crucial that those who will take brave steps for peace not be left to stand alone.
>
> In this context, the proper question is not whether an Arab state is radical or "moderate", but whether it is a nation which foments or supports conflict and terrorism, or whether it is a nation which actively presses for an end to conflict and a just and lasting peace.

When we ask ourselves which of these criteria are followed by Saudi Arabia, we realize that it is the former, that it foments and supports conflict and terrorism through the support of the PLO.

Mr. President, it is indeed unfortunate that the Saudis have fallen well shy of the mark as participants in the peace process. I would hope that they will join with us in giving active and vigorous support to those in the Middle East willing to join with Israel and Egypt in efforts to achieve a comprehensive peace. Then I think we would find this proposal much easier to swallow. If the Saudis will do that, I believe that they will find us very supportive when they come to us with requests that reflect legitimate defense needs.

Mr. GLENN addressed the Chair.

Mr. CRANSTON. Mr. President, I yield 4 minutes to the distinguished Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. I thank the Senator from California.

Let us bear in mind, too, the question of the long-range stability of Saudi Arabia, a nation that is organized, run, and owned by 2,000 cousins. We have seen before how we got very involved with a country under a similar system, Iran, Persia, and we saw what happened there as we put all our stakes under the regime then in power.

I think we should bear in mind where we will be 5 or 10 years from now, where Saudi Arabia will be 5 or 10 years from now, what the stability of that nation is, owned, organized and run by 2,000 cousins, whether that will survive over the long haul as well as the system of government.

Mr. President, I wish that the President of the United States had not accepted the advice that he press forward despite the clear objections of Congress. If the President's veto stands, the United States will carry out a sale over which two branches of Government are in sharp disagreement. The President certainly has that right under the Constitution, but it is a right which he will be imprudent to exericise. It would be far wiser for the President to accept the judgment of Congress, rather than attempt to override it. Particularly with regard to the Middle East, it is important for the branches of government to operate in harmony while protecting our agreed interests in the region. However, since the administration is adamant in carrying out this sale, I believe we have an obligation to reaffirm our earlier judgment and, thus, forbid the sale.

Mr. President, I hope, with these remarks, that my colleagues will bear with what we did before. I will vote against the sustaining of the veto. I believe that is correct in the national interest.

At this time I suggest momentarily the absence of a quorum, with the time to be equally divided.

□ 1140

The PRESIDING OFFICER. Is there objection?

Mr. LUGAR. Mr. President, reserving the right to object, and I will not object, although I simply point out to the distinguished ranking member that our side has just 1 hour, whereas his has 2, and our time will be dwindling rapidly.

Mr. PELL. Mr. President, if the Senator will yield, I think the Senator is correct in what he says. I ask that the time of the quorum call come from the minority side.

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

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PELL. 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. PELL. Mr. President, the very strong and vigorous leadership of the opposition to the President's proposal has been exercised by the senior Senator from California [Mr. CRANSTON]. I recognize the role he has played here, really a leading role, one for which I know all of us who believe the way he and I do are very grateful.

I now yield such time as he may desire to the Senator from California.

Mr. CRANSTON. I thank the Senator from Rhode Island, the Democratic leader on the Foreign Relations Committee, for his very generous remarks and for his own strong and effective leadership on this very important issue. I thank him for the opportunity to collaborate with him once again on a very significant matter.

Mr. President, when the Senate voted last month to reject the administration's proposal to sell more than 2,500 advanced missiles to Saudi Arabia, it was a truly historic occasion. And with the overwhelming House vote of 356 to 62 the next day, the Congress for the first time ever adopted a resolution to prohibit a proposed military export.

The reason that our resolution attracted such broad support is the very same reason we believe the Senate should vote today to override the President's veto of this measure. Simply put, we believe it ill serves America to sell our most advanced weapons to nations which consistently thwart our fundamental national interests. And the fact is, time and again when America has gone to the Saudi potentates seeking assistance, our concerns have been scorned.

If we are to advance American interests around the globe, we must be willing at some point to request some minimum sensitivity to legitimate American concerns—and that is what Congress is asserting in attempting to block the proposed Saudi sale.

Let us look at America's campaign against terrorism. In the past few years, we have seen hundreds of U.S. soldiers die in the Beirut barracks massacre. We have seen American women and children blown out of commercial airliners by hidden bombs. We have seen airline counters of U.S. commercial carriers in Rome and Vienna sprayed by machinegun fire and grenades.

We know who is behind these actions—nations like Libya and Syria, and organizations like the PLO. Repeatedly, we have asked nations friendly to us to disassociate themselves from nations and groups which perpetrate such crimes. Yet Saudi Arabia continues to bankroll the PLO and Syria—according to the administration, the figure is more than $500 million—half a billion dollars each year! And the Saudis have continually stood with Qadhafi and against the United States in our recent showdowns with the Libyan dictator.

Let us look at the search for peace in the Middle East. The Saudis rejected the 1982 Reagan peace plan. They walked away from a pledge to help get the Syrians to withdraw from Lebanon. They remain committed to jihad, or holy war against our key ally Israel. The Saudis broke relations with Egypt over the Camp David Treaty when Egypt made peace with Israel.

What about Americans? It has been more than a decade since the Saudi-led oil boycott devastated the United States economy and forced the price of oil to our consumers up 500 percent. But the Saudis still maintain a boycott of all American firms that have anything to do with Israel—punishing American businesses and workers just to advance the kingdom's holy war against Israel.

To be sure, the United States and the Saudis continue to have a number of parallel interests—insuring Western access to oil and keeping Communist and other radical forces away from the Arabian peninsula. But the Saudi princes do not pump oil or resist Marxism just to do us a favor—they would do it anyway. Furthermore, the survival of Saudi Arabia is by no means at issue in the current proposal to sell them more air-to-air missiles. In fact, these missiles are not even scheduled for delivery until 1990! While the administration has made noises about these missiles being needed to counter the so-called Iran threat, the Saudis can already overwhelm what is left of the Ayatollah's decrepit air force. And such air-to-air missiles would be useless if an infantry war broke out.

The administration has taken up the Saudi line that the proposed sale is some kind of test of American friendship. As the author of the resolution to block this sale, I believe it is time for America to say: "Friendship is a two-way street." Over the past 30 years, the United States has sold over $50 billion worth of military weapons and services to the Saudis—more than we have sold to any nation on Earth. Where are any reciprocal acts of friendship? Here are the Saudis coming back for more weapons to fill their already teeming arsenals and claiming it is another test for us. I do not believe we should knuckle under.

As the margins in the House and Senate have demonstrated, this is not a partisan issue. A clear majority of Republicans and Democrats are united in our determination to give terrorists no safe harbor, to deny them moral, diplomatic, and economic support. And by a strong majority, both bodies of Congress have agreed that there is no justification to send the Saudi potentates another 2,500 missiles given their lack of support for American interests.

I am therefore hopeful that we can today muster the 67 votes necessary to override the President's veto in the Senate.

Let me say frankly, though, that if by chance we do fall one vote short, if the President's veto is sustained by virtue of 34 Senators—only 34—opposing the effort to override, we will still have accomplished several important objectives. We would do well to take stock of what has occurred.

We are today considering a White House request which totals less than 10 percent of the original price tag of the items which were on the Saudi wish list as recently as last January. That original package was estimated between $3 billion and $4 billion. The package now is estimated at less than $300 million. Absent from the arms package before us is any request for more F-15 aircraft, M-1 tanks, bomb racks, conformal fuel tanks, Blackhawk helicopters, electronic countermeasure pods, and retrofit kits for Saudi F-15's.

All those were in the original package under consideration and proposed originally by the administration. And gone is the imprudent request to sell the Saudis another 800 Stinger missiles—the terrorist's delight weapon, the hand-held antiaircraft missile that a man or a woman can walk around with in the desert or in the jungle, fire at a commercial airliner 5 miles away. The missile homes in on that plane, and brings it down. It is a perfect weapon for terrorists.

So, yes, I believe we who oppose a promiscuous policy of selling the Saudis any weapons they may desire have some reason for satisfaction.

We have cut the package by more than 90 percent of its dollar value.

We have forced the administration to drop the Stingers.

We have received a pledge that the administration will not request any new sales of weapons for the Saudis this year.

And we have developed a new sensitivity in Washington—and Riyadh—to the crucial principle that American support should entail greater sympathy for vital American national interests, that in our search for peace in the Middle East and in our war against terrorism, we expect measurable support from nations who consider themselves our friends, or profess to be.

Mr. President, if the administration sustains the veto and proceeds to sell the Saudis more Sidewinders and Harpoons for the warehouses, the administration will be proceeding with a policy which enjoys the support of only one-sixth of the House and the support of little more—perhaps nothing more—than one-third plus one of the Senate. This policy has been thoroughly discredited—Congress has insisted on reexamination of the goals which drive our arms sales efforts and a rededication to principles more in keeping with America's national interests.

These are real accomplishments. But those of us who oppose the arms sale in any form until Saudi Arabia shows greater regard for America's security interests in the Middle East will not achieve our goal unless the Senate votes by a two-thirds majority to override the President's veto and thus reject the arms sale.

I hope it will.

I hope that is what the Senate will do.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. I yield 4 minutes to the distinguished Senator from Kansas, Senator KASSEBAUM.

Mrs. KASSEBAUM. I thank the chairman of the Foreign Relations Committee, Senator LUGAR.

Mr. President, several weeks ago, President Reagan notified Congress of his intent to sell Saudi Arabia a limited quantity of air-to-air, air-to-sea, and ground-to-air missiles, valued at $354 million. Since then, the package has been cut back even further, with the elimination of the Stinger missiles.

We have heard already much of the background of this debate, the question raised, and the thoughtfulness that has been given to this over several months here in the Senate.

I would like to say why I continue to support this sale, and will vote to sustain the President's veto.

I continue to support this sale and will vote to sustain the President's veto, because I believe that this modest sale serves U.S. national security interests in the region, address legitimate security concerns of the Saudi Kingdom, and does not pose a military threat to Israel.

The controversy over this sale, as with previous arms sales to the region, stems from the frustration here in Congress over the stalled Arab-Israel peace process. This frustration is deeply shared by all of us.

But, I would caution that we must not allow this frustration to result in a simple, reactive approach to arms sales which may result in undercutting our national security interests.

The package we are considering is not only reduced from the one announced several weeks ago, but is also markedly reduced from the one the administration was originally considering over the past year. The package does not introduce any new weapon systems or new weapons capabilities into the Saudi arsenal. The sale of the defensive missiles to Saudi Arabia is part of our longstanding security relationship with the kingdom which we have maintained over the past 40 years. And, it addresses legitimate defense needs of the kingdom which is currently facing the threat of expansion of the Iran-Iraq war and instability in South Yemen.

Consequently, the rejection of this package will send more of a diplomatic signal to the Saudis and the region than a military one.

In reviewing this package we cannot ignore the broader impact of rejection on our overall policy toward the Middle East. Our vital strategic interests include maintaining the free flow of oil from the gulf, opposing radical forces in the area containing the Iran-Iraq War, and opposing the expansion of Soviet influence. Maintaining a friendship with Saudi Arabia which includes a security relationship can only help promote these United States interests.

But, perhaps our most important role in the region has been and must continue to be promoting the process of building peace between Israel and its neighbors by relying on our relations with both sides of the conflict. This goal can only be pursued effectively if the United States maintains close ties with Israel and with pro-Western Arab states. We are the only superpower with the credibility of an honest broker in the region, and we should be careful in nurturing this role. The sale we are considering today does not threaten the security of Israel, and it maintains our longstanding security relationship with Saudi Arabia.

Overall, it is essential to our regional policy that we maintain viable relationships with friendly and moderate states in the area. Maintaining these relationships will enhance not only our interest but the security of Israel.

I certainly urge that we indeed sustain the President's veto.

Mr. GLENN addressed the Chair.

Mr. CRANSTON. Mr. President, I yield 4 minutes to the distinguished Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. I thank the Senator from California.

Mr. President, I rise to restate my continuing opposition to the sale of AIM and Harpoon missiles to Saudi Arabia and to urge my colleagues to override the Presidential veto of the resolution of disapproval by the same wide margin by which this resolution was originally passed.

Once again an arms sale has been posed as a litmus test of our friendship with Saudi Arabia. That is the wrong basis. Mr. President, over the course of our relationship with the Saudis we have been quite forthcoming, providing billions of dollars in military equipment to help the Saudis meet their legitimate self-defense requirements. And they have some very legitimate requirements. I have been there. I have seen some of their problems. I know what they are up against. We have helped them in the past. I do not eliminate help in the future. However, arms sales are a foreign policy tool and as such should be used to promote U.S. foreign policy objectives. A peaceful settlement of the Arab-Israeli dispute is a fundamental and longstanding United States security objective. Most unfortunately, the Saudis have shown little interest in working in a constructive way with us to realize this goal. For example, I found it keenly disappointing that they recently elected not to use their leverage with Arafat to promote King Hussein's peace initiative, something we were supporting and following very closely.

Friendship is a two-way street, based upon commonality of interests and implying both benefits and obligations. We rightly expect that our friends will be as concerned about our security interests as we are about theirs, and there is no question that the explosive environment in the Middle East impinges directly on U.S. national security interests.

To endorse this sale would imply that we approve of Saudi support for Yassir Arafat and the PLO. To endorse this sale would imply that we don't care about the Saudi's public condemnation of our retaliatory raid against the terrorists in Libya. And to approve this sale would signal that we are satisfied with Saudi efforts toward peace in the Middle East. Well, I am not satisfied—and I do not think those are the messages we should be sending. Therefore, I will vote to override the President's veto, and I urge my colleagues to do likewise.

I yield the floor.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER (Mrs. KASSEBAUM). The Senator from Indiana.

Mr. LUGAR. I yield 4 minutes to the distinguished Senator from Washington, Senator Evans.

The PRESIDING OFFICER. The Senator from Washington.

Mr. EVANS. Thank you, Madam President.

Madam President, I rise to oppose the resolution of disapproval prohibiting the sale of missiles to the Kingdom of Saudi Arabia, notwithstanding the President's objections.

I believe this sale should be approved. All of us here seek the same primary goals in the Middle East: The security and integrity of a strong Israel and a comprehensive peace between Israel and her Arab neighbors. But will the prohibition of this sale move us closer to these goals? In my judgment, it will not.

We can go through the litany of what Saudi Arabia has or has not done to help or hinder our efforts. But there are broader issues at stake in this debate. The prestige of the President and his ability to pursue a constructive foreign policy in the Middle East—and for that matter elsewhere—is at stake here.

The United States holds an important key in the Middle East. We are potentially the only country that can help bring together the necessary players to find a way to craft a comprehensive peace in the region. Yet our ability to do this hinges on our relations with and influence among the countries of the Middle East.

We have continued to enjoy positive relations with a number of moderate

Arab nations. The governments of these countries have maintained strong ties to the United States, some in the face of rising anti-American sentiments in those nations and I might add in this country as well. Still, our position in the Middle East has suffered over the past several years. The lack of demonstrated U.S. support for the legitimate security needs of these countries threatens to deprive us of all remaining vestiges of out influence.

□ 1200

Is this cause for alarm? Will it really make any difference? You can bet it will. In spite of the problems and frustrations we encounter in the Middle East, it is clearly not in our national interest to disengage from the region. Yet, as we continue to try to shape events and assist the peace process, we will find ourselves having to do so from a position of little or no influence. And our task will be immeasurably more difficult.

The fundamental structure of our foreign policy is also at stake here. We are an impatient people and we expect dramatic change and quick resolution of problems in all aspects of our lives. We are no less impatient when it comes to our foreign policy. We believe we can step in, take a course of action, often looking no further than 6 months down the road, and expect somehow all nations will fall into line and gain positive results. If the first approach does not produce the desired results and produce them immediately, we change course. In so doing, we confuse ourselves and our friends and allies and we come no closer to realizing our goals.

Our foreign policy should be characterized by, among other things, patience—with ourselves and those we seek to influence; understanding of the facts and of the emotions that color our perception of those facts; and, most of all, constancy. Constancy which has been so lacking in the past.

We must be patient when change does not come as quickly or completely as we want and we must be patient enough to accept the changes that are offered. For example, we must not dismiss the change in the Arab countries' position of "no peace" with Israel to a position of how peace can best be achieved; a move accomplished by a significant urging on the part of Saudi Arabia. We must try to understand the realities that face other countries in forming their policies. For example, we should understand the sharp difference that exist between the Arab nations of the region and the Saudi's desire to seek unity among these countries rather than pursue independent policies. This is not to say we must agree with such policies but we should not dismiss them without an attempt to understand. And finally, we should strive for constancy in our foreign policy. Not a slavish, unthinking constancy but one that does not allow traditional ties and long alliances to be broken or redefined without considerable deliberate and thoughtful debate.

I believe sincerely the administration is trying to craft such a policy in the Middle East. The proposed sale to Saudi Arabia is part of that policy. We have successfully pursued such a policy with Israel. It is time we, in Congress, allowed the President to pursue a similar policy with other countries in the region.

The test today is to try even unattractive alternatives. The test is to vote in a difficult way. Will we cripple our President and our country in its consistent efforts toward peace in the Middle East?

Make no mistake: A vote to override today is a clear and deliberate vote against the President on a foreign policy issue of critical importance.

Madam President, we simply must not quit now.

Mr. CRANSTON. Madam President, I yield 3 minutes to the Senator from Illinois and thank him for his generosity and consideration of his colleagues.

Mr. SIMON. Madam President, I rise urging that we override the President's veto. I rise in opposition not simply to the arms sale that is taking place now but to a flawed policy.

If this is approved, it will mean that in less than 20 years we have sold almost 40 billion dollars' worth of arms to Saudi Arabia. I think we have to ask, does this policy get us anywhere?

I would like to make clear my position is not an anti-Arab stand. I am willing to help Jordan. I am willing to help Saudi Arabia. I am willing to help any nation that joins the peace process. But for us to simply go ahead and arm both sides in a potential conflict does not make sense. It does not make sense in the Middle East. It does not make sense with regard to India and Pakistan. It does not make sense in Latin America, Africa, or anywhere else.

The reality is these arms may be used against the U.S. most valuable ally in the Middle East as of right now. That is Israel.

The arms that we have provided in the past have not produced a significant moderation in policy.

The argument is used by some, if we do not sell them, someone else will. That is not a very valid argument. It is true someone else probably will. They would prefer our weapons. But I can use the same argument on drugs on the street. If I do not sell someone drugs, someone else will.

The question is not whether someone else will. The question is whether it is right or wrong.

President Kennedy once said:

> The success of our leadership in the world is dependent upon respect for our mission in the world as well as our missiles.

Madam President, just a few minutes ago on the floor you said, "We are the only superpower with the credibility of an honest broker."

I believe that is correct.

I think the real question right now is, what should we be doing?

As one who has visited the Middle East a number of times, visited Saudi Arabia as well as the other Arab countries, my view is what we have to do is to really push on the peace front, and that means doing something, but stronger than simply sending Ambassador Murphy, who is a very fine man. I think we have to say to the Secretary of State, Secretary Shultz, "You ought to be that roving ambassador that pulls immediately Jordan and Israel together to the peace table." That is the significant step that should be taken. Sending weapons to Saudi Arabia is not going to bring peace to the Middle East.

Mr. PELL. Madam President, I yield 3 minutes to the Senator from Ohio.

Mr. METZENBAUM. I thank my distinguished colleague from Rhode Island.

Madam President, I rise to urge my colleagues to override the President's veto.

Supporters of this sale have stopped trying to justify it on military or national security grounds; in the end, we are left with the plea that the sale must go through as a demonstration of our friendship to a moderating influence in the Arab world.

I want to take a few minutes, then, to talk about that friendship.

Is it friendship when Saudi Arabia pours $27 million into the coffers of the PLO, money used to train terrorists who, quite possibly, march out to gun down Americans or others throughout the world? Such action does not promote moderation, but extremism.

Is it friendship when the Saudis oppose vital American interests in the United Nations 86 percent of the time? What kind of friend is it that on the floor of the United Nations votes against the position of this Government 86 percent of the time? Is that the kind of friendship we are talking about with Saudi Arabia?

Is it friendship when the Saudis proclaim their "categorical solidarity" with Libya in the aftermath of the Rome and Vienna airport bombings?

Some would have us believe these public statements are posturing on the part of the Saudis, part of a delicate balancing act designed to retain stature in the Arab world while privately working for a reconciliation with Israel.

But in this area, Madam President, we cannot separate private acts from

public pronouncements. Once you create a climate of hate and fear, you have irreparably harmed the peace process.

□ 1210

Is it friendship to refuse to provide written assurance that America will have access to Saudi bases in the event of a crisis?

Is it friendship to subsidize massive Soviet arms purchases by Syria and Iraq?

Is it friendship to oppose the Camp David accords, the best hope for peace in the region, or to undermine the Reagan Middle East peace plan and the Lebanon-Israel accords?

These are not the acts of a moderate state; these are the acts of a state sowing ferment, hatred, and discord of a state contributing to a regional arms race where the only clear losers will be America and Israel.

Madam President, friendship is a two-way street; but in the case of Saudi-America relations, friendship has been decidedly one-way.

Friendship does not mean proclaiming shared objectives in the Middle East while undertaking actions that undermine those objectives; and friendship is not bought through weapons bribes. Over the last two decades, we have sold the Saudis $50 billion in weapons; how many times and at what price must we continue to demonstrate our friendship?

After the AWACS sale was made and approved by this body, what happened? Sheikh Yamani, speaking for Saudi Arabia, said publicly that the arms were to be used against the State of Israel; whereas, on the floor of the United States Senate, the argument had been made that the arms were to be used so that Saudi Arabia could defend itself against the Soviet Union. Mr. Yamani said that was not the real objective.

It is time to get something in return; it is time that our friendship be rewarded with some reciprocal action by the Saudis to advance the peace process, not just its own self-interest.

Now we are told that the removal of the Stingers from this sales package somehow makes it a less troublesome deal; but the point is not that an especially dangerous component has been removed from the package. Rather, that the point is that the Saudis have not demonstrated, either by actions or words, that they should receive any of America's sophisticated weaponry.

The ultimate test of an arms sale is not friendship, but whether it furthers America's interests and the cause of peace; on that test, this sale fails.

It is not a question of whether they say the right things, Madam President. It is a question of are they truly friends? Are they helping the peace process? Are they providing aid to America's interests?

On that basis, there is not any real reason why the sale should be approved. The veto of the resolution should be overridden.

Mr. LUGAR. Madam President, I yield 3 minutes to the senior Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. GOLDWATER. Madam President, my remarks are solely my own. I do not reflect the thinking of anybody else, but this whole matter has disturbed me. When we came to this Chamber, we put our hand on the Bible and we pledged ourselves to defend the Constitution of the United States—not the constitution of Israel or Arizona or Saudi Arabia or California, but the Constitution of the United States. I think included in that is the support of the Commander in Chief, the President, unless we totally and thoroughly disagree with him. The President has indicated that the sale of this equipment to Saudi Arabia is in the interests of our foreign policy. I have to agree with him.

I merely rise this morning, Madam President, to protest the money that has been spent, the intense pressure that has been used on Members of this body by governments of other countries to persuade us to vote against our Commander in Chief and our President. I think it is wrong. I think we are making a mistake. I hope that this is the last time we are subjected to the intense pressure, money, and threats of another country.

I yield the floor.

Mr. PELL. Madam President, I yield 5 minutes to the junior Senator from Arizona.

A VOTE ON PRINCIPLE

Mr. DECONCINI. Madam President, I thank the distinguished ranking member of the Committee on Foreign Relations [Mr. PELL]. I speak on a different side of the issue than my distinguished senior colleague has just spoken.

Mr. President, this administration thought to pull the political sting from the Saudi arms sale by withdrawing the Stinger antiaircraft missiles from the package that both the Senate and the House rejected overwhelmingly 4 weeks ago. President Reagan's idea is that Congress is legitimately fearful that terrorists might acquire these convenient shoulder-fired weapons and may approve this presumably less threatening package.

Although I oppose any and all sales to the Saudis until they cease funding terrorists and openly support Middle East peace efforts, I view the banishment of Stinger missiles as a major victory.

I firmly believe that these missiles pose a potential threat to American security interests and to our allies in the Middle East.

I am hopeful that the President will continue to exercise this same good judgment with the Stinger missile in future transactions around the world.

This Senator has argued on this floor a number of times that this is a dangerous weapon, that we ought not to proliferate the world with this weapon unless it can be kept very secure.

As to pressure on this vote, I have had none from any foreign government or from anyone. As a matter of fact, the President did not bother to call me because I made a very early statement that this was a mistake, to sell weapons to the Saudi Arabians—as the distinguished Senator from Ohio just pointed out, supposedly a friend. Is this really a friend?

As we contemplate this arms sale to Saudi Arabia, let me briefly list for my colleagues what have been discussed as possible items in this package and what has been eliminated in order to make this more politically feasible.

Originally, when this sale was first discussed, the administration toyed with the idea of selling the Saudis sophisticated F-15's, M-1 tanks, Blackhawk helicopters, Bradley fighting vehicles, Tow antitank missiles, Maverick missiles, and the Stinger missiles.

After a resounding defeat with the Stinger missiles intact, the administration has eliminated all of these items and now hopes to sell 1,666 Sidewinders and 100 Harpoon missiles worth $265 million. This Congress has repeatedly told the administration in no uncertain terms that we opposed more weapons sales on principle.

We are tired of the Saudis sustaining their alliance based upon indirect subtleties and covert nuances.

Even if this package was winnowed down to 100 Sidewinders and 10 Harpoons, we should reject this sale, as we have done in the past, and send a final and resolute signal to the Saudis. This sale does not make any sense.

We should not yield or compromise.

Should we reward the Saudis for playing a behind-the-scenes role in a nonexistent Middle East peace process?

Another serious concern of mine is the recent Syrian buildup in the Middle East region.

This escalation threatens Middle East peace and Israeli security. Syria's military has never been stronger. President Assad has vowed to achieve "strategic parity" with Israel.

The Soviets have provided Syria with heavy armaments and missiles with enough range to reach every sizable Israeli city.

Madam President, only Saudi Arabia, even among Arab League States, still honors its pledge to contribute vital foreign exchange to Syria's defense budget.

This is estimated to account for 40 percent of the Syrian Government's expenditures. This is not the action of an ally contributing toward peace.

□ 1220

In addition to supporting this Syrian buildup, the Saudis agreed in the 1978 Bagdad summit to fund Syria and the PLO, the front-line opponents against Israel. Since 1979, the Saudis have funneled over $300,000 per day to the PLO and over $1 million per day to Syria. This is an overt and obvious bankrolling of worldwide terrorism. This must stop.

After the Egyptian Government signed the peace initiative with Israel in 1978, Saudi Arabia refused to give any more assistance to Egypt. The State Department argues that "the Saudis, within the context of the Arab consensus, have made constructive contributions to the search for peace." Cutting off Egypt, a truly moderate Arab State, and bankrolling the PLO and Syria does not seem to me to represent contributions to the search for peace. This elimination of aid also costs the U.S. Government money. Since the Egyptians cannot acquire the aid from Saudi Arabia, they must seek assistance from the United States.

The Reagan administration claims that this sale is vital for the Saudis to bolster their defensive capabilities and deter Iran from making advances into the Arabian Peninsula in their war against Iraq. The administration claims the danger is immediate and must quickly be addressed.

I must remind my colleagues that this sale will not even begin to transfer the arms until 1989. Therefore, there is no immediate threat as a result of the Iran-Iraq war. The Saudis have already purchased over $50 billion in military sales from the United States. France has sold them $10 billion. Great Britain has sold them $10 billion. West Germany and Italy each have sold them over $600 million. The list goes on and on. So now we are down to a scaled down version of $265 million.

I agree with the President; this is a symbolic vote that is important for U.S. foreign policy. It is symbolic because it will tell whether or not we are going to demand of this so-called ally and friend that they join in the Middle East peace process. It has been pointed out by the Senator from Ohio and others just what a friend is, the Saudis. They voted against the U.S. position in the United Nations 86 percent of the time, but we are told that they are friendly; they are helpful; we have to support them. They opposed the United States 7 out of 10 times in crucial votes in the United Nations. They supported Colonel Qadhafi against the United States bombing in Libya. Immediately upon that raid, the Saudis put out a statement supporting Libya. The bottom line is that Saudi Arabia continues to act contrary to the efforts of the United States and our work toward achieving peace in the Middle East. The Saudi's supply of terrorists and international terrorism is unquestioned. The Saudis continue their declared state of war against Israel, an ally of the United States.

No matter what the content of this package, I cannot see even selling a box of bullets to the Saudis. The President has thoroughly convinced me that by eliminating the Stinger we are still getting stung. The Stinger having been withdrawn, we do not improve this sale at all. I hope the Senate will reverse the President's veto and not sustain it so this sale cannot go through. I thank the distinguished ranking member of the committee, Senator PELL.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. I yield 5 minutes to the Senator from Delaware.

Mr. BIDEN. I thank my colleague.

Madam President, in the 1600's Voltaire said, "If we believe in absurdities, we are bound to commit atrocities." I suggest to you that our Middle East policy under both Democrat and Republican Presidents has been riddled with some absurdities. One of the absurdities is the mythical notion that the Saudis, even if they were so predisposed, are able to be agents of change and able to be agents of United States interests in the Persian Gulf region. The fact of the matter is I find myself falling somewhere between my colleagues from Arizona. I think the criticisms of Saudi Arabia's willingness to defend the PLO, of Saudi Arabia's unwillingness to speak more forcefully in the United Nations on behalf of the United States, the criticism of the Saudi's unwillingness to be a more positive force in the peace process are a little unfair to the Saudis. Quite frankly, the Saudis are an 80-member family oligarchy that finds itself adrift in the middle of an Islamic revolution the consequence of which they do not comprehend any more than we. The Government of Saudi Arabia is the anachronism of the 20th century in the Middle East, and the fact of the matter is, to use that phase twice, the Saudis have no choice but to fund the PLO; the Saudis have no choice but to be supportive of their Arab brethren; the Saudis have no choice but to do that, for in fact about 55,000 Palestinians control the infrastructure of Saudi Arabia. They literally have their hands on the spigots, the spigots that control the oil.

So I would suggest to my colleagues we should not be viewing this so much in terms of whether or not the Saudis are good guys or bad guys. We should view it in terms of what is realistic.

Madam President, it is this Senator's opinion that it is totally unrealistic to expect the Saudis, with or without our help in terms of arms sales, to do anything other than maintain a policy which is not particularly helpful to our interests. Furthermore, I would suggest to my colleagues in the Senate that we are doing a disservice to Saudi Arabia. Up to now, Saudi Arabia in Middle East wars, and God forbid there should be another one, has been able to say to their Arab brethren, when their Arab brethren have said "Come to the mutual aid of the Arab world," they have nothing to send, no great standing army, no bevy of sophisticated weapons. They have been able to stand back and say, "We will hold your coat and send money."

I believe the Saudis do not want to have a war with Israel. But I believe that once we send their arsenal soaring in terms of sophisticated weapons, they will be put in the untenable position, the next time there is a conflict in the region, of having to get directly involved, of having to move with their Arab brethren for, if they do not, they will be moved.

Now, I think we should be much more sophisticated about how we view this. It is not as my friend from Arizona [Mr. GOLDWATER] suggested. This does not have anything to do with Israel. We can sell these weapons to the Saudis and it will not fundamentally change Israel's balance in the region.

But if we sell these weapons to Saudi Arabia, we will be putting Saudi Arabia further and further in the hole, where they are bound as a matter of their own regional self-interest to support whatever would come next.

I suggest to my colleagues that we should oppose this sale because it is a reflection of the lack of a coherent policy any more than any single act we have taken in the Middle East. We do not have a Middle East foreign policy at this moment, and to suggest that we are going to substitute an arms sale package for a policy is to suggest that this is a litmus test once again. I have been here 14 years. I am tired of being subjected to litmus tests by the Saudis, litmus tests by anyone else. We should move in what is the naked self-interest of the United States of America. If we wish to help the Saudis, what we should be doing for Saudi Arabia is helping them with their infrastructure as it relates to their domestic security requirements. We should be dealing with not whether or not they have AWACS aircraft and sophisticated weapons. And I realize this is not AWACS. We should not be dealing with that. We should be dealing with their ability to protect their own internal security.

The last comment I will make, Madam President, is that as we look at the Middle East, it is about time we stop, those of us who support, as most of us do, Israel in this body, apologizing for our support for Israel. There is no apology to be made, none. It is the best $3 billion investment we make. Were there not an Israel, the United States of America would have to invent an Israel to protect her interests in the region. The United States would have to go out and invent an Israel.

My colleagues and I on the Foreign Relations Committee worry at length about NATO, and we worry about the eastern flank of NATO, Greece and Turkey, and how important it is. They pale by comparison, in terms of the benefit that accrues to the United States of America.

I say to my colleagues that Saudi Arabia's interests lie as much in the existence of an Israel as in the existence of any other country, for Israel cannot afford, nor could we, for Saudi Arabia to be toppled, nor could that occur in a way that would be able to be prevented as a consequence of selling these sophisticated weapons.

Let us shed the myth. The Saudis are not bad guys. They are fine people. but they do not need these weapons. It will hurt them and hurt us. It is against the interests of the United States.

I thank my colleagues for the 6 minutes. It is a welcome time.

□ 1230

Mr. PELL. Madam President, I yield 3 minutes to the Senator from Georgia.

Mr. MATTINGLY. I thank the Senator.

Madam President, to get to the point, I will vote to override the veto of the resolution of disapproval.

The removal of the Stinger missile from the proposed Saudi arms sale package does not remove this Senator's reason for opposing this sale.

I think peace in the Middle East cannot be achieved by arms sales alone. Therefore, the regional stability is not necessarily enhanced by a weapons sale.

I am also troubled by the Saudi arms sale in reference to Saudi Arabia's inability to visibly lend its considerable influence toward a Middle East peace agreement. It is difficult, I believe, to justify a sale of any weapons to a country that provides support to organizations such as the PLO.

We in this country must have a unified policy and a coordinated policy in the Middle East that seeks both peace in the region and an end to terrorism. That policy may include arms sales to nations in the region that share our interests and that through words and deeds publicly support peace and condemn and combat terrorism. It must also possess interests that do not contradict our national interests.

It is no small matter to oppose the President on such an important foreign policy initiative, and I do not do so lightly. But I do so because we, as a nation, need more guarantees than we are getting for this proposal.

The question on this sale is, which should come first: Would the arms sale ensure positive, visible action for peace, or would a positive, peaceful action on behalf of peace ensure this arms sale? For me, the answer is easy. I am convinced that this is the wrong arms sale to the wrong nation at the wrong time.

Therefore, I will cast my vote in opposition to the proposal.

Mr. LUGAR. Madam President, I yield 3 minutes to the distinguished Senator from Rhode Island [Mr. CHAFEE].

Mr. CHAFEE. Madam President, I am fully behind the President's decision to sell these arms to Saudi Arabia. I agree with him that congressional disapproval of the sale was ill-advised and shortsighted, and I urge all Senators who voted against the sale to think over today's vote very carefully. This sale is in the best interests of the United States, and it seems to me that that is the criterion by which we should be guided.

In order to outline why I oppose the resolution of disapproval passed by the Senate a few weeks ago, let me review the main arguments upon which that resolution was based. First, opponents of the sale argue that Saudi Arabia does not need these missiles. In my opinion, Saudi Arabia is a far better judge of its own defensive needs than are the Members of Congress. Situated as it is in the heart of an extremely unstable, turbulent region, Saudi Arabia is in dire need of better air defense capabilities. Although the Saudi Air Force possesses only 60 modern fighter planes, it must protect an airspace equal to that of the Eastern United States. The Sidewinder and Harpoon missiles contained in this package would greatly assist the Saudis in preventing the Iran-Iraq conflict from spilling over into their country.

I need not add that such an expansion of the gulf war would threaten vital U.S. economic interests in the Middle East, particularly access to the gulf itself. I think that is clear, and we all recognize that. At least, we know it and we should recognize it. Let us not forget that when they defend the gulf, the Saudis defend a key United States strategic concern. If we begin now to back out of our longstanding arms supply relationship with the Saudis, the chances of direct United States military involvement in the region will be greatly increased.

A second major argument against the sale is that Saudi Arabia doesn't deserve these missiles. Opponents claim that the Saudis have not contributed to the Mideast peace process, but rather, have actually stood in the way of peace.

Well, I am not sure that we apply to all the nations we deal with a requirement that they deserve to be able to purchase arms from us. Indeed, we do not apply it to many countries we deal with, to which we give grants or loans on a very generous basis.

I agree with the President that Saudi Arabia, an important Mideast friend of the United States for 40 years, continues to play an extremely important role as a voice of moderation in the Arab world. They share many interests with the United States, and have assisted us in a number of significant ways. As the President's national security adviser, Adm. John M. Poindexter, recently wrote:

> The Saudis worked closely and diligently with us in the search for a peaceful solution in Lebanon. They continue to provide critically needed support to the Afghan freedom fighters, to the government of Pakistan and to moderate forces in Sudan. They provide important support to the World Bank and the IMF, and are one of the few countries with which we maintain an important positive balance of trade.
>
> The Fez Plan of King Fahd helped transform the 15-year-old Arab consensus of confrontation with Israel into a quest for an acceptable basis for peace. This major Saudi diplomatic effort with other Arabs provided a crucial underpinning for individual efforts such as King Hussein's initiative. It constituted a significant step toward enabling the Arab world to come to terms with the need for peace with Israel.

Most important, the Saudis are a key pro-Western presence in the Middle East, who have demonstrated their willingness to stand up against Arab radicals. They continued to support Jordan when King Hussein flew in the face of the extremists by restoring relations with Egypt and working for negotiations between Israel and the Palestinians. More recently, the Saudis played a leading role in blocking an Arab summit sought by Qadhafi in order to condemn the United States raid on Libya. They also refused to support Qadhafi's proposal of pan-Arab sanctions and an embargo against the United States. The refusal of Saudi Arabia and Jordan to give their support to Qadhafi's anti-American schemes so infuriated the Libyan leader that he discussed a possible Libyan withdrawal from the Arab League.

The third major argument of the sale's opponents ties the Saudis to Mideast terrorism, and portrays this sale as a contribution to Arab terrorist groups. Like all other Arab States, the Saudis undeniably have ties to Syria and the Palestinians, but to equate the Saudis with these other Arabs is absurd. This argument demonstrates a

dangerous inability to distinguish Arab friends from Arab enemies.

Despite the Saudis' obvious moderation, their refusal to participate in Qadhafi's anti-American schemes, and their willingness to address United States concerns about terrorism, there are some who continue to oppose this sale. I am baffled by their reasoning, and hope that they will consider one final point. If this sale is requested, in addition to sending a message to Saudi Arabia and the rest of the Arab world that we are now unable to maintain any friendships with Arabs, a rejection of this sale would play directly into the hands of Qadhafi and his ilk. Following the Congress' initial disapproval of the sale, Libyan propaganda seized on this rebuff of Saudi Arabia, the country which had, as I mentioned, thwarted Qadhafi's attempt to call an anti-American Arab summit. The Libyans stated:

> The child-killer Reagan administration has refused to supply Saudi Arabia with the weapons it has been trying to get from the U.S. . . .The Arab rulers who expected U.S. gratitude for impeding the Arab summit and its confrontation of the barbarous U.S. Atlanticist aggression on the people of [Libya] got nothing from the U.S. administration except being insulted and forced to bow.

We must show that the United States knows who its friends are and what policies are in its best interests. Our efforts to counter anti-American and Soviet-influenced states such as Libya, Iran, and Syria, rely heavily on our continued close ties with traditionally friendly states such as Saudi Arabia.

If the sale is rejected, the United States will have humiliated a friend and will have stated publicly that no longer do we wish to be a player, to exert any influence in an area of the world that is of extraordinary importance to us.

Mr. PELL. Madam President, I yield 5 minutes to the Senator from Pennsylvania [Mr. SPECTER].

Mr. SPECTER. I thank the distinguished Senator from Rhode Island.

Madam President, I oppose the sale to Saudi Arabia because I am convinced that it is contrary to the best interests of the United States, and I think so essentially for three reasons.

One reason is the failure of Saudi Arabia to support United States policy in opposition to terrorism.

Second, the Saudis have not supported the United States in the United Nations.

Third, the Saudis have not fulfilled their obligation and commitments previously made to be supportive of United States policy in the Mideast peace process.

On the issue of terrorism, I suggest that there is no greater problem facing the world today than the problem of terrorism. When I first became concerned about this matter, when the Libyan diplomat murdered the British policewoman several years ago, I introduced a resolution for a revision of the Vienna Convention on Diplomatic Immunity; and I have pressed hard to have terrorism treated as an international crime, to be prosecuted in a Nuremburg-type proceeding.

When the United States has acted against terrorism worldwide, especially in the Middle East, the Saudis have not been supportive of United States policy and, in fact, have been supportive of the terrorists, of the PLO.

□ 1240

When the United States pursues its position in the United Nations, the Saudis have an abysmal record of opposing United States policy.

On the critical question of whether the Saudis have supported United States policy in the Mideast peace process, I had an opportunity to question Secretary of State Shultz in some detail on this issue because I have been concerned about it for some time. The Secretary of State came before the Foreign Operations Subcommittee of the Appropriations Committee last March, almost 3 months ago. I asked the Secretary of State this question:

> Mr. Secretary, could you give me one illustration of a significant Saudi contribution to the peace process, and if you would prefer to do it, if it is sensitive, not on the record, I would understand that.

Secretary of State Shultz responded:

> Mostly what the Saudis do, they do as quietly as they can, that is their way of doing things. I believe that they have tried to exert a positive influence.

My followup question:

> Is that as specific as you can be?

Secretary Shultz responded:

> I can be more specific, but I don't want to violate their own pattern of operation by making public comments about it.

My followup to this effect:

> I can appreciate that, and that is why I said, if it is something that you would prefer to discuss not on the record, in public, I would be willing to accept a different procedure for the specification.

And I continued:

> I would say to you, Mr. Secretary, that there is a lot of concern in the Senate on this issue, as to what the Saudis have done. You say that it is done quietly. It has been inaudible as far as this Senator is concerned. I would be pleased to pursue it with you outside of the public arena, but I do want to have as much specificity as possible.

Madam President, the administration has not provided either on the record or off the record any substantial evidence of participation by the Saudis in the Mideast peace process.

It is this Senator's view that until they do so we should not sell them arms, simply stated.

When this matter came before the U.S. Senate a few weeks ago the vote was 73 in opposition to the arms sale. Only 22 supported it. Senators on all ranges of the political spectrum, from all persuasions and all sections of the country in a very compelling 3-to-1 vote opposed the sale because the Saudis have not supported United States interests.

That is why I am opposed to the sale and urge my colleagues to do the same.

Mr. President, I yield back the remainder of my time. I thank the distinguished Senator from Rhode Island and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. I yield 3 minutes to the distinguished Senator from Maryland, Senator MATHIAS.

Mr. MATHIAS. Mr. President, Dr. Holmes, Oliver Wendell Holmes, Sr., used to say that the value of repetition is in direct proportion to the value of what is being said. On that theory, I am going to repeat some of the arguments I have made on this subject because I do think they are important.

The first principle that we are confronted with in this debate is a very simple principle. It is the principle of what is in the interest of the United States of America?

That is by far the most important principle which is before us, what is in the interest of the United States of America?

I submit that any objective analysis of this sale—the weapons involved, the timing, the effect of approval or disapproval on the position of this country on the United States, in a vital region of the world—must conclude by finding that the sale is in our national interest.

Unlike some other areas, our basic objectives in the Middle East are well-known and widely shared: They are as I see them, to assure the security of Israel, to encourage the stability of moderate governments in the Arab world which surrounds Israel, to promote our access to the richest energy reserves, and to limit Soviet influence in the region. I think no one has outlined the interests and responsibilities—and the headaches—of the United States in this complex region more accurately than Abba Eban, who as every Senator knows is the former distinguished Foreign Minister of Israel.

> The United States, Eban wrote in his 1983 book, the New Diplomacy, is today the guarantor of Israel's security and economic viability, the protector of the gulf oil states, the source of the region's development aid programs, the friend and supporter of Egypt, Lebanon, Jordan and Saudi Arabia, and the assiduous conciliator whenever region tension threatens to burst into flame.

That all adds up to a very difficult challenge in an extremely diverse and complex region. It adds up to a singular position, one acquired only after years and years of painstaking diplo-

matic effort—diplomatic effort that has left us as the sole power with good relations with most sides. We are perceived as genuinely able and willing to talk to all sides and it is extremely important that we not lose that capability. My trip to five countries in the region in February convinced me that there has been an erosion in our influence—but it is certainly not irreversible.

Prospects for a peaceful, comprehensive settlement in the region may seem remote at this time. For a number of reasons, the peace process is dead in the water at the moment. But the Middle East, as anyone who has spent much time there knows, defies simple, quick solutions. Only patient, but steadfast pursuit of progress toward peace and understanding will produce the end result we seek.

We will not enhance our ability to pursue a broader peace by rejecting this sale—for several practical reasons.

We have had a defense relationship with the Kingdom of Saudi Arabia for more than four decades and rejection of a relatively small provision of arms which they already possess would weaken that relationship. Rejection, furthermore, would encourage Iran, a country of 40 million, to regard Saudi Arabia, a rich but vulnerable land of 6 million, as a more attractive target.

The main arguments against the sale focus on Israeli security and Saudi diplomacy in the Middle East. I have no quarrel with many of the points that have been made. But we should be objective about them. For example, the weapons involved in this package, especially after deletion of the Stinger missiles, do not represent a qualitative change or increased threat to Israel.

Saudi Arabia's role in the Middle East is a more complicated question. The Kingdom often fails to meet our expectations on specific issues in the region—issues ranging from Camp David to support for the PLO. But we must not let our illusions run away with us. Just as we act in our national interest, Saudi Arabia will act in its national interest. Their actions may not always coincide with ours. Yet they often do.

It is easy to headline Saudi contributions to the PLO; shouldn't we keep in mind the millions more that they give to Jordan and other moderate Arab states? Can we brush off the millions that Saudi Arabia gives to the World Bank and the International Monetary Fund?

It is easy to criticize Saudi Arabia for not voting with the United States x percent of the time in the United Nations. Can we dismiss the Fez plan of King Fahd, which helped shift the Arab consensus from confrontation with Israel to a search for a basis for compromise?

It is one thing to single out a Saudi criticism of the raid on Libya. Shouldn't we also take account of the results of Libyan demands for an Arab summit? Absolute silence, that was the result.

A fair assessment of this sale requires a balanced review of actual conditions in the Middle East and our national interests. In truth, the proposed sale will not cause the grave damage that many of its opponents claim it will, nor solve all of the legitimate security concerns that some of its supporters wish it could. Yet, the sale is consistent with our national interest; it is especially important to maintaining that multifaceted role described by Abba Eban, of the United States as friend, as guarantor, as protector, as supplier, and as assiduous conciliator.

Mr President, I will vote to sustain the veto of the resolution.

Mr. PELL. Madam President, I yield 5 minutes to the Senator from Connecticut [Mr. DODD].

Mr. DODD. I thank the Senator from Rhode Island, Madam President.

Mr. MATHIAS. If the Senator will yield, I did not conclude my remarks, but I was interrupted.

Mr. DODD. Rather than simply read another in a series of 100 statements that do not seem to be interconnected, I would like to identify and speak directly to some of the points raised here today, in particular those of our colleague from Maryland. I have great respect for his ability and find myself in agreement with him far more than not.

He raised the first, and I think the important, question: "What is in the best interests of the United States?"

Too often, I think, when we engage in foreign policy debates, we end up appearing as though we are arguing about the interests of other nations rather than our own interests. We appear to be more concerned about the Israelis or more concerned about the Saudis, in this particular case, than we are concerend about the United States. In this regard, my colleague from Maryland is once again accurate.

The issue ought to be what is in our best interest here. What makes the most sense for the United States in this, one of the most unstable yet important parts of the world?

We come out with different answers to that particular question, as oftentimes happens when we have a debate of this nature. My concern, Madam President, is that while clearly Saudi Arabia has been helpful from time to time on issues—and there is no question about that—it seems to me that this sale raises two pressing issues that demand attention more than any others.

Almost 5 years ago, Madam President, I asked the administration if they could at the outset identify clearly what the policy guidelines would be for the Reagan administration in the Middle East, and I asked the President to give us some sense of where they would like to take the Camp David accords and other such measures in the next 4 or 5 years.

I never received an answer to that request. What is most disturbing and most frustrating today is the fact that 5 years later, even though many of us here may disagree on the merits of this particular sale, I think all of us could agree that this administration has a blank agenda when it comes to the peace process in the Middle East. And the grim reality is that if there is no pressure for peace, there is pressure for war.

We have seen in recent weeks a pressure mounting for war. Both Syrian and Israeli troops have amassed on the border of Syria and Israel in the Golan Heights. The danger has seemed at moments critical, though it is now somewhat diminished.

The fact it has diminished does nothing to dismiss the prospect that we may once again see a violent conflict in the Middle East.

It is absolutely essential that we do not lose sight of the awesome stakes with which players operate in that region. When tension increases and threats are exchanged, we are not talking about a quorum of statesmen sitting around a table; we mean divisions shifting, artillery entrenching, and soldiers taking aim. Which brings me to what is really the major issue, and that is the peace initiative.

I am not going to add my remarks to the already extensive discussion about the oil embargo of 1973, the price increases of 1979, the refusal to listen to our Vice President's most recent pleas in the Middle East. Those are valid issue which concern our economic relationship with Saudi Arabia, and they are issues which should be raised.

But the major problem arises with concern for the peace initiative. Here you have a country which despite its claim of moderation, persists in its refusal to reestablish diplomatic relations with the country of Egypt.

All of us in this Chamber have heralded over and over again what Egypt did in the Camp David accords, expressing our universal approval of that initiative. But in us Saudi Arabia has inspired our expressed resentment because of the cold shoulder they turned to that courageous act by Anwar Sadat and the courageous activities of President Mubarak, since the death of Anwar Sadat, to continue the effort toward peace, despite incredible pressures.

We have Saudi Arabia rejecting the President's proposal in 1982 to try to get a peace process moving. We even saw Saudi Arabia recently reject the efforts of King Hussein and President Mubarak to try to make some progress in the Gaza.

□ 1250

And we have seen them oppose the President in Lebanon.

And on every single front where we have pushed for positive results—even though many of us feel we have not pushed enough—the one country that we provided 50 billion dollars' worth of military equipment to in the last 13 years has rejected our efforts—Democratic efforts, Republican efforts, or administration efforts—over and over again.

The sale does not involve a lot of money. But it is essential that we now assert to the Saudis that we mean serious business. If they join us on this effort and they support this effort, then they can count on U.S. support. The stakes are too high for this country to countenance any longer collusion with extremists, and diplomatic intransigence.

For that reason, Madam President, I will vote to override the Presidential veto in the hopes that Saudi Arabia will understand that they cannot continue this pattern of behavior.

Mr. JOHNSTON. Madam President, will the Senator from Rhode Island yield me 3 minutes?

Mr. PELL. At this point, I cannot do so because there are several Senators ahead of you.

Mr. LUGAR. Madam President, I yield 2 minutes to the distinguished majority whip, Senator SIMPSON of Wyoming.

Mr. SIMPSON. Madam President, I want to commend Senator LUGAR who brings before us these terribly nettlesome, troublesome things and, with his superb steadiness and sturdiness, he prevails because he keeps us focused on what it is we are up to. Here is what we are up to—amidst other things as to arms sales and so on—it is really friendship. The friendship of Israel and the United States.

My mother and father lived there for a brief period of time in its nascent beginnings as a nation. I am one who it totally sympathetic with Israel.

The friendship with one cannot be at the exclusion of others. "Almost perfect" is, apparently, not good enough in some cases with regard to friendship. I guess I just wanted to share with you that it is rather troubling to me, as I see the debate go, that you must be with me all the way or you are not for me. That is not the way I feel. Oh, I have flunked the test a couple of times with AWACS; yes, indeed, I remember that. But, generally, I have been right there to support this amazing country.

Friendships are based upon mutual trust and respect and loyalty. You do that by being up front and very loving and very caring. Our fine President is a true friend of Israel. And, boy, we need all the friends we can get anywhere in the world, whether it is Saudi Arabia or Israel.

But you cannot build friendship on threats or intimidation or talk of political retribution or recrimination or the ancient political game of "keeping score," which is offensive to all of us on any issue.

So, I just want to share with you that I am troubled. I do not know what the awesome, mythical, metaphysical powers are of some Californian named Michael Goland, but I am willing to find out. But my deep respect for Israel and the struggles that it has inspired in us as a nation are too much for me to let it go past.

My chum is sitting here next to me, RUDY BOSCHWITZ, old number 56—I am number 57 in seniority, and he keeps me well posted on that. He is a dear friend. He has guided me. He has counseled me in these troublesome and sensitive areas. He is a very special friend. As a friend, I have shared these special concerns with him and he has been most helpful.

But the situation does disturb me and I think it must be reconciled. And I want to do that as a friend of Israel. I think unless we do that we will see some very troublesome things take place in our relationship. To have a friend, you have to be one, and it means reaching out and not digging in. I am ready to reassess that friendship and plumb it to a further depth.

Thank you, Madam President.

The PRESIDING OFFICER. Who yields time?

Mr. BOSCHWITZ. Madam President, I ask the distinguished ranking member if I can respond to my colleague?

Mr. PELL. I say to the Senator from Minnesota, if he can do it in 1 minute—there are others ahead of him—in direct response.

Mr. BOSCHWITZ. It is a direct response to No. 57 from No. 56.

I know that the Senator from Wyoming's family and father were among the earliest Americans to do business in the State of Israel. He has had a great affinity for it.

I would, however, say that what he says, "If you are not with me all the way, you are not for me," that perhaps some can characterize one lobby or another that way. But certainly most lobbyists—as a matter of fact, be it union or farmers or teachers or Israel or any other number of lobbyists—could be so characterized.

But I do not think that this vote that occurred with respect to the Saudi arms package, which was 73 to 22, really was a reflection of one lobby or another, but it was rather a reflection of the Senate's feeling that the Saudis were indeed not truly moderates; that supplying funds to those who conducted terrorism is not an act of moderation.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. BOSCHWITZ. May I have one more minute?

Mr. PELL. No.

Mr. BOSCHWITZ. May I ask unanimous consent that I may have another half a minute to conclude my remarks?

Mr. PELL. Reluctantly, I do not object.

The PRESIDING OFFICER. Does the Senator from Rhode Island yield an additional half a minute; is that correct?

The Senator from Minnesota has another half a minute.

Mr. BOSCHWITZ. I thank you, Madam President, and my friend from Rhode Island just so I can conclude my remarks.

I feel that the Senate spoke that our friends, the Saudis, are not indeed moderates. Voting with us 1 in 8 times in the United Nations is not moderation. Supplying funds to those who engage in terrorism is not moderation. Not recognizing the Egyptians because they have engaged in a peace treaty is not an act of moderation. Being anti-Semitic and still having a war that has not been settled with the Israelis is not an act of moderation.

I think the Senate has spoken. We have never before, Madam President, rejected an arms package. This is a minor arms package.

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

Mr. PELL. Madam President, I yield to the Senator from Massachusetts 5 minutes.

I am sorry, I did not realize Senator D'AMATO was in the Chamber.

Madam President, I withdraw that request and at this point yield 2 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Madam President, I rise today to voice my strong support for the motion to override the President's veto of Senate Joint Resolution 316, which disapproves the proposed arms sale to Saudi Arabia. This legislation, of which I am an original cosponsor, will prohibit the proposed sale of advanced missiles to Saudi Arabia.

Madam President, arms sales to Saudi Arabia is a difficult and contentious issue. Although I commend the President's decision to delete the Stringer ground-to-air missile from the package, I still cannot support any arms package to Saudi Arabia.

This is not the time or the place to be introducing advanced weapons systems into this troubled area of the world. It is in the best interest of the United States and our allies in the Middle East, particularly Israel, that this sale does not go through.

Saudi Arabia still has failed to prove its commitment that it will work for peace. Saudi Arabia supports two of America's main terrorist threats,

Libya and Syria. In addition, the Palestinian Liberation Organization has been provided substantial monetary assistance from Saudi Arabia.

I hope that we would have learned our lesson that it is dangerous to introduce these kind of sophisticated weapons into areas that are unstable. We must be careful when we provide such modern arms to nations that proclaim their allegiance to this country but do not have the ability to determine over a period of time how those weapons will be used.

Madam President, it was not that long ago that we poured billions upon billions of dollars of weapons systems into the Government of Iran. The Shah of Iran was heralded as that strong bastion against communism.

Of course we know the sorry legacy. The fact of the matter is that those weapons are now at the disposal of the Ayatollah Khomeini. I suggest today there is no one here in this Congress or in the administration who can claim that the Saudis are so stable in nature and in character, that a similar scenario may not, and could not take place. I believe we tempt fate and we follow along the same very dangerous course of action by providing sophisticated weapons to Saudi Arabia.

The United States has supplied Saudi Arabia with over $44 billion in arms since 1971, $22 billion during this administration alone. I do not believe that this additional sale is necessary to prove our friendship to Saudi Arabia or to better protect this Middle East nation from attack. I seriously question whether Saudi Arabia truly needs the additional missiles. This sale cannot be urgent if the missiles are not going to be sent to Saudi Arabia until 1989.

Mr. President, this is just a preliminary sale. The administration, I expect, will come back in the near future and ask to sell even more sophisticated and potentially destabilizing weaponry. It is important, therefore, that we stop this sale now.

Saudi Arabia has not even lived up to the AWACS agreements. Congress was assured at the time of that sale that future deliveries to Saudi Arabia of AWACS and other advanced arms would take place only if peace efforts in the region have the substantial assistance of Saudi Arabia. Such assistance has not been rendered.

Our total arms sales to Saudi Arabia since 1950 are larger than those to any other nation. No other nation has exceeded $12 billion in total arms purchases during this time period. In fact, total arms sales to all of our European allies combined amounted to just $50 billion during the last 3½ decades, barely more than Saudi Arabia's purchases alone. Last year, by purchasing $3.5 billion of American arms, Saudi Arabia purchased 25 percent of all United States arms exports.

These facts, coupled with the recent purchase of advanced fighters from Great Britain, make it difficult for me to believe that this sale is important to the security of Saudi Arabia. There are other, less lethal and less destabilizing goods we can sell to Saudi Arabia to show our friendship.

It is not in the best interest of the United States and our allies in the Middle East, particularly Israel, that this sale go through. Saudi Arabia still has to prove that it truly stands for peace in the Middle East before the United States provides billions more in military sales. Sales of our sophisticated weaponry should be sent for use as a deterrent to aggression and as a reward for strong efforts toward peace and stability. They should not be used simply as an incentive for nations to move toward peace. Saudi Arabia has not proven it deserves to be rewarded.

Mr. President, I again urge my colleagues to override the veto of Senate Joint Resolution 316 and put the ball in Saudi Arabia's court to truly demonstrate their moderate Middle East posture.

Thank you, Mr. President.

Mr. PELL. Mr. President, I yield 5 minutes to the Senator from Massachusetts.

The PRESIDING OFFICER (Mr. GRASSLEY). The Senator from Massachusetts is recognized.

Mr. KERRY. Mr. President, I join my colleagues, those who have spoken in support of the override of the veto with respect to this sale.

I would like to address the comments of a number of my colleagues who have asserted that the Saudis indeed contributed to the peace process, and that somehow should be part of our measurement of whether or not we in return should thank them with an arms sale.

It has been pointed out by proponents of the sale that the Saudis have been helpful to the resolution of crises throughout the region. The only examples we've heard include Saudi support for King Hussein's attempts to initiate peace talks with Israel and not to carry through King Fahd's earlier peace plan for the region; the Saudis role in attempting to bring peace and stability to Lebanon; pressures the royal family have brought to bear in bringing a settlement to the Iran-Iraq war; the assistance the Saudis have provided for the Afghan freedom fighters.

But in most of those cases, Mr. President, by most standards that we ought to be judging how the peace process moves in the Middle East—in other words, whether or not people take the kinds of steps that President Sadat took where they are really declaring publicly against a perceived instance. In most of those steps the Saudis were moving privately in conjunction with their own interests, not against—specifically the Iran-Iraq war, two Islamic nations, a case in point, or the freedom fighters in Afghanistan where again you have a predominantly Muslim country which is another example where it is in their interests to try to assist. But Lebanon today we know remains in shambles, and not the least of the reasons for its remaining in shambles is Syria's involvement therein. And we see the Saudis continuing to support Syria in significant ways.

Most importantly, however—and I have just returned from spending 6 days in Israel where I had occasion to meet with Prime Minister Peres, Yitzhak Shamir, and Yitzhak Rabin, and others. Not one of those leaders of Israel in a private wink or blink of an eye, nor in the most private conversation were willing to insinuate, believe or assert or otherwise indicate that this sale could somehow operate in the interests of Israel, No. 1; No. 2, that the Saudis had in any way significantly or otherwise contributed to the peace process.

The Saudis refuse to this moment to accept Resolution 242 and 338 which are the foundation of American policy, and of the American process to create peace in the region—simple, simple statements that assert a right of Israel to exist. And the Saudis are unwilling publicly even to state their support for that right to exist.

The Saudis failed to support President Reagan's one major comprehensive peace proposal for the region in 1982 and even went so far as to discourage King Hussein of Jordan from entering negotiations based upon that proposal.

My colleague from Connecticut pointed out how after the great efforts that we applauded of President Sadat, who placed his life on the line in the interests of peace, and every Senator said how great, strong, and important that was for the process, and the Saudis to this day have not renewed the diplomatic relations that they cut off with Egypt as a consequence of those actions for peace which we applauded.

As a major financial backer of Syria, the Saudis refrained from exercising any influence to persuade President Assad to cease his opposition to the entrance of Jordan into the latest attempt to resume the peace process. And while Saudi Arabia is a major financial backer of King Hussein, public support for the King's attempts were not forthcoming from the royal family.

Mr. President, it seems to me that we have to be realistic about our policy in the Middle East. It is not enough for us to constantly say that by the sale of weapons, which everybody acknowledges they will get anyway, we are somehow going to

change the direction of policy in the Middle East. It is not enough for us to say that we always have to be the ones to take the symbolic action that is somehow going to move another Arab nation to do something they have as yet been unwilling to do.

It seems to me that we have a right to expect that we send some symbolic message, and that we expect something more of their behavior. And I believe that until they are willing to accept the right of Israel to exist, until they state publicly that the peace process must move forward, until they take some kind of action which is against their interests but in the interests of peace, you do not have a committed partner. That is why the talks are statemated today.

Every Palestinian I talked to over there choked over the notion of admitting that Israel has a right to exist. Until a nation stands up and makes that admission, you cannot have peace by definition. We should not be rewarding that lack of action by the sale of weapons whether it helps them or does not.

Thank you, Mr. President.

I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. I yield 4 minutes to the Senator from New Jersey, Mr. LAUTENBERG.

The PRESIDING OFFICER. The Senator from New Jersey may proceed.

Mr. LAUTENBERG. I thank the distinguished minority manager of the bill.

I rise to urge override of the President's veto of this resolution because very frankly removing the Stingers from the package cannot take the sting out of the sale.

I think it is a bad idea to sell weapons to the Saudis. They have expressed hostility constantly and continually to the American foreign policy objectives. I have to ask when are they required to pass the litmus test. We are being told that it is a measure of our commitment to our friends. I would like to see an occasion when the Saudis honor a commitment to us, if they consider us friends.

The argument is presented that says our credibility will be undermined if the sale does not take place. But I would like to remind those listening that the Saudis have already received more weapons of this type than all of our other allies combined. How many weapons must we sell them? How much must we deliver before we stop having to pass the test?

I think if we ask Saudi Arabia to submit to the same measure of testing, they would flunk the test. Saudi Arabia continues to offer support to Libya, to the PLO, to Syria. They have openly supported Qadhafi, our sworn enemy, and particularly after the attacks on the airports in Rome and Vienna, and after our attempt to reduce the threat of terrorism with our attack in the Gulf of Sidra.

Saudi Arabia supports the PLO terrorists, to the tune of $114 million each year. She supports Syria, who though in recent weeks tries to exclude herself from the role of terrorists has in the past been openly and directly involved with the terrorist movements to the tune of $500 million a year from her friends in Saudi Arabia.

This is an act of continuing declaration of hostility to Israel. Saudi Arabia opposes peace with Israel, our most steadfast ally. She has worked against American peace efforts. The fact that we have a Camp David accord, the fact that we have a nonhostility agreement with Lebanon, the Reagan plan, and even the hint of negotiations on a direct basis with King Hussein has drawn the objections of Saudi Arabia. And they voted time after time in the United Nations on resolutions hostile to Israel and the United States. Despite the fact that our relationship with Israel is relatively speaking sacrosanct, she continues to exist in a state of war with Israel.

□ 1310

This sale could be used at another time and we can achieve the political goals more effectively. We can do it by signaling to the Saudis that we are not going to continue to support them unless we get something in return. I share the goal of better diplomatic relations.

We have already signaled to the Saudis in many ways that count that we are their friends. We have four U.S. AWACS in the gulf. We sent F-15's when they needed them. We have sold them more military goods and services than is required to defend themselves, $50 billion worth.

So I conclude, Mr. President, that when we look at the Saudi lack of support for our foreign policy objectives, when we see that there is a lack of military need for this sale, I think it makes a strong case for telling the Saudis once and for all that there is no sale, and I urge my colleagues to override the President's veto.

Mr. LUGAR. Mr. President, I yield 3 minutes to the distinguished Senator from Nevada.

The PRESIDING OFFICER. The Senator from Nevada is recognized for 3 minutes.

Mr. HECHT. Mr. President, on May 6, 1986, I voted against the proposed sale of arms to Saudi Arabia. Today, my feelings have not changed. However, the vote today is different. The prestige of the Presidency of the United States is at stake. Obviously, the vote today is more palatable with the removal of the Stinger missiles, but there are other considerations.

The President of the United States is making progress with the moderate Arab States in negotiating for peace in the Middle East. I feel a rebuff of the President would be a step in the wrong direction. It would promote consequences far worse than an arms sale 3 years in the future with weapons Saudi Arabia now has and which pose no overall threat to Israel.

Since becoming President, President Reagan has demonstrated that he has been one of the best, if not the best friend Israel has had in the White House. Iran, Syria, and Libya all are a threat to Saudi Arabia. President Reagan must be allowed to continue to bring the moderate Arab States closer to America and the free world, and not send them in the direction of the Soviet Union which has supplied many, many billions of dollars in arms to Libya and Syria.

On May 21, 1986, I met personally with President Reagan and Admiral Poindexter, and told them of my decision to back the President on this vote. I then asked if I might bring up two concerns that were on my mind. President Reagan graciously agreed, and I stated that I felt that the nearly $2 billion annually that Israel pays in interest to the United States at an average rate of about 12 percent was not justified. Israel spends approximately 25 percent of its gross national product on defense. We spend in the area of $130 billion for NATO and are unable to fly planes across parts of Europe. We spend approximately $30 billion to insure the defense of Japan, and they spend less than 1 percent of their gross national product for defense. Without Israel spending such huge sums, America would have to spend countless billions more for defense of the Middle East.

My other concern was the plight of the Soviet Jews in Russia. I told President Reagan that my late mother was an immigrant from the Soviet Union, and only by the grace of God am I standing before you today in the U.S. Senate. I urged the President to place increase emphasis on the release of thousands of Soviet Jews before the next summit conference. Those who are allowed to leave the Soviet Union, Mr. President, should not be just elderly, but children, teenagers, doctors, and scientists. All should be allowed the basic human right of freedom. President Reagan expressed tremendous concern, and I feel he should be given the opportunity to continue to expand his foreign policy with the backing of the U.S. Senate on the broad peace process which he has undertaken.

In my deepest conscience, I want to reiterate that I believed that this proposed sale, poses no threat to America's strongest ally in the Middle East, Israel.

Mr. President, my decision to support President Reagan is not taken lightly nor without considerable thought and deliberation. But, as I have stated, and I firmly believe, the interests of both the United States and Israel are met in this sale and I urge my colleagues to support the President.

Mr. PELL. 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. JOHNSTON. 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. PELL. Mr. President, I yield 4 minutes to the Senator from Louisiana.

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

Mr. JOHNSTON. I thank the distinguished Senator from Rhode Island.

Mr. President, this issue has been as well lobbied as any that I have heard in recent months and indeed maybe in recent years. When I say well lobbied, it has been lobbied by people of skill and capacity and intelligence. And they have made some real points and I think some valid points.

Point No. 1: Saudi Arabia is a moderate Arab State. Moderation in Arab States should be encouraged. I will accept that point.

Point No. 2: The Saudi Arabians at least can have a case made that they are friends of the United States and that ought to be encouraged. I will accept that point.

Point No. 3: The United States acts in foreign policy through the President of the United States, and as a Nation, we ought to back the President in the formulation and execution of foreign policy wherever that is possible. I will accept that point.

These are valid and strong points.

But then we get down to the question of the arms sale to Saudi Arabia, and we have some balancing interests on the other side.

Saudi Arabia is not our only friend, indeed not our chief friend, in the Middle East. Clearly, we have no stronger ally anywhere in the world than Israel. We have no ally who puts itself on the line in our defense with its lives more than Israel does.

So their concern in this matter is of concern to us as well.

What we get down to, Mr. President, as the bottom line, is not who is a friend. Israel is a friend. Saudi Arabia is a friend, although perhaps we can argue the case about whether they have exhibited that friendship as thoroughly as they should. A very strong case can be made that they have not.

But the bottom line is, Do they need these missiles? Nobody wants to argue that, Mr. President. All of the argument is, "Well, we have to back up the President" or "The Saudis are moderate" or "They are our friends." But nobody ever argues the question of why in heaven's name do they need the Sidewinder missile or the Harpoon missile.

I am advised that the Sidewinder missile is a very capable air-to-air missile, that they have more of those for F-15's than we have in the American Air Force.

If that is so, why should we be giving them more? Why the Harpoon missile?

Let us examine the threat. They say fundamentalist Arab States like Iran are a threat to Saudi Arabia.

Well, Mr. President, if they are a threat, that threat is through internal subversion, or that threat is on the ground. That threat is surely not through the fourth-rate Iranian Air Force.

The Saudi Arabian Air Force could do the Iranian Air Force out of the sky in the first 5 minutes of battle. They are so much more capable it is not even close. And nobody else threatens the air force of Saudi Arabia.

□ 1320

Nobody is a sea threat to Saudi Arabia requiring the Harpoon missile. So just what is the purpose of these missiles? Is it just to make a moderate stay moderate, or make a friend more friendly? Mr. President, if we are giving out weapons as favors, as tokens of affection around the world, it seems to me we had better reexamine our policy because that should not be the basis upon which to give American weapons out around the world.

Yes, we should not give them to enemies; yes, we should give or sell them only to friends, but sell them only to friends who need them. We should not be in the business of simply handing out favors.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I congratulate the Senator from Louisiana on his remarks. I concur with him in his estimate of the need of the Saudis for these weapons. To my mind, they need them like they need a hole in the head. I think his points are very well taken.

I yield 3 minutes to the Senator from Maryland [Mr. SARBANES].

The PRESIDING OFFICER. The Senator from Maryland is recognized for 3 minutes.

Mr. SARBANES. I thank my distinguished colleague from Rhode Island for yielding. Mr. President, there is a fundamental issue that must be addressed in considering the proposed arms sale to the Saudis—that is, in what way does it contribute to furthering the peace process in the Middle East?

In considering that question, I think it is very important to focus on the difference in approach that has been taken by Egypt toward the question of peace, as opposed to that of the other Arab countries. Egypt made a break for peace. The United States has responded to the Egyptian initiative, both in terms of military and economic assistance to Egypt. We would like to see other countries make a similar break for peace. But what message does it send if a nation can refuse to participate in the peace process and nevertheless receive arms from the United States when the United States has placed such a premium on trying to move the peace process forward in the Middle East?

It is argued that the Saudis are a moderating influence in the effort to achieve peace in the Middle East. But the record shows that they have not only consistently refused to negotiate with Israel but they have also refused to make any public gesture or take any public step in support of negotiations with Israel clearly their position is in sharp contrast to that taken by Egypt.

In fact, not only will they not consider a move toward Israel on the peace front; they in fact have joined in the pernicious effort to isolate Egypt, the only Arab country to move decisively toward peace. They were part of the Arab League decision, in March of 1979, immediately after the signing of the Camp David peace treaty, to break off relations with Egypt. Even today, more than 7 years later, they have been refusing to resume relations with Egypt.

In this regard Jordan has been more forthcoming than Saudi Arabia, resuming relations with Egypt while Saudi Arabia continues to refuse to do so. In fact, the Saudis have been even less forthcoming in indirect contacts with Egypt than certain other Arab countries.

Members must ask themselves whether this is the best way to encourage a breakthrough toward peace. We certainly are not achieving that in terms of the other Arab countries. It seems to me to make little sense to pursue a policy which permits a nation to abstain totally from the peace process, as the Saudis have done, and still continue to be a beneficiary of the arms relationship with the United States.

The message we have to send is that it is necessary to make an effort toward peace comparable to that made by the Egyptians. If a nation is prepared to do more in that fashion, the United States is prepared to respond in a very positive way.

This is the policy we have consistently pursued toward both Israel and Egypt in the Middle East.

We have built a policy on the Camp David accords. It is a policy that fun-

damentally makes sense. The question is, How do we strengthen it? In my judgment, we do not do so by engaging in arms sales to nations that refuse to join the process; if we do that, the lesson is that there is no need to go into that peace process because the United States will be prepared to provide an arms and economic relationship in any event. That is exactly what we are proposing to do. If the sale moves ahead there is no reason for any Arab nation to conclude that it needs to join the peace process.

The proposed sale is, in effect, an open invitation to reluctant nations to stay out of the peace process and yet continue to be the beneficiary of the United States relationship. As such, it is the wrong signal to send. I do not think it contributes toward achieving peace in the Middle East, and therefore I think the sale should be disapproved by the Senate and the President's veto overriden.

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. Mr. President, it appears not only in terms of the logic of the case that has been expressed but in terms of the number of Senators who have spoken, there remains a very strong majority in this body that is opposed to this arms sale. The only question is whether we will achieve the 67 votes we need to reject it. We are very close to that number. I predict that we will have at least 66, which would be 1 short of a two-thirds majority.

There is an even stronger and I believe firm majority in the House against this measure. That is a bipartisan effort in both bodies, a bipartisan expression of viewpoint, with many Republicans and Democrats opposed to the arms sale.

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. CRANSTON. 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. CRANSTON. Mr. President, I yield 7 minutes to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. I thank the Chair.

Mr. President, I urge my colleagues to maintain their opposition to this ill-advised sale of sophisticated United States weapons to Saudi Arabia, and to vote to override the President's veto.

The issue before us is what is best to promote peace and stability in the Middle East. The fundamental flaw in the administration's argument is their position that the United States cannot have good relations with the Arab world unless we sell them arms. In a sense, this issue is a symbol of what is wrong with so many different aspects of the administration's policies.

They prefer a nuclear arms race with the Soviet Union instead of arms control. They prefer military aid to the Contras in Nicaragua instead of the Contradora peace talks. And they prefer arms sales in the Middle East instead of the Camp David peace process.

But peace will not come to the Middle East from the barrel of a gun. The way to bring stability to the Middle East is through a peace policy, not an arms policy.

□ 1330

The United States must not sell advanced weapons to Arab nations who are enemies of Israel, unless and until those nations accept the existence of Israel and take meaningful steps toward lasting peace.

President Reagan claims we need to send the Saudis a message of support, but this administration has already sent them a $22 billion message in arms and services—and the message goes unheeded. We have been holding up our end of this quid pro quo for 5 years—the question is, Where is the Saudi "quo"?

In particular, Saudi Arabia has not lived up to the specific condition set down in writing by President Reagan at the time of the arms sale of 1981, in which the President pledged that no future arms sales to Saudi Arabia would take place until significant progress toward peace in the region is accomplished with the "substantial assistance" of Saudi Arabia. Obviously; that pledge has not been met. Is the Senate now about to look the other way while the administration reneges on its previous commitment?

President Reagan tells us that the Saudis have in fact worked behind the scenes in the search for peace. But the public record shows the contrary.

The Saudis have consistently opposed every U.S. peace initiative in the Middle East since the 1981 AWAC's sale—including the "Reagan Plan" of 1982; the Lebanon-Israel Accord of 1983; and all attempts to revive the Camp David peace process. Not only have the Saudis refused to embrace Camp David, they have actively undermined Egypt with diplomatic and economic sanctions for doing so.

The Saudis condemned the United States when we captured the terrorists who hijacked the Achille Lauro and murdered Leon Klinghoffer in cold blood. And the Saudis were quick to condemn the United States again when we acted against Colonel Qadhafi and his terrorist regime in Libya.

The Saudis continue to bankroll the PLO and Syria. At a time when all Americans are deeply concerned about international terrorism, it is wrong to provide weapons to a country which has consistently supported terrorists, and hypocritical for the administration to try to do it.

The Saudis have encouraged other Arab nations to oppose American businesses which cooperate with Israel; they have even pledged to make good any losses incurred by Colonel Qadhafi because of the U.S. sanctions against Libya.

Clearly, there has been no public progress toward peace in the Middle East in the Reagan years; and no public Saudi assistance in the search for peace.

We are told that these missiles are needed for Saudi defense, especially against the threat from the Iran-Iraq war. But Iran reportedly has fewer than 100 operational aircraft; and threat from Iran would almost certainly involve only a ground attack. These U.S. missiles are anti-aircraft and anti-ship missiles and have no relevance to the Iran-Iraq war. These missiles are not even scheduled for delivery until 1989; Saudi Arabia already has adequate current stockpiles of weapons for its own immediate defense.

And let there be no mistake; although Stinger missiles have been deleted from the administration's new watered-down proposal, the remaining weapons are still highly sophisticated.

The requested Sidewinders will bring the Saudi total to nearly 5,500. These heat-seeking missiles are extremely effective. Most of the 85 Syrian Mig's downed in Lebanon were destroyed by Sidewinders, with an accuracy rate of 80 percent. These also enabled British forces to destroy 19 Argentine aircraft in the Falklands war, using only 23 Sidewinders.

The Harpoon is an air-launched anti-ship missile with a range of up to 85 nautical miles; it is not yet in the Saudi inventory, but it is highly sophisticated and a major new addition to the Saudi arsenal.

We have all been concerned in recent weeks over the rumors of a new Middle East War and the ominous military moves by Syria toward Israel's border. It is easy to imagine which side Saudi Arabia would be on if such a conflict breaks out, and it is even easier to imagine the devastation these U.S. weapons could wreak on Israel.

I hope that the administration will direct its efforts toward moving the peace process forward in the Middle East, rather than moving one arms deal after another through Congress. The best way to achieve that goal is to override this veto and reject this unacceptable arms sale.

Mr. CRANSTON. Mr. President, I yield 4 minutes to the distinguished Senator from Florida.

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

Mrs. HAWKINS. Mr. President, I hate to say it but here we go again. Only last month both the Senate and the House rejected this arms sale to Saudi Arabia in the clearest possible terms. The Senate's vote was 73-22. That is over 3 to 1 in the old math. And the vote in the House was 356-62, over 5 to 1. Rarely in my years in the Senate have I seen such a solid consensus on a foreign policy issue. Liberals and Conservatives, Republicans and Democrats all joined together to say—we cannot support this sale because it is not in the best interest of the United States.

Why is the sale of ultra-sophisticated, state-of-the-art weapons to Saudi Arabia not in the interest of the United States? The reasons are many, but I want to discuss what I believe to be some of the most important. Topping the list is Saudi Arabia's indirect but critical support for international terrorism we are experiencing today. For years Saudi Arabia has provided major financial backing for the Palestinian Liberation Front. It may be that Saudis are not planting the bombs or pulling the triggers on terrorist attacks around the world, but they have financed the PLO's purchase of bombs and other weapons that make the terrorist attacks possible.

There is an old saying, "you can't choose your relatives, but you can choose your friends." I say the Saudis have chosen the PLO as their friends, and I say the Saudis have chosen poorly.

Another of Saudi Arabia's questionable friends is Syria. Syria is second only to Libya as a sponsor of State-supported terrorism, and yet Saudi Arabia has been buddy-buddy with the Syrians for years.

In addition to Saudi Arabia's link with terrorism, there is the problem of potential Saudi instability and the prospects of America's top-of-the-line weapons falling into the hands of an unfriendly power. Saudi Arabia is a land of few people. In order to meet the demands of modernization, the Saudis have had to import thousands of Palestianians, Pakistanis, Taiwanese and others to perform vital tasks. The nature of some of these groups and the important role they play in the Saudi economy pose a serious risk to the regime.

Furthermore, the Kingdom of Saudi Arabia was formed by a coalition of desert warriors under King Saud and radical Moslem fundamentalists. The influence of these fundamentalist elements is still strong in Saudi Arabia, and poses a threat to the modernizing attempts of the Saudi family. Though the domestic factors in Iran before the fall of the Shah and present day Saudi Arabia are different, there is a common theme. That theme is instability—and the possibility of advanced American weapons falling into the wrong hands.

Finally, Mr. President, and perhaps the most important—the unwillingness, or inability of Saudi Arabia to make positive contributions to a Middle East peace settlement. It might be enough if the Saudis were neutral in the Middle East, but they have consistently worked against America's interests. They remain in a state of war with Israel; they broke relations with Egypt when Egypt moved to make peace with Israel, they have supported the obstructionist Syrian regime, and been unwilling to provide public support for Jordon when it was considering moves to improve relations with Israel.

In my view, the record is clear. The record is one of serious Saudi opposition to important American interests in the Middle East.

Now the administration has dropped the Stinger anti-air missiles from this sale, and wants us to reconsider. But I say, "A rose by any other name is still a rose," and a bad idea with a minor modification is still a bad idea.

Mr. President, I hope my colleagues will join me in overriding this veto.

The PRESIDING OFFICER. Who yields time?

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. I yield 2 minutes to Senator RIEGLE.

Mr. RIEGLE. I thank the Senator.

The PRESIDING OFFICER. The Senator from Michigan is recognized for 2 minutes.

Mr. RIEGLE. I thank the Chair.

Mr. President, I feel very strongly that we should reject this arms package. It is clearly not in our national security interests to make this sale of equipment to Saudi Arabia. As a matter of fact, over the past 35 years we have sold, in defense equipment, service, supplies, and construction, over $50 billion to Saudi Arabia. No other country in the world over that period of time has received more than $12 billion. So we have gone way overboard already. In fact, Saudi Arabia has become the single largest purchaser of U.S. defense goods and services in the world, receiving roughly 25 percent of all U.S. arms sales, and this package would provide an additional 1,800 missiles.

□ 1340

The Saudis already have huge arsenals of missiles. They have 3,000 Sidewinders, 400 Stingers, 100 Harpoon missiles, and this would obviously go way beyond anything that could reasonably be called a defensive capability.

At the same time, they have stubbornly opposed the Camp David peace process. They have refused to endorse U.N. resolutions that deal with the question of settling the conflict in the Middle East. They have opposed the 1982 Reagan peace plan. They have opposed the 1983 U.S.-backed Lebanon-Israel peace pact. They have helped the PLO, as others have said. In every respect when we have asked them to help settle the issues and to try to move the peace process forward in that part of the world, they have gone the other way and they have not been a constructive partner. All this arms sale can do is raise the likelihood of military conflict in the future.

We need an aggressive peace policy and initiative in the Middle East, not more arms.

I hope the Senate will stand by its earlier vote, resist the pressure that is being applied from the White House and other directions, and stand firm with our original judgment on this issue and turn this arms package down.

The VICE PRESIDENT. Who yields time?

Mr. PELL. Mr. President, I yield 2 minutes to the Senator from California, who has played such a leading role in this whole process.

The VICE PRESIDENT. The Senator from California is recognized.

Mr. CRANSTON. I thank the Senator.

Mr. President, we have heard from time to time about how prudent the Saudi Arabians have been in keeping control of weapons we have provided to them and material of war.

I do not know how many Senators have seen this photograph, which is a photo of ammunition in crates sent from the United States to Saudi Arabia which somehow wound up in Lebanon—I am not sure in whose hands.

We all know the situation in Lebanon: Terrorists abound, violence at every hand. Yet, here is an example of a failure of Saudi Arabia to control weapons and ammunition provided to them.

This should be a matter of grave concern. That is one of the reasons, among many, why I and other Senators have opposed providing weapons to Saudi Arabia. We do not know where they will wind up. It is good that the Stingers—the terrorists' delight—are now out of the package. There are other weapons we should not send there, under the circumstances of violence and terrorism in the Middle East.

The record has been adequately laid out in this debate of Saudi Arabia backing forces of terrorism with a half billion dollars a year. We know the record of the Saudis in undermining American policy in the Middle East,

breaking relations with Egypt when America makes peace with Egypt, and boycotting American firms.

For those reasons and many more, a majority of the Senate, Republicans and Democrats, will vote to reject this arms sale.

The VICE PRESIDENT. The time of the Senator from California has expired.

Who yields time?

Mr. BYRD. Mr. President, the President's veto of the disapproval resolution with respect to the Saudi arms sale, I think, is unfortunate.

The overwhelming vote in both Houses and in both parties against the proposed arms sale indicates clearly the unease and the skepticism with which Members in both parties, on both sides of the Hill, have viewed this particular arms sale proposal.

Here we are today. The President has vetoed the resolution. The time has come to vote as to whether that override will be sustained.

Mr. President, the arguments I have heard in support of the President's veto are these: No. 1, we should sustain the veto to show our friendship for the Saudis.

No. 2, we have to go through with this arms sale in order to send a signal to moderate Arab countries that we are their friends.

No. 3, the Saudis have been our friends and they have demonstrated that they have supported us, and so on, and so on, with respect to terrorism and instability in the Middle East.

No. 4, it is a test of the President's leadership.

No. 5, Saudi security defense needs require that this sales package go through.

First of all, let us look at the No. 1 argument I stated—friendship for the Saudis. Mr. President, who can doubt—and I am sure the Saudis could never doubt—the friendship of the United States for them? We know, and other countries know that this country will not stand by and see any aggressor in the Middle East take actions that would undermine our own security interests there or put in jeopardy the interests of the United States. The Saudis know that. We would not stand idly by. We do not have to approve this sale to show our friendship for the Saudis.

The 1981 arms sale package went through. I was against that package. But we are told that it has to be done now because we have to show them again, we have to assure them again, that the United States is their friend. They are our friends; they are helping us; so we should help them.

Mr. President, when I was majority leader, I went to see the royal family in Saudi Arabia. I also talked with King Hussein of Jordan, I talked with President Assad of Syria.

In all those discussions, I said to them: "Get behind Sadat, this courageous leader who has opened the way for peace, in the Middle East. Get in there and have a part in influencing the future of this peace process." They did not do it, and that opportunity went by. So much for their help.

We are told that this sale is needed to send a political signal to Iran. Mr. President, the expansion of the war that is going on now between Iran and Iraq can best be limited if we, the United States, get behind a feasible and workable peace policy in the Middle East.

No one should forget that the festering problems in the Middle East for the most part, with respect both to Middle East terrorism and the dangerous rivalries in the region go back to the Arab-Israel-dispute. That is the basic problem, and the Camp David peace process has been off the track for years.

Since the administration policy in Lebanon collapsed with the Marine barracks at Beirut—a failure for which the administration has not been held accountable—we have seen the administration attempt to substitute an escalating arms sales policy for what should be a consistent, high level, intense effort by the administration to develop a coherent policy in the Middle East calculated to promote peace between the moderate Arabs and the Israelis.

The West Bank issue, the Palestinian issue and the Palestinians' part in that peace process, Israel's right to live within secure and recognized borders—these are the basic issues in the Middle East today and they cannot be solved by just selling more and more arms to the Saudis.

Some say it is a test of Presidential leadership.

Mr. President, I have heard that argument before and I do not disparage that argument. But the true test of Presidential leadership has been missing for years before today. High administration leadership in getting the peace process back on the track in the Middle East has floundered. We have taken a walk—away from a Middle East peace policy since the October 23, 1983 Beirut bombing.

That is the real test of leadership. The sale of these arms in this instance is not going to promote peace in the Middle East. The arms will not even be delivered until 1989 through 1991.

If these arms are so vital to the Saudis with relation to their own security and the security of their neighboring countries, then why did the administration decide at a rather late date to remove the Stingers from the package? It seems to me that that seriously questions the credibility of the argument that these arms are needed for the security of the Saudis.

Finally, let me say, in closing that I would like to see the administration sit down with the leaders of both parties on both sides of the Hill to try to develop an approach whereby we might all stand together in promoting a policy geared to a lasting peace in the Middle East. Only in that way will the stability of the region be effectively promoted. Only in that way will the security of the Saudis and other moderate Arab countries be finally assured.

We can discuss the legitimate needs of the Saudis but until the time comes when we recognize that the basic age-old disputes are still there and that we should try to bring those countries together and to encourage them to engage in the peace process, Mr. President, that stability for which we all yearn in the Middle East will not be realized and there can never be a substitute for that approach, a substitute which takes the form of just selling more and more arms to a greatly troubled and volatile region.

I hope, Mr. President, that the Presidential veto will be overriden. If this occurs, I stand ready to help in any way I can, this administration or any other administration, to sit down and try to promote the kinds of peace effort that will bring at last security not only to the Saudis and other moderate Arab countries and to the Israelis, but which will also be in the security interests of the United States. As far as I am concerned that is the basic measurement by which we should vote on this arms sale package, what is the best security interests of the United States. In my judgment it is in the best interests of the United States to promote the kind of peace policy that I have just been talking about and which for years has been absent. With the exceptional courage of leaders like Sadat, Begin, and President Carter that policy was initiated and it moved forward. It needs now to be reinvigorated and renewed.

I yield the floor.

Mr. THURMOND. Mr. President, I rise in support of President Reagan's veto. The proposed arms sale to Saudi Arabia is consistent with our national security objectives, the security of the State of Israel, and may help prevent a widening of the war between Iran and Iraq.

The arms are needed for Saudi defense and in no way pose a threat to Israel. Iran has crossed the Shatt al-Arab River and is now close to the border of Kuwait. Any widening of Iranian offenses could have disastrous consequences for Kuwait and all of the Peninsular Arabs. I need not remind anyone that this could in turn lead to a shut off of Persian Gulf oil.

In the past, our support of Saudi self defense needs has served as a deterrent to the radical regime in Iran. A

negative action at this time by the United States Congress could encourage Iran to widen its war with Iraq. A positive response by the Congress, However, will send a strong signal to Iran that the United States stands behind Saudi Arabia.

Mr. President, the Saudis also face a serious threat on their southern border. The recent Soviet engineered destabilization of the regime in South Yemen will prevent improvements in gulf state relations with that country and will ensure that the Government of that country remains in the radical camp. These continued twin threats to our friends in the gulf cause them great concern which may be heightened by congressional opposition to this sale.

The arms contained in the President's notification are a modest and prudent investment in regional stability and security, and support the strategic interests of the United States and our European allies.

President Carter committed the United States to maintaining the free flow of oil from the gulf, and it is still in our best interests to support the security of moderate states in the region.

To their credit the Saudis have taken the lead in protecting the shipping and oil installations of the upper gulf. Evidence of this came in 1984 when the Saudis shot down an intruding Iranian fighter plane. This is an excellent example of the defensive use of the equipment we have supplied the Saudis and has helped deter similar attacks by Iran against Gulf States.

The Sidewinder and Harpoon missiles contained in this proposed sale will further strengthen Saudi defenses and pose no risk to Israel. The Israelis will continue to maintain a qualitative military edge in the region.

It does not serve our interests, nor those of Israel, to deny such sales and allow other nations to become the principal suppier of arms to Arab Gulf States. Other countries will pose none of the safeguards on their military sales that we do. This could seriously impair Israel's qualitative advantage.

The British Tornado sale to the Saudis cost the United States an estimated $12 billion in lost military sales and support. This cost us money and jobs and did absolutely nothing to advance the security interests of Israel.

Mr. President, I feel that the U.S. Government should be allowed to proceed with this sale because it is important to our security, and the security of the entire region. I urge all of my colleagues to oppose this attempt to override President Reagan's veto.

Mr. KASTEN. Mr. President, the question of whether or not to sell advance weapons to Saudi Arabia, is an important foreign policy decision. As such, that decision demands a broad consensus of both the administration and the legislative branches of our Government.

There is no such concensus. Indeed, the U.S. Congress overwhelmingly opposes this sale. Notwithstanding that opposition, with the vote of only 34 of 535 Members of Congress, these weapons may be provided and this important foreign policy matter will have been agreed to by less than 7 percent of the membership of the legislative branch.

This is not the way to conduct U.S. foreign policy. What is worse in this case, is that the administration adopted as its strategy, the pursuit of this 7 percent—the so-called veto strategy.

Mr. President, this approach is a very serious mistake. It is a mistake with this sale as it would be with any other sale or foreign policy question. I hope the administration and those who support it on this matter, fully realize that this action can only lead to corrective legislation—legislation which would be repugnant to the administration and many in Congress—where all future sales would be subject to specific approval by Congress.

Mr. President, my objections to this specific sale are many:

First, the Government which would receive these weapons has been in the forefront of those countries which criticized recent U.S. action striking back at terrorism in the Mediterranean area—terrorism which has cost the lives of many Americans. Worse, this Government is also a major financial backer of not only the PLO and Syria, but of other radical factions operating out of Lebanon. All of these entities that the Saudis support are sworn enemies of the United States and have repeatedly demonstrated their willingness to take innocent American lives in pursuit of their anti-American and anti-Western policies. That the United States would then in turn provide weapons to this Government, is, I believe, very wrong.

Second, while it has been consistently argued by many who support these sales that the Saudis have facilitated the progress of peace negotiations in the Middle East, there is not a shred of evidence to that effect. Rather, there is much evidence that the Saudis have laid down obstacle after obstacle to every initiative proposed by the United States for peace in that region.

Third, this sale only escalates once again the arms race in the Middle East, and to the argument that such arms are necessary in order for Saudi Arabia to defend itself against Iran, I only suggest that those who make that argument look at the arms that the Saudi Arabians already have as well as the arms Iran has. The argument does not wash in the face of the facts.

Mr. President, until such time as Saudi Arabia decides it will no longer support terrorism, however indirectly, and that it will become an active and positive player in the peace process in the region, I don't see any justification to provide these advanced weapons.

I hope my colleagues will also join in opposing this sale by overriding the President's veto.

Mr. McCONNELL. Mr. President, I rise in opposition to the veto override and in support of the President's overall strategy to maintain U.S. interests with the forces of moderation in the Middle East.

In my opinion, a vote against the arms package for Saudi Arabia represents a vote against long-term United States interests in that part of the world. While our interests in the Middle East are vital to our national security and economic well-being we can probably count our allies in that part of the world on the fingers of one hand and have room to spare.

Just who are our friends in the Middle East? That is an important question to consider when we look at our interests there and who we can look to for support.

Certainly, we can consider Israel to be a staunch ally. They are one of our most consistent supporters in the United Nations and may well play a key role in combating terrorism in the Middle East. We must maintain our alliance with Israel. And if there were any question in my mind that the security interests of Israel would be threatened by this proposed arms sale, I would not support it.

I do not think that Israel's ability to defend herself would be eroded by this sale. This arms package does not provide Saudi Arabia with new military capabilities. Its intention is to help Saudi Arabia protect our mutual interests from terrorist attacks. Israel's interests are not at stake here; our relationship with Israel should not be at jeopardy by supporting the President on this arms package.

Who are our other allies in the Middle East? The hard truth of the matter is that once we get beyond Saudi Arabia the pickings become somewhat slim.

And for the Saudis, a rebuff on this arms package puts the pro-American voices on the defensive with those whose sentiments side with the less moderate forces in the Middle East, none of whom can be described as pro-American.

What does this mean for the United States? I think there are two major concerns. First, terrorism and, second, the oil supply. We need open shipping lanes in the Persian Gulf to receive oil from Saudi Arabia. An escalation of the conflict between Iran and Iraq, as well as outbreaks of terrorism, could threaten both oil production and the shipping lanes.

I hope the long gas lines and the huge price increases of energy are not so far in the distant past now that we cannot envision what a repeat of that experience would be like. I know I would not want to admit to Kentuckians that I missed an opportunity to avoid such an occurrence. With gas prices down at present, the risk of an oil embargo or a shutdown of the shipping lanes may seem remote. But let us not forget that we were caught unaware in 1973.

Are we better prepared today to withstand an interrupted flow of oil from the Middle East than we were in 1973? I think we should ask that question as we vote on this motion. It is true that this one issue may not be the turning point in our relations with the Saudis. But to me, it is clear that in an area where we have few friends and where our interests are so clearly defined, it is vital that we support the President's effort to maintain our influence with the forces of moderation, which the Saudis represent.

While Congress has the power to block the President on foreign arms sales, we have never actually done so. In this instance, I believe the President needs a free hand to negotiate on behalf of our interests in the Middle East.

The anti-American forces in the Middle East are not given to equivocation. Likewise, we need to send a strong, direct signal of support to Saudi Arabia. A vote against this override supports this position. It says we view Saudi Arabia as a partner in working to maintain stability in the Middle East. It says we intend to protect our interests in that part of the world. And it says that we want to work with our allies, including Israel, to control terrorism.

Mr. PACKWOOD. Mr. President, the Senate will soon cast the final and deciding vote on the proposed arms sale to Saudi Arabia. We have debated the sale thoroughly over the last 2 months, and regardless of the outcome today, it is clear that an overwhelming majority of both Houses of Congress oppose this sale.

On May 6, 1986, the Senate passed by a vote of 73 yeas to 22 nays, Senate Joint Resolution 316, the resolution opposing the sale of 2,500 Stinger, Sidewinder, and Harpoon missiles to Saudi Arabia. Two events have occurred since that time. First, the administration has agreed not to sell Stinger missiles to Saudi Arabia—leaving a proposed arms package consisting of 1,700 Sidewinder air-to-air missiles and 100 Harpoon antiship missiles. Second, the President vetoed the resolution on May 21, 1986. We now have before us the President's veto message, and will soon attempt to override the President's veto.

I ask my colleagues to consider what has changed since May 6 to make this sale acceptable?

There is still no evidence that Saudi Arabia has been of any help in furthering the peace process. In fact, to date, Saudi Arabia has not only failed to support American efforts to promote peace in the region, but they have worked actively against us. Saudi Arabia continues to fund the PLO and Syria. They have supported Libya in the wake of our efforts to stop terrorism. And, the Saudis have consistently resisted the efforts of other Arab countries to make peace with Israel—first Egypt and now Jordan.

Mr. President, the bottom line is that we should not sell additional arms to Saudi Arabia until they join the peace process and make peace with Israel. Let us remember, that's the standard we have tried to adhere to in the Senate in considering the sale of arms in the Middle East.

Mr. President, I am still opposed to this sale. I say let us wait to sell more arms to Saudi Arabia until they, like Egypt, make peace with Israel and actively support American efforts to reach a lasting peace in the region. Our interests in the Middle East are best served by encouraging peace through negotiations rather than contributing further to instability in the region through another arms sale.

Mr. President, I urge my colleagues to continue their support for Senate Joint Resolution 316 to oppose this sale.

● Mr. HART. Mr. President, the Senate must continue to oppose President Reagan's attempt to sell advanced missiles to Saudi Arabia. Selling advanced missiles to Saudi Arabia was bad policy in May and it remains a bad idea 1 month later.

Those who argue that the sale of these missiles to the Saudis is in the security interests of the United States ignore a fundamental fact: We cannot sit on both sides of the fence. The Saudis remain antagonistic to any efforts at negotiating peace with Israel, and yet this administration proposes to arm them far beyond their defensive security needs.

Despite $44 billion in past arms sales and promises of increased cooperation, the Saudis remain intransigent and unwilling to take genuine steps toward the recognition of Israel and the establishment of peace in the Middle East. Yet the administration tells us—as they do time and time again—that such an arms sale is necessary to demonstrate even-handedness in the Middle East, or to bring the Saudis into the peace process. Where is the evidence of this claim? Where is the evidence of Saudi participation in—or even support for—the peace process?

Now, as if to reward the Saudis' intransigence, the administration wants to sell them $250 million in Sidewinder and Harpoon missiles. In an effort to find support for this policy, the President has withdrawn Stinger missiles from the package of proposed sales. While I commend the President for recognizing the danger of selling this particularly destabilizing weapon, it does not change the fundamental point here: We must see some positive movements towards peace in the Middle East before we continue arming those who now refuse to cooperate.

In 1981, President Reagan gave a written pledge to Congress at the time of the AWAC's sale conditioning U.S. arms sales only if "initiatives towards the peaceful resolution of disputes in the region have either been successfully completed or that significant progress towards that goal has been accomplished with the substantial assistance of Saudi Arabia." The Saudis have done nothing to help fulfill this pledge even when they have had many opportunities to do so. They have not encouraged the Jordanians in their efforts to develop a dialog, and if anything have moved closer to the hard line of the Syrians.

Mr. President, Saudi Arabia is a friend and we have common security concerns. However, with no progress towards peace, further arms sales will only contribute to the atmosphere of violence and instability that permeates the Middle East. I cannot under these circumstances support the administration's proposed sale of weapons to the Saudis.

Mr. President, there is another argument put forth by those advocating this sale to the Saudis. They claim that the proximity of the fighting between Iran and Iraq endangers the security of the Saudi Arabian borders, and that the inclusion of the additional missiles in the Saudi Air Force will send a clear message to the Iranians that they had better not violate those borders. Well, we all know that the Iranian Air Force is no match for the current stock of Saudi missiles. Sending more does not send any clearer message.

In the final analysis, this sale simply is not in the United States' interest.●

● Mr. ROTH. Mr. President, I have decided to vote to uphold the President's veto of the congressional resolution of disapproval of the proposed Saudi arms sale.

I originally voted for the resolution of disapproval because part of the sale was comprised of highly portable, shoulder-fired Stinger missiles. These weapons could be of major value to international terrorists.

They could be used by a single terrorist to shoot down a civilian airliner or, if they fall into the wrong hands, they could be used against Israel.

I simply could not support the sale of such weapons to Middle East

powers which have not formally entered the peace process and I am happy to see that these highly dangerous weapons have now been removed from the proposed sale package.

The proposed package is now made up of air-to-air and air-to-ship missiles. These weapons will, however, improve the Saudis' capacity to protect their national interests in a manner which is parallel with the interests of the entire free world. In short, they will improve the Saudi capacity to repel Iranian attacks upon American and other nation's shipping in the Persian Gulf, maintaining a free flow of oil supplies to the United States and Western Europe.

They will also improve the Saudis' capacity to defend themselves against Iranian expansionism in the aftermath of recent Iranian victories in the Iran-Iraq war. None of us can afford to contemplate the possibility of the Ayatollah Khomeini taking control of either the Persian Gulf or of vital Saudi oil supplies.●

● Mr. MURKOWSKI. Mr. President, the issue of whether to sell these weapons to Saudi Arabia has forced the Members of this Chamber to make an extermely difficult decision.

I recognize that Saudi Arabia is a moderate Arab State which is facing a serious threat from Iran, a country which supports extremist terrorism aimed at both its neighbors and the United States. I understand that we have developed an arms supply relationship in which the Saudis look to us to help protect them against that threat. And I recognize that, in this imperfect world, it can be in our interest to cooperate with countries with whom we disagree on certain issues because our interests coincide on larger ones.

I am also very reluctant to cast a vote to override the judgment of the President that this sale is needed as a demonstration of our dependability and determination in the Middle East.

However, it is clear that approval of this sale has become primarily a matter of political symbolism. We have already sold the Saudis 44 billion dollars' worth of weapons over the years. We have dropped the most sophisticated missiles, the Stingers, from this package. The Saudis can, and probably will, purchase the remaining weapons from another supplier. So what we are really talking about is sending a political message.

I understand the President's decision that this message has to be one of remaining a reliable ally for key Arab moderates. I understand that, and I think it's very important.

For instance, there may be an attempt in this body to reconsider an entirely separate arms sale to the Saudis, that of the early-warning AWAC's system. Now, that is a commitment we in the Congress have already made, and we must honor it. Therefore, I will not support attempts to prevent delivery of the AWAC's.

But on the issue before us today, I hope the President will understand my decision that there is another message which we need to send with equal clarity. That message has to do with terrorism.

Mr. President, the Saudi Government provides significant financial aid to the PLO. They have for a number of years. In some years, that aid has approached $90 million.

Now, I have no doubt that when the Saudis give this aid, they sincerely hope that it goes for peaceful purposes and not for terrorism.

But as we all recognize, the PLO is an organization of many factions. It includes more moderate wings with whom the Saudis say they prefer to deal, and it also includes more radical elements that are directly engaged in terrorism.

Mr. President, I have sought assurances that the Saudi funds are not being used, directly or indirectly, to support the terrorism of the PLO. They have not been given. I'm not sure they could be given. The plain fact is that we cannot be sure. We come back to the inescapable fact that the Saudis are funding a group which has committed—and continues to commit—terrorist attacks aimed at Americans and America's friends.

Mr. President, I take no joy in voting to override a veto made by a President whose views and motives I respect. But the issue here which has not been addressed is terrorism. We have to be consistent in opposing it. Removal of the Stingers helps to allay some of those concerns, but not the one that troubles me most. Unless we have believable assurances that Saudi aid to the PLO is not being used to support that organization's terrorist attacks, I cannot support this sale and I will vote, reluctantly, to override the veto.●

Mr. HATFIELD. Mr. President, as my colleagues know, I never enjoy opposing our President. Today, however, I feel that I must again cast my vote in opposition to the proposed sale of sophisticated and deadly weapons to Saudi Arabia.

As most of the supporters of the proposed sale insist, we are talking about appearance instead of substance. Supporters hope that the sale would send a warning to Iran and a message of support to our moderate Arab neighbors. Some supporters even hope that the sale would carry tacit endorsement of the Middle Eastern peace process. But despite the signals supporters hope to attach to the missile sale, it would not make any substantive contribution to Saudi Arabia.

In reality, I am not convinced that several million dollars' worth of arms would make any difference in a region which has received 44 billion dollars' worth of arms in the past 25 years. But I am convinced that the sale would lead us one step further down the already well-trodden path of arming the Middle East to the teeth. At some point, we simply must say no. We must say no to the carnage, the terrorism, the economic drain, and the skewed priorities. Security is not bought with arms, nor are the economic infrastructures of nations built on arms.

The United States ought to learn to say no. Neither Israel, nor Egypt, nor Jordan, nor any other nation in the Middle East will be helped by more arms. Our dedication to these nations—be it Israel or the moderate Arab nations—ought not be measured by arms sales, but instead by humanitarian assistance, by forthright diplomatic relations, and by our commitment to the future of their children. By saying no to this arms sale, I am saying no to the destruction which has brought the Middle East to its knees, and to the counterproductive policies of our Nation in that region.

The VICE PRESIDENT. The Senator from Indiana is recognized.

Mr. LUGAR. Mr. President, may I ask how much time remains on our side?

The VICE PRESIDENT. Seven minutes remains for the Senator from Indiana and that is all of the remaining time.

Mr. LUGAR. Mr. President, I yield 2 minutes to the distinguished Senator from New Mexico, Senator DOMENICI.

Mr. DOMENICI. Mr. President, I urge that the Senate sustain the President's veto, and thus approve this very limited sale of arms to the Government of Saudi Arabia.

I voted against the sale several weeks ago. At that time, I acted for three sound reasons:

First, the sale included additional Stinger missiles, which in the wrong hands pose a great threat to peace and safety.

Second, the Saudis continue to avoid any active role in the search for peace. They cut off diplomatic relations with Egypt when that nation reached a peace accord with Israel. And there are other reasons.

Third, the Saudis sometimes work against the interests of the United States.

Each of these reasons was sound. So why am I now voting to support the arms sale? What has changed?

Several reasons stand out in my mind, ones on which I cannot be certain I am right, but reasons that give me great hope.

First, the Stingers have been stripped from the package, to the point that the sale now holds almost inconsequential proportions. The remaining arms in the package all exist

now in the Saudi arsenal. There is no evidence the Saudis have misused any of the arms we have sold them previously.

Second, the Israelis do not consider the sale in its present form to be a threat.

Third, and probably most significantly; it is my belief that a refusal to sell this limited package of arms would undermine greatly the ceaseless work of President Reagan and Secretary Shultz to increase stability in the Middle East.

Israel has never had a better friend in the White House than Ronald Reagan. Israel has never had a better friend in the State Department at its helm than George Shultz.

I simply cannot say to Ronald Reagan that I oppose your design to bring peace to the Middle East and thus greater safety for Israel. I simply cannot say to Ronald Reagan I will undermine your efforts to stem terrorism.

Finally, I wanted to be a part of sending the Saudis a message that moderation does not include the financing of terrorism and that is what we did with our first vote. I believe the Saudis have gotten the message as Congress has never come this close to rejecting an arms sale before. But I shall watch their actions carefully in the future.

Admittedly, our vote today is a gamble. But it is a sound gamble—one where a decision to go forward with this very limited sale could strengthen the role of the President and the role of the United States in the struggle for peace.

To vote otherwise turns our back not only on the President, but could turn our back on peace itself.

I thank the distinguished chairman for yield to me.

The VICE PRESIDENT. The Senator from Indiana.

Mr. LUGAR. Mr. President, it is an honor for our arguments to be concluded today by the distinguished majority leader, Senator DOLE.

The VICE PRESIDENT. The majority leader.

DELAY HAS BEEN COSTLY

Mr. DOLE. Mr. President, today, at last, we will take final action on the President's request to sell about $250 million in arms to Saudi Arabia. As I indicated before we left for the Memorial Day recess, it is really too bad we were not able to act on this matter then. The delay, in my view, served no one's interests.

I'm confident the vote today will turn out just like the vote would have before the recess. The only difference is that whatever benefits to our national security we might reap from this sale—and I think even critics of the sale will concede there may be some benefits—those benefits will be further diminished by this delay. But at least we will now take final action.

A VOTE FOR THE PRESIDENT

The issue of the administration's proposal to sell several types of missiles to Saudi Arabia has been one of the most difficult I have faced this session. As I noted in voting on May 6, I share many of the concerns expressed by opponents of the sale.

But I decided then to support the proposed sale for two reasons. First, I was convinced the equipment in question would not tilt the military balance in the Middle East or threaten Israel's security. All of the items in the package are already in the Saudi inventory.

Second, and even more importantly, I voted to permit the sale because I wanted to give the President the broadest possible leeway in conducting his foreign policy. I voted as much or more to support the President as to support the sale, per se.

I will vote that same way now, to sustain the President's veto, for the same essential reasons.

PRESIDENT CONVINCED SALE IN AMERICA'S AND ISRAEL'S INTEREST

No one here can doubt the President's commitment to seeking a just and durable peace in the Middle East. No one here can doubt his commitment to Israel's security.

I hope, too, no one will doubt the sincerity of the President's judgment that maintaining good relations with the moderate Arab states and responding to their legitimate security interests will improve prospects for a Middle East peace and in the long run enhance Israel's security. The President wants this sale to be approved because he believes it is in Israel's long-run interest and because it is in America's long-run interest.

PRESIDENT SEEKS BROADEST POSSIBLE SUPPORT

As has been obvious these past few days, the President is determined that this sale go forward. But he would much prefer it to go forward on a nonpartisan basis, with the support of the Congress and with a common perception of where the national interest lies. He knows that having the Congress behind him is more important to his ability to search for a just and durable peace in the Middle East than any single arms sale.

For that reason, he has agreed to compromise. And to be absolutely accurate I should say "compromise further." Because I would remind the Senate that, before its initial submission, the package was already drastically cut back, with such weapons as advanced fighters removed.

STINGERS DROPPED

Now the President, taking note of arguments raised about one of the weapons in the package we voted on May 6, the Stinger Missile, has dropped Stingers from this package. The President has pledged that no Stingers will be delivered until a separate notification is made to Congress and we have an adequate chance to consider the wisdom of such deliveries.

THE EXTRA MILE FOR UNITY

So, once again, the President has gone the extra mile to try to achieve a consensus with Congress on some of the elements and direction of a sound foreign policy. He has gone the extra mile because he needs us on board and because he wants us on board. Not in support of a Reagan foreign policy but in support of an American foreign policy.

1978 VOTE TO SUPPORT PRESIDENT

Eight years ago, the Senate voted in support of a Presidential request to provide advanced weapons to Saudi Arabia. The President who made that request was Jimmy Carter. The majority leader at that time still graces this Chamber today—now as the distinguished leader of the minority. Democratic Leader BYRD voted that day in 1978 to support a Democratic President.

It was a close vote, but the Senate stood behind the President. Twenty-eight Democrats voted against President Carter on that vote. Twenty-six Republicans—let me repeat that—26 Republicans voted with the President, with the Democratic President, and with the Democratic leader, Senator BYRD. Congressional Quarterly put it succinctly: "26 Republicans made the difference by supporting the sale, while only 11 Republicans voted against."

TIME AGAIN TO STAND WITH PRESIDENT

Let us take a lesson from the past. Let us stand with the President—let us stand together—on this one. That is our best hope, and our greatest strength, in the Middle East and around the world.

Mr. President, I urge all of my colleagues to vote to uphold the President's prerogatives by voting to sustain his veto.

Mr. President, I thank the distinguished chairman of the committee and all others who participated in this debate. This is not an easy issue. As in the past, many times on an issue like this there are some who say this is a test of your loyalty to the State of Israel.

This is not the case in this particular instance.

I know of no President who has had a better relationship with the leaders of Israel. I know of no President who has been more generous in his recommendations to Congress as far as Israel is concerned.

But I also know, as the distinguished minority leader has pointed out, that maybe this is a test of the President's leadership, and it is a test of the President's leadership.

I would address my remarks primarily to those on this side of the aisle.

We are the majority party. We are the majority party in a large part because of Ronald Reagan's massive victory in 1980. He made us committee chairmen, he made us leaders in the Senate, and he still enjoys a very high popularity in America—68 percent.

That does not mean that in every instance we have to vote for the President. But it means in this instance we need 34 votes. I do not know if we have 34 votes or not, maybe 33, maybe 32, maybe 35. So I would hope that we would have at least that number, at least a magic number of 34.

Yes; because it is a test of the President's leadership, not that a loss would make that much difference in the long run, and I remind my colleagues and I am probably not the best one to do this, because I did not support President Carter in 1978, but 26 Republican Senators did. Twenty-eight Democrats and 26 Republicans joined together in the sale to the Saudis at that time. It was highly controversial.

For 40 years under Democratic and Republican Presidents we have had this relationship with Saudi Arabia.

I suggest this is no way to cause a bump in the road or maybe possibly terminate it. So I urge my colleagues who are concerned about the Saudis, concerned about public statements—and we all are concerned about their public statements—if, in fact, we have a friendship with Israel and if, in fact, as the distinguished minority leader has indicated, we want some peace progress or peace plan in the Mideast, we cannot achieve it by isolating every moderate Arab State.

It would seem to me, for that reason alone—put aside the leadership question, put aside whether or not the President wins or loses. This is not a personal thing for Ronald Reagan. It is a policy we have had for a long, long time. It is going to continue long after Ronald Reagan is gone.

But this time, the burden is on the Republican side. I know we have some dedicated Members on the other side who will support the President. But this is a rather critical vote, again not so much that the President might win or lose, but the setback that might come for any chance in the Mideast.

It is going to be a close vote—33, 34, 35 votes. I do not know who is going to win at this point. I hope the President wins for all of our sakes.

The VICE PRESIDENT. All time has expired.

The question is, Shall the joint resolution pass, the objections of the President of the United States to the contrary notwithstanding? The yeas and nays are required and the clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 66, nays 34, as follows:

[Rollcall Vote No. 111 Leg.]

YEAS—66

Abdnor	Glenn	Metzenbaum
Andrews	Gore	Mitchell
Baucus	Gorton	Moynihan
Biden	Grassley	Murkowski
Bingaman	Harkin	Nickles
Boren	Hart	Nunn
Boschwitz	Hatfield	Packwood
Bradley	Hawkins	Pell
Bumpers	Heflin	Pressler
Burdick	Heinz	Proxmire
Byrd	Hollings	Pryor
Chiles	Inouye	Riegle
Cohen	Johnston	Rockefeller
Cranston	Kasten	Rudman
D'Amato	Kennedy	Sarbanes
Danforth	Kerry	Sasser
DeConcini	Lautenberg	Simon
Dixon	Leahy	Specter
Dodd	Levin	Symms
Durenberger	Matsunaga	Trible
Eagleton	Mattingly	Weicker
Ford	Melcher	Wilson

NAYS—34

Armstrong	Gramm	Quayle
Bentsen	Hatch	Roth
Chafee	Hecht	Simpson
Cochran	Helms	Stafford
Denton	Humphrey	Stennis
Dole	Kassebaum	Stevens
Domenici	Laxalt	Thurmond
East	Long	Wallop
Evans	Lugar	Warner
Exon	Mathias	Zorinsky
Garn	McClure	
Goldwater	McConnell	

□ 1420

The VICE PRESIDENT. On this vote, the yeas are 66; the nays are 34. Two-thirds of the Senators present and voting not having voted in the affirmative, the joint resolution on reconsideration fails to pass over the President's veto.

Mr. BYRD. Mr. President, earlier today the Senate voted, by the narrowest margin, to sustain the President's veto of the resolution disapproving the sale of sophisticated American missiles to Saudi Arabia.

I disagreed with this vote because another arms sales to this troubled region is not in the best interests of the United States and its allies. Increased efforts to bring about a fair, comprehensive Middle East peace agreement, not more arms sales, represent a far wiser policy.

The overwhelming number of Senators who voted to override the President's veto—although this number fell one vote short of the needed two-thirds of the Senate—clearly demonstrates the wisdom of this opposition to the sale.

The size of this vote also is strong testimony to the leadership demonstrated by our distinguished colleague from California, Senator CRANSTON, who worked tirelessly against this proposed arms sale to Saudi Arabia from the very inception of the proposal.

Senator CRANSTON worked both publicly and behind the scenes for more than a year to organize Senate opposition to the administration's original proposal to sell a much larger package of weapons to Saudi Arabia. He was determined, committed, and aggressive in that effort, and his skills of persuasion and debate were evident throughout his endeavors.

His success in this effort resulted in the initial, overwhelming Senate vote against the sale. This success is the prime reason the administration was forced to reduce the arms package destined for Saudi Arabia.

Senator CRANSTON deserves high praise for his activities to highlight the need for much more effective and aggressive American efforts to promote the Middle East peace process—through diplomacy and negotiations, and not through arms sales.

He is both an able statesman and a highly effective Senator on behalf of the overall best interests of the United States, and of the cause of peace in the Middle East.

I regret the outcome of the vote, but I commend him for his leadership on this issue and for the role he played in achieving a vote only one short of two-thirds of the membership of the Senate.

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

The VICE PRESIDENT. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. DOLE. Mr. President, I move to reconsider the vote by which the veto was sustained.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I understand the distinguished Senator from Missouri would like to proceed for 2 minutes.

Mr. EAGLETON. I would like to proceed for a minute and a half on an extraneous matter.

The PRESIDING OFFICER. The Senator from Missouri.

CONGRESSMAN RODINO AND JESSE JACKSON

Mr. EAGLETON. Mr. President, no one in Congress has been a greater advocate of civil rights and civil liberties than Congressman PETER W. RODINO, JR., the chairman of the House Judiciary Committee.

It is not only his personal beliefs and advocacy which are spectacular in these critical and sensitive fields, but the position he holds which gives him enormous power to give meaningful effect to his beliefs.

Chairman RODINO, on Tuesday, won a victory in the Democratic primary by a margin of 59 percent to 36 percent. His opponent, Donald M. Payne, was black.

Rev. Jesse Jackson came into Congressman RODINO's district to campaign against the Congressman because RODINO was white, not black. RODINO's record was apparently irrelevant.

Reverend Jackson advocates a Rainbow Coalition for all races, colors, and creeds to come together. Apparently, however, one color doesn't count—white.

I find Reverend Jackson's position to be exceedingly disappointing, disturbing, and disconcerting.

I yield the floor.

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.

□ 1430

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

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

Mr. HATFIELD. Mr. President, I am going to propound a unanimous-consent agreement that has been cleared on both sides.

Mr. BYRD. Mr. President, may we have order in the Senate? The manager of the bill is entitled to be heard.

The PRESIDING OFFICER. The Senate will be in order.

Mr. HATFIELD. I thank the Chair and the Democratic leader.

Mr. President, this unanimous-consent request I am about to propound has been cleared, as I understand it, on both sides of the aisle. We shall be able to undertake, then, the supplemental appropriations bill as soon as this is handled.

URGENT SUPPLEMENTAL APPROPRIATIONS ACT, 1986

Mr. HATFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of H.R. 4515, the urgent supplemental appropriations bill for fiscal year 1986.

The PRESIDING OFFICER. Is there objection? Hearing none, without objection, it is so ordered.

The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 4515) making urgent supplemental appropriations for the fiscal year ending September 30, 1986, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Appropriations, 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. 4515

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1986, and for other purposes, namely:

TITLE I

GENERAL SUPPLEMENTALS

CHAPTER I

DEPARTMENT OF AGRICULTURE

[TITLE I

[EMERGENCY FLOOD RELIEF**]**

SOIL CONSERVATION SERVICE

WATERSHED AND FLOOD PREVENTION OPERATIONS

For an additional amount, for emergency measures under title IV of the Agricultural Credit Act of 1978 (16 U.S.C. 2201-2205), **[**$25,000,000**]**, *$36,700,000, to remain available until expended.*

[AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

[EMERGENCY CONSERVATION PROGRAM

[For an additional amount, for necessary expenses to carry out the program authorized under title IV of the Agricultural Credit Act of 1978 (16 U.S.C. 2201-2205), $10,000,000, to remain available until expended.**]**

AGRICULTURAL RESEARCH SERVICE

BUILDINGS AND FACILITIES

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of or used by the Agricultural Research Service, where not otherwise provided, $11,100,000, to remain available until expended.

[TITLE II

[AGRICULTURE PROGRAMS**]**

FOOD SAFETY AND INSPECTION SERVICE

For an additional amount, for "Food Safety and Inspection Service", **[**to protect public health and safety in meat and poultry inspection operations and to meet workload increases resulting from the opening of new or expansion of existing processing plants, $3,700,000**]** *$4,500,000.*

PACKERS AND STOCKYARDS ADMINISTRATION

For necessary expenses for the administration of the Packers and Stockyards Act, and for certifying procedures used to protect purchasers of farm products, as authorized by law, $80,000.

[REPORT ON CONTAMINATED MILK AND MILK PRODUCTS

[The Secretary shall immediately conduct a study of the reports of contaminated milk and milk products in the States of Arkansas, Missouri, and Oklahoma, and report on such contamination and the estimated losses suffered by dairy farmers and processors to the appropriate committees of Congress by April 15, 1986.**]**

DAIRY INDEMNITY PROGRAM

For an additional amount, for "Dairy Indemnity Program", authorized by the Act of August 13, 1968 (82 Stat. 750), the Act of August 10, 1973 (87 Stat. 223), and the Act of December 23, 1985 (99 Stat. 1377) **[**$10,000,000 to remain available until expended**]** *$9,000,000, to remain available until expended: Provided, That not to exceed a total of $1,000,000 of this amount may be transferred to the Animal and Plant Health Inspection Service and the Food Safety and Inspection Service for contamination testing: Provided further, That the remaining $8,000,000 shall be transferred to the Commodity Credit Corporation: Provided further, That the Secretary is authorized to utilize the services, facilities, and authorities of the Commodity Credit Corporation for the purpose of making dairy indemnity disbursements.*

FARMERS HOME ADMINISTRATION

RURAL HOUSING INSURANCE FUND

During fiscal year 1986, and within the resources and authority available, obligations for direct loans and related advances pursuant to section 504 of the Housing Act of 1949, as amended, shall not exceed $9,855,000.

For loans for acquisition and development of building sites for mutual and self-help housing, $1,500,000.

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves the proposed deferral D86-60, relating to the Department of Agriculture, Farmers Home Administration, Rural Housing Insurance Fund, as set forth in the message of March 12, 1986, which was transmitted to the Congress by the President. The disapproval shall be effective upon enactment into law of **[**the bill**]** *this Act* and the amount of the proposed deferral disapproved herein shall be made available for obligation.

VERY LOW-INCOME HOUSING REPAIR GRANTS

For an additional amount for grants to the very low-income elderly for essential repairs to dwellings pursuant to section 504 of the Housing Act of 1949, as amended, $3,000,000.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $71,598,000, to be derived by transfer from the Commodity Credit Corporation.

[TITLE III

[DOMESTIC FOOD PROGRAMS**]**

FOOD AND NUTRITION SERVICE

[FEEDING PROGRAM FOR WOMEN, INFANTS AND CHILDREN (WIC)

[For an additional amount, for the special supplemental food program as authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), $20,000,000.**]**

COMMODITY SUPPLEMENTAL FOOD PROGRAM

(TRANSFER OF FUNDS)

The Secretary shall return to the Commodity Supplemental Food Program from the Commodity Credit Corporation, $3,950,000, which had been transferred to the Corporation from the Program.

[TITLE IV**]**

COMMODITY CREDIT CORPORATION

REIMBURSEMENT FOR NET REALIZED LOSSES

For the operations of the Commodity Credit Corporation, not to exceed $5,300,000,000 for capital restoration, to enable the Corporation to use the authority authorized by the Charter of the Corporation and other laws to carry out programs handled by the Corporation.

[CITRUS CANKER

[(TRANSFERS OF FUNDS)

[SEC. 1. In order to prevent extensive damage to the Nation's citrus industry and prevent a disruption of national and international commerce in citrus fruits, the Secretary of Agriculture shall use his authority under existing law to transfer not to exceed $14,000,000 from the Commodity Credit Corporation to the Animal and Plant Health Inspection Service to honor a commitment through a cost-sharing program between the Department of Agriculture and the State of Florida, to (1) compensate for infected nursery stock destroyed in fighting the outbreak of citrus canker—a bacterial disease which causes extensive damage to citrus fruits—found in Florida, in 1984, and (2) to cover current and continuing operating expenses of a citrus canker eradication and control program.

[Any funds previously transferred to the citrus canker program, from accounts other than the Commodity Credit Corporation, shall be immediately returned to the account from which transferred.

[COOPERATIVE STATE RESEARCH SERVICE

[(TRANSFER OF FUNDS)

[The Secretary of Agriculture shall use his authority under existing law to transfer $5,000,000 from the Commodity Credit Corporation to the Cooperative State Research Service to meet the matching funds requirement for development of an international trade center at Oklahoma State University.

[AVIAN INFLUENZA

[(TRANSFER OF FUNDS)

[SEC. 2. In order to prevent widespread damage to the Nation's poultry industry, the Secretary shall use not to exceed $10,000,000 from the Commodity Credit Corporation to control and eradicate avian influenza.]

DEFICIENCY PAYMENTS

(a) Effective only for the 1986 crop of wheat, feed grains, upland cotton, and rice, notwithstanding any other provision of law, the Secretary of Agriculture shall make deficiency payments to producers on a farm under section 107D(c)(1), 105C(c)(1), 103A(c)(1), or 101A(c)(1) of the Agricultural Act of 1949 (7 U.S.C. 1445b-3(c)(1), 1444e(c)(1), 1444-1(c)(1), or 1444-1(c)(1)), as the case may be, if the Secretary determines that—

(1) the producers on a farm are preventing from planting any portion of the acreage intended for a commodity to the commodity or other nonconserving crops because of flood, heavy rains, or excessive moisture; and

(2) the farm is located in an area that the Secretary determines has been substantially affected by a natural disaster in the United States or by a major disaster or emergency designated by the President under the Disaster Relief Act of 1974 (42 U.S.C. 5152 et seq.).

(b) The amount of deficiency payments under subsection (a) shall be computed by multiplying—

(1) a payment rate equal to 40 percent of the established price for the crop; by

(2) the number of acres so affected but not to exceed the acreage planted to the commodity for harvest (including any acreage that the producers were prevented from planting to the commodity or other nonconserving crops in lieu of the commodity because of flood, heavy rains, or excessive moisture) in the immediately preceding year; by

(3) the farm program payment yield established for the crop for the farm.

PREPAYMENT OF LOANS BY RURAL ELECTRIFICATION AND TELEPHONE SYSTEMS

In the case of a borrower of a loan made by the Federal Financing Bank, and guaranteed by the Administrator of the Rural Electrification Administration, under section 306 of the Rural Electrification Act of 1936 (7 U.S.C. 936) that is outstanding on the date of enactment of this Act, the borrower may prepay the loan by payment of the outstanding principal balance due on the loan using private capital with the existing loan guarantee. No sums in addition to payment of such balance shall be charged as the result of such prepayment against the borrower, the Rural Electrification and Telephone Revolving Fund established under section 301 of such Act (7 U.S.C. 931), or the Rural Electrification Administration.

CHAPTER II

DEPARTMENT OF COMMERCE

ECONOMIC DEVELOPMENT ADMINISTRATION

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

([INCLUDING] DISAPPROVAL OF DEFERRAL)

The Congress disapproves the proposed deferral D86-36 in the amount of $40,000,000 for Economic Development Assistance Programs, as set forth in the message of February 5, 1986, which was transmitted to the Congress by the President. This disapproval shall be effective upon enactment into law of this Act and the amount of the proposed deferral disapproved herein shall be made available for obligation.

[Of the total amount appropriated and available under this head in Public Law 99-180, $790,000 shall be obligated to supplement funds allocated pursuant to section 108(a)(2) of Public Law 99-190.

[Of the total amount appropriated and available under this head in Public Law 99-180, $791,000 shall be obligated to supplement funds allocated pursuant to section 108(a)(5) of Public Law 99-190.]

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

For an additional amount for "Operations, research, and facilities" to maintain public warning and forecast services and aircraft services, $10,822,000, to remain available until expended.

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES

SALARIES AND EXPENSES, UNITED STATES MARSHALS SERVICE

For an additional amount for "Salaries and expenses, United States Marshals Service", $2,600,000.

SUPPORT OF UNITED STATES PRISONERS

For an additional amount for support of United States prisoners in non-Federal institutions, $3,000,000.

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

(INCLUDING RESCISSION)

For an additional amount for "Salaries and expenses" for the relocation within the District of Columbia of the Washington field office, $10,000,000, to remain available until expended.

Of available funds provided under this head in Public Law 98-166 and Public Law 99-88 for the relocation within the District of Columbia of the Washington field office, $10,000,000 are rescinded.

The limitation in Public Law 99-180 on the receipts credited to this appropriation from fees collected to process fingerprint identification records for noncriminal employment and licensing purposes is increased by $1,000,000.

IMMIGRATION AND NATURALIZATION SERVICE

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $3,000,000.

FEDERAL PRISON SYSTEM

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", [$15,500,000] *$18,000,000.*

NATIONAL INSTITUTE OF CORRECTIONS

(RESCISSION)

Of available funds under this head, $3,315,000 are rescinded.

ADMINISTRATIVE PROVISIONS

Notwithstanding any other provision of law, not more than $90,000 of the funds appropriated in the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriation Act, 1986 (Public Law 99-180) to the Department of Justice under the heading "General Administration, salaries and expenses" for fiscal year 1986 shall be available for travel by the Attorney General.

MODEL STATE STATUTE

SECTION 1. ATTORNEY GENERAL TO DEVELOP MODEL STATUTE.

The Attorney General as Chairman of the National Drug Enforcement Policy Board, in consultation with State and local law enforcement agencies, shall develop a model statute for States to prohibit the establishment and use of freebase houses.

SEC. 2. GOALS AND CONTENT OF MODEL STATUTE.

(a) GOALS OF MODEL STATUTE.—The model statute developed pursuant to section 1 shall—

(1) address the need to prohibit the use of houses, buildings, rooms, or apartments as places where manufacturing, processing, distributing, purchasing, and using illegal drugs takes place; and

(2) encourage coordination with the Controlled Substances Act, statutes on drug paraphernalia, and other relevant drug law enforcement statutes.

(b) CONTENT.—(1) The model statute shall clearly—

(A) define a freebase house and activities which take place in such dwellings;

(B) define the offenses which take place in such freebase houses;

(C) define penalties for such offenses; and

(D) allow for civil seizure and forfeiture of property confiscated in such offenses.

(2) The model statute shall include prohibitions—

(A) making it illegal for a person to own or operate a freebase house;

(B) making it illegal for a person to work in a freebase house which includes managing, selling drugs, collecting fees and admission, processing or preparing drugs, distributing drugs, or contributing to the overall drug enterprises in the dwelling with a knowledge of or having reason to believe that illegal drugs are present on the premises;

(C) making it illegal for a person to frequent a freebase house with knowledge or reason to believe that illegal drugs are present on the premises; and

(D) making it illegal for employers, employees, and customers to be present in freebase houses when they have knowledge or have reason to believe that drugs are on the premises.

(c) RECOMMENDATIONS.—The Attorney General shall include with the model statute rec-

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ommendations for procedures to allow law enforcement officials to notify owners and managers of dwellings where freebasing and drug distribution is taking place.

SEC. 3. REPORT TO CONGRESS AND STATE AND LOCAL LAW ENFORCEMENT AUTHORITIES.

The Attorney General shall—

(1) develop the model statute and recommendations required by this Act within six months after the date of enactment of this Act; and

(2) make the report and recommendations available to the appropriate committees of Congress and to State and local law enforcement authorities in his capacity as Chairman of the National Drug Enforcement Policy Board.

SEC. 4. DEFINITION OF FREEBASING.

For purposes of this Act, the term "freebasing" is the conversion of cocaine crystals into a smokable base form of the drug.

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

SALARIES AND EXPENSES

[(TRANSFER OF FUNDS)]

Notwithstanding section 15(a) of the State Department Basic Authorities Act of 1956, for an additional amount for "Salaries and expenses", [$237,494,000, to remain available until September 30, 1987] *$288,047,000, to remain available until expended:* [*Provided,* That such funds shall be derived by transfer from funds previously appropriated or made available to the Department of Defense, or from unearmarked funds appropriated or made available to the President for International Financial Institutions, the Economic Support Fund, the Military Assistance Program, and for Foreign Military Credit Sales] *Provided, That such funds shall become available for obligation on September 30, 1986.*

ACQUISITION AND MAINTENANCE OF BUILDINGS ABROAD

[(TRANSFER OF FUNDS)]

Notwithstanding section 15(a) of the State Department Basic Authorities Act of 1956, for an additional amount for "Acquisition and Maintenance of Buildings Abroad", to be available subject to the approval of the House and Senate Committees on Appropriations under said Committees' policies concerning the reprogramming of funds contained in Public Law 99-180, [$454,532,000] *$372,125,000,* to remain available until expended: [*Provided,* That such funds shall be derived by transfer from funds previously appropriated or made available to the Department of Defense, or from unearmarked funds appropriated or made available to the President for International Financial Institutions, the Economic Support Fund, the Military Assistance Program, and for Foreign Military Credit Sales] *Provided, That such funds shall become available for obligation on September 30, 1986.*

[COUNTERTERRORISM RESEARCH AND DEVELOPMENT

[(TRANSFER OF FUNDS)

[Notwithstanding section 15(a) of the State Department Basic Authorities Act of 1956, for necessary expenses for "Counterterrorism Research and Development", $10,000,000, to remain available until September 30, 1987: *Provided,* That such funds shall be derived by transfer from funds previously appropriated or made available to the Department of Defense, or from unearmarked funds appropriated or made available to the President for International Financial Institutions, the Economic Support Fund, the Military Assistance Program, and for Foreign Military Credit Sales.]

OTHER

THE ASIA FOUNDATION

Notwithstanding section 15(a) of the State Department Basic Authorities Act of 1956, for an additional amount for "The Asia Foundation", $2,000,000, to remain available until expended.

[GENERAL PROVISION—DIPLOMATIC SECURITY PROGRAM

[The funds made available by this chapter under the headings "SALARIES AND EXPENSES", "ACQUISITION AND MAINTENANCE OF BUILDINGS ABROAD", and "COUNTER-TERRORISM RESEARCH AND DEVELOPMENT" shall be used in accordance with those provisions applicable to the diplomatic security program that are contained in H.R. 4151 (the "Omnibus Diplomatic Security and Anti-Terrorism Act of 1986") as passed the House of Representatives on March 18, 1986, except that this paragraph shall cease to apply upon the enactment of authorizing legislation (either H.R. 4151 or similar legislation) providing for enhanced diplomatic security.]

THE JUDICIARY

SUPREME COURT OF THE UNITED STATES

CARE OF THE BUILDING AND GROUNDS

For an additional amount for "Care of the Building and Grounds", $46,000.

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

SALARIES OF SUPPORTING PERSONNEL

[(INCLUDING TRANSFERS OF FUNDS)]

For an additional amount for "Salaries of Supporting Personnel", [$13,200,000, of which $2,000,000 is to be derived by transfer from "Salaries of Judges" and of which $10,000,000 is to be derived by transfer from "Expenses of Operation and Maintenance of the Courts"] *$1,200,000.*

FEES OF JURORS AND COMMISSIONERS

For an additional amount for "Fees of Jurors and Commissioners", $3,800,000, to remain available until expended.

STUDY OF CONSTRUCTION OF OFFICE BUILDING

For an amount to enable the Architect of the Capitol and the Secretary of Transportation, in consultation with the Chief Justice of the United States, to study alternatives for the construction of a building or buildings to meet the current and future needs of the Judicial Branch and such other commercial, governmental, cultural, educational, and recreational activities which may appropriately be located in such building or buildings, [$2,000,000] *$1,300,000,* to remain available until expended.

ADMINISTRATIVE PROVISION

Not to exceed 10 per centum of any appropriation made available in title IV of Public Law 99-180 may be transferred to any other appropriation in title IV of Public Law 99-180.

RELATED AGENCIES

DEPARTMENT OF TRANSPORTATION

MARITIME ADMINISTRATION

OPERATIONS AND TRAINING

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves the proposed deferral D86-53 [in the amount of $9,350,000 for Operations and Training, as set forth in the message of February 5, 1986] *for Operations and Training, as set forth in the message of February 5, 1986, as revised by D86-53A as set forth in the message of March 20, 1986,* which was transmitted to the Congress by the President. This disapproval shall be effective upon enactment into law of this Act and the amount of the proposed deferral disapproved herein shall be made available for obligation.

BOARD FOR INTERNATIONAL BROADCASTING

GRANTS AND EXPENSES

For an additional amount for "Grants and Expenses", [$14,500,000] *$18,800,000,* to remain available until expended: *Provided, That notwithstanding the proviso under this head in Public Law 99-88, and notwithstanding section 8(b) of the Board for International Broadcasting Act of 1973, as amended, the amounts placed in reserve in fiscal year 1985 pursuant to that section shall be available to the Board for grants to Radio Free Europe/Radio Liberty for foreign currency exchange rate adjustments.*

SMALL BUSINESS ADMINISTRATION

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and Expenses" for disaster loan making activities, including loan servicing, $2,000,000 to be derived by transfer from unobligated balances in the Small Business Administration, "Disaster Loan Fund".

ADMINISTRATIVE PROVISION

SECTION 18006(b) of the Consolidated Omnibus Budget Reconciliation Act of 1985 is amended by striking out all that follows "on account of disasters" and inserting in lieu thereof "which occurred prior to October 1, 1985, and with respect to which a disaster declaration application was submitted prior to October 1, 1985.".

UNITED STATES INFORMATION AGENCY

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and Expenses", $3,900,000, to be derived by transfer from "Acquisition and Construction of Radio Facilities", to remain available until expended.

The limitation in Public Law 99-180 on the receipts credited to this appropriation from fees or other payments received from or in connection with English-teaching programs is increased by $175,000.

CHAPTER III

DEPARTMENT OF DEFENSE—MILITARY

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, MARINE CORPS

The limitation for real property maintenance contained under the head "Operation and Maintenance, Marine Corps" in the Department of Defense Appropriations Act, 1986, Public Law 99-190, 99 Stat. 1189, is amended by striking "$238,000,000" and inserting in lieu thereof "$223,200,000".

TENTH INTERNATIONAL PAN AMERICAN GAMES

(INCLUDING RESCISSION)

For an additional amount for "Tenth International Pan American Games", $8,000,000, to remain available for obligation until September 30, 1987.

Of available funds provided under this head in the Department of Defense Appropriations Act, 1986, Public Law 99-190, 99 Stat. 1192, $8,000,000 are rescinded.

PROCUREMENT

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY (RESCISSION)

Of the funds made available under this head in Public Law 98-212, $34,400,000 are rescinded.

SHIPBUILDING AND CONVERSION, NAVY (RESCISSION)

Of the funds made available under this head in Public Law 98-212, $40,100,000 are rescinded.

COASTAL DEFENSE AUGMENTATION (TRANSFER OF FUNDS)

Of the amounts available to the Department of Defense for "Coastal Defense Augmentation", $21,250,000 shall be transferred to Coast Guard "Acquisition, construction and improvements".

AIRCRAFT PROCUREMENT, AIR FORCE

The last proviso under the head "Aircraft Procurement, Air Force", in the fiscal year 1986 Department of Defense Appropriations Act, Public Law 99-190, is amended by striking "July 1, 1986" and inserting in lieu thereof "November 1, 1986".

MISSILE PROCUREMENT, AIR FORCE (TRANSFER OF FUNDS)

For an additional amount for "Missile Procurement, Air Force", $16,000,000, to be derived by transfer from "Aircraft Procurement, Navy, 1986/1988", to remain available for obligation until September 30, 1988, and in addition $329,400,000 shall be derived by transfer as provided for by Section 8103 of Public Law 99-190 as amended in this Act.

OTHER PROCUREMENT, AIR FORCE (RESCISSION)

Of the funds made available under this head in Public Law 98-473, $40,000,000 are rescinded.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE (TRANSFER OF FUNDS)

For an additional amount for "Research, Development, Test and Evaluation, Air Force", $84,386,000, to be derived by transfer from "Aircraft Procurement, Navy, 1986/1988", to remain available for obligation until September 30, 1987, and in addition $232,500,000 shall be derived by transfer as provided for by Section 8103 of Public Law 99-190 as amended in this Act.

REVOLVING AND MANAGEMENT FUNDS

ADP EQUIPMENT MANAGEMENT FUND (INCLUDING RESCISSION)

For an additional amount for "ADP Equipment Managment Fund", $100,000,000, to remain available for obligation until expended.

Of available funds provided under this head in the Department of Defense Appropriations Act, 1986, Public Law 99-190, 99 Stat. 1202, $100,000,000 are rescinded.

ADMINISTRATIVE PROVISIONS

SECTION 1. Funds available in "Foreign Currency Fluctuations, Defense", shall be transferred to the appropriation account "American Battle Monuments, Salaries and Expenses" in such amounts necessary to maintain the budgeted levels of that appropriation impacted by fluctuations in foreign currency.

SEC. 2. Section 8051 of the Department of Defense Appropriations Act, 1986, Public Law 99-190, 99 Stat. 1211, is amended 1) by striking out "Army, Navy, and Air Force" and 2) by striking out the proviso and in lieu thereof inserting: "Provided, That such transfers shall not exceed $678,700,000 for Operation and Maintenance, Army; $1,301,600,000 for Operation and Maintenance, Navy; $30,100,000 for Operation and Maintenance, Marine Corps; $608,700,000 for Operation and Maintenance, Air Force; $82,000,000 for Operation and Maintenance, Defense Agencies; $19,300,000 for Operation and Maintenance, Army Reserve; $47,600,000 for Operation and Maintenance, Navy Reserve; $4,200,000 for Operation and Maintenance, Marine Corps Reserve; $14,400,000 for Operation and Maintenance, Air Force Reserve; $42,100,000 for Operation and Maintenance, Army National Guard; and $35,400,000 for Operation and Maintenance, Air National Guard".

SEC. 3. Of the funds appropriated to the Department of Defense for research, development, test and evaluation for fiscal year 1986, an amount not to exceed $55,600,000 shall be provided as grants to educational institutions for related research activities, construction of related facilities and for related purposes, as provided in the House report 99-450 accompanying H.J. Res. 465, Public Law 99-190.

SEC. 4. Section 8037 of the Department of Defense Appropriations Act, 1986, Public Law 99-190, is amended by adding "Titan 34D7 Complementary Expendable Launch Vehicles" at the end thereof.

SEC. 5. Of the amounts available to the Department of Defense, $25,000,000 shall be available for construction of a Center for Science and Engineering Technologies at Arizona State University.

SEC. 6. Sec. 8103 of the fiscal year 1986 Department of Defense Appropriations Act, Public Law 99-190, is amended as follows: in subsection (b) inserting "the Complementary Expendable Launch Vehicle Program," directly following "and the Coastal Defense Augmentation Account,"; and inserting a new provision at the end of subsection (b) as follows, ": Provided further, That $561,900,000 for the Complementary Expendable Launch Vehicle Program shall be so available without notification procedures otherwise required by this subsection".

SEC. 7. Sec. 8109 of Public Law 99-190 (99 Stat. 1222) is repealed.

SEC. 8. Notwithstanding any other provision of law, until, but not after, August 15, 1986, obligations from the Department of Defense military personnel accounts may exceed a rate in excess of the rate required to limit total obligations to the obligation ceilings established by law for such accounts for fiscal year 1986.

CHAPTER [III] *IV*

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

CONSTRUCTION, GENERAL

Using available funds, the Secretary of the Army shall take such actions as may be necessary to remedy slope failure and erosion problems along the Tombigbee River in Alabama in order to protect the Highway No. 39 Bridge at Gainesville, Alabama, at an estimated cost of $1,500,000. Such actions shall be coordinated with the State of Alabama: *Provided,* That using available funds, $1,400,000 shall be available to initiate construction at Mount St. Helens, Washington: *Provided further, That using available funds, the Secretary of the Army is directed to use $8,200,000 to initiate construction of the Cooper River seismic modification project in South Carolina.*

[FLOOD CONTROL AND COASTAL EMERGENCIES

[For an additional amount, for "Flood Control and Coastal Emergencies", as authorized by section 5 of the Flood Control Act approved August 18, 1941, as amended, $25,000,000, to remain available until expended.]

GENERAL EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "General Expenses" $3,000,000 to remain available until expended, and to be derived from "Operation and Maintenance, General".

DEPARTMENT OF ENERGY

ENERGY SUPPLY, RESEARCH AND DEVELOPMENT ACTIVITIES

(DISAPPROVAL OF DEFERRAL)

[The Congress disapproves $23,156,000 of the proposed deferral D86-38 relating to the Department of Energy, "Energy Supply, Research and Development Activities", as set forth in the message of February 5, 1986, (House Document 99-161), which was transmitted to the Congress by the President. The disapproval shall be effective upon enactment into law of this bill and the amount of the proposed deferral disapproved herein shall be made available for obligation.]

Of the funds which remain deferred as of May 1, 1986, pursuant to deferral D86-38 relating to the Department of Energy, "Energy Supply, Research and Development Activities", the Congress disapproves the deferral of $23,156,000. The disapproval shall be effective upon enactment into law of this Act and the amount of the deferral disapproved herein shall be made available for obligation.

[ATOMIC ENERGY DEFENSE ACTIVITIES

[(TRANSFER OF FUNDS)

[For an additional amount, for "Atomic Energy Defense Activities", $62,000,000, to be derived by transfer from the Department of Defense appropriation "Research, Development, Test and Evaluation, Defense Agencies", to be merged with this Account and remain available until expended: *Provided,* That the transfer of funds provided in this paragraph shall not become available for such transfer until 30 days after the Committees on Appropriations of the House of Representatives and the Senate receive from the Department of Defense a list of the specific sources of funds to be used for such transfer.

[DEPARTMENT OF DEFENSE

[ADMINISTRATIVE PROVISION

[Of the funds previously appropriated or made available for research, development, test and evaluation for the Department of the Air Force and for the Defense Agencies for fiscal year 1986 pursuant to Public Law 99-190, the Secretary of the Air Force shall provide a grant or contribution of $13,500,000 for research activities, construction of research related facilities and for other related purposes at Northeastern University in Massachusetts identified in House Report 99-450 and the Secretary of Defense shall provide a grant or contribution of $11,100,000 for research activities, construction of research related facilities and for other related purposes at the Rochester Institute of Technology at Rochester, New York identified in House Report 99-450.]

CHAPTER [IV] *V*

FOREIGN ASSISTANCE AND RELATED PROGRAMS

BILATERAL ECONOMIC ASSISTANCE

AGENCY FOR INTERNATIONAL DEVELOPMENT

[Of the funds made available for the "Economic Support Fund" in Public Law

99-190, not less than $50,000,000 shall be made available for the United States contribution to the International Fund established pursuant to the November 15, 1985, agreement between the United Kingdom and Ireland.]

INTERNATIONAL FUND FOR NORTHERN IRELAND AND IRELAND

(TRANSFERS OF FUNDS)

Of the funds appropriated or otherwise made available in titles I, II, III, and IV in the Foreign Assistance and Related Programs Appropriations Act, 1986 (as enacted in Public Law 99-190), not more than $20,000,000 of any of such funds may be made available for the United States contribution to the International Fund established pursuant to the November 15, 1985, agreement between the United Kingdom and Ireland: Provided, That none of the funds contained in such Act may be contributed to the International Fund until the enactment of legislation specifically authorizing assistance for such purpose.

DEPARTMENT OF STATE

ANTI-TERRORISM ASSISTANCE

(TRANSFERS OF FUNDS)

For an additional amount to carry out the provisions of chapter 8 of part II of the Foreign Assistance Act of 1961, $2,739,000, to be derived by transfer from any of the funds appropriated or otherwise made available in titles I, II, III, and IV of the Foreign Assistance and Related Programs Appropriations Act, 1986 (as enacted in Public Law 99-190).

ASSISTANCE FOR HAITI

Of the funds made available [for the "Economic Support Fund" in Public Law 99-190,] *in title II of the Foreign Assistance and Related Programs Appropriations Act, 1986 (as enacted in Public Law 99-190),* up to $21,700,000 shall be made available for assistance to Haiti. Of this amount, $1,700,000 [shall] *may* be transferred to the Inter-American Foundation for use by the Foundation for programs for Haiti. The assistance made available pursuant to this paragraph shall be used to promote the transition to democracy by means such as generating local currency for use for literacy projects, rural development, and job creation. The assistance provided for Haiti pursuant to this paragraph shall be in addition to the assistance previously allocated for Haiti.

It is the sense of the Congress that the United States Government should cooperate with the Government of Haiti in recovering for the Haitian people the wealth that was illegally obtained by former president Jean-Claude Duvalier and his former government ministers and associates through diversions of funds and property, regardless of whether that wealth is located in the United States or abroad.

Notwithstanding any limitations on assistance to Haiti contained in Public Law 98-473 or Public Law 99-83, funds previously appropriated for the purposes of chapter 2 of part II of the Foreign Assistance Act of 1961, as amended, may be made available for Haiti to carry out such purposes: Provided, That none of the funds made available pursuant to this paragraph may be made available for obligation unless the Appropriations Committees of both Houses of Congress are previously notified fifteen days in advance.

SPECIAL ASSISTANCE TO THE PHILIPPINES

ECONOMIC SUPPORT FUND

For an additional amount for the "Economic Support Fund", $100,000,000: Provided, That this amount shall be available only for the Philippines: Provided further, That none of these funds may be made available for obligation unless the Appropriations Committees of both Houses of Congress are previously notified fifteen days in advance.

MILITARY ASSISTANCE

For an additional amount of "Military Assistance", $50,000,000: Provided, That in addition, $29,355,000 previously obligated for direct loans to the Philippines under the heading "Foreign Military Credit Sales" in Public Law 98-473 and Public Law 99-190, shall be deobligated and transferred to this appropriation, to be made available for obligation until September 30, 1986: Provided further, That these funds shall be made available only for the Philippines: Provided further, That none of these funds may be made available for obligation unless the Appropriations Committees of both Houses of Congress are previously notified fifteen days in advance.

EXPORT-IMPORT BANK OF THE UNITED STATES

Direct loan authority made available in title IV of the Foreign Assistance and Related Programs Appropriations Act, 1986 (as enacted in Public Law 99-190) for the Export-Import Bank of the United States is available through September 30, 1987.

CHAPTER [V] *VI*

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

(RESCISSION)

Of the amounts of budget authority that become available during fiscal year 1986 as a result of the forgiving, pursuant to section 4(c)(1) of the United States Housing Act of 1937, as amended, of any loan made pursuant to section 4(a) of such Act, not less than $3,000,000,000 of budget authority (and such amounts of contract authority as correspond to the amounts of budget authority) is rescinded.

SUBSIDIZED HOUSING PROGRAMS

RENT SUPPLEMENT PROGRAM

(RESCISSION)

The limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s), is further reduced in fiscal year 1986 by not more than $41,390,000 in uncommitted balances of authorizations provided for this purpose in appropriations Acts.

RENTAL HOUSING ASSISTANCE

(RESCISSION)

The limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 236 of the National Housing Act (12 U.S.C. 1715z-1), is further reduced in fiscal year 1986 by not more than $10,128,000 in uncommitted balances of authorizations provided for this purpose in appropriations Acts.

HOUSING PROGRAMS AND COMMUNITY PLANNING AND DEVELOPMENT

(DISAPPROVAL OF DEFERRALS)

The Congress disapproves the following proposed deferrals relating to the Department of Housing and Urban Development as set forth in the message of February 5, 1986, which was transmitted to the Congress by the President: (1) D86-41 relating to Housing Programs, "Annual contributions for assisted housing", (2) D86-45 relating to Housing Programs, "Housing for the elderly or handicapped fund", (3) D86-46 relating to Housing Programs, "Nonprofit sponsor assistance", (4) D86-48 relating to Community Planning and Development, "Community development grants", and (5) D86-50 relating to Community Planning and Development, "Rehabilitation loan fund". The five disapprovals shall be effective upon enactment into law of [the] *this* Act and the amounts of the proposed deferrals disapproved herein shall be made available for obligation.

FEDERAL HOUSING ADMINISTRATION FUND

The applicable limitation on additional commitments to insure mortgages and loans to carry out the purposes of the National Housing Act during fiscal year 1986 is increased by an additional $57,580,000,000 of mortgage and loan principal.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES

The applicable limitation on new commitments to issue guarantees to carry out the purposes of section 306 of the National Housing Act during fiscal year 1986 is increased by an additional $49,000,000,000 of principal.

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

(TRANSFERS OF FUNDS)

For an additional amount for "Salaries and expenses", [$23,701,000, of which $15,066,000] *$30,000,000 which* shall be derived by transfer from the various funds of the Federal Housing Administration [and $8,635,000 shall be derived from the assets of the Revolving Fund established pursuant to section 312 of the Housing Act of 1964, as amended (42 U.S.C. 1452b)].

INDEPENDENT AGENCIES

[AMERICAN BATTLE MONUMENTS COMMISSION

[SALARIES AND EXPENSES

[For an additional amount for "Salaries and expenses", $1,553,000.]

ENVIRONMENTAL PROTECTION AGENCY

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $3,000,000, to be derived by transfer from "Research and development".

CONSTRUCTION GRANTS

Of the funds appropriated in section 119 of Public Law 99-190 for necessary expenses to carry out title II of the Federal Water Pollution Control Act, an additional $600,000,000 is hereby made available: Provided, That the allocation of the $600,000,000 made available by this paragraph shall be in accordance with the formula in effect on October 1, 1984.

FEDERAL EMERGENCY MANAGEMENT AGENCY

FUNDS APPROPRIATED TO THE PRESIDENT

DISASTER RELIEF

For an additional amount for "Disaster relief", $250,000,000, to remain available until expended.

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $2,920,000, to be derived by transfer from "Emergency management planning and assistance".

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

SPACE FLIGHT, CONTROL AND DATA COMMUNICATIONS

For an additional amount for "Space flight, control and data communications", $526,000,000, to remain available until expended.

RESEARCH AND PROGRAM MANAGEMENT

(TRANSFERS OF FUNDS)

For an additional amount for "Research and program management", $38,100,000, of which $24,000,000 shall be derived by transfer from "Research and development" and $14,100,000 shall be derived by transfer from "Space flight, control and data communications".

VETERANS ADMINISTRATION

COMPENSATION AND PENSIONS

For an additional amount for "Compensation and pensions", $272,000,000, to remain available until expended.

READJUSTMENT BENEFITS

For an additional amount for "Readjustment benefits", $91,000,000, to remain available until expended.

MEDICAL CARE

(TRANSFER OF FUNDS)

For an additional amount for "Medical care", *up to* $30,000,000, to be derived by transfer from "Construction, major projects".

GENERAL OPERATING EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "General operating expenses", *up to* $6,000,000, to be derived by transfer from "Construction, minor projects".

VETERANS JOB TRAINING

(TRANSFER OF FUNDS)

[For payments to defray the costs of training and provision of incentives to employers to hire and train certain veterans as authorized by the Veterans' Job Training Act, as amended (29 U.S.C. 1721), up to $35,000,000, to remain available until September 30, 1987, and to be derived by transfer from "Construction, minor projects".]

For payments to defray the costs of training and provision of incentives to employers to hire and train certain veterans, as authorized to be appropriated by section 16 of the Veterans' Job Training Act, (appearing at 29 U.S.C. 1721 and as amended by section 201(d) of Public Law 99-238), $35,000,000, to be derived by transfer from "Construction, minor projects".

ADMINISTRATIVE PROVISIONS

Retroactive to October 1, 1985, all payments for services performed on a contractual basis in conjunction with loan guaranty operations shall be charged to the VA loan guaranty revolving fund.

Notwithstanding section 409 of Public Law 99-160, of the funds provided by that Act for the Neighborhood Reinvestment Corporation, an additional $250,000 may be used for object classification expenses other than personnel compensation and benefits.

FEDERAL HOME LOAN BANK BOARD

LIMITATION ON ADMINISTRATIVE EXPENSES, FEDERAL HOME LOAN BANK BOARD

The limitation on administrative expenses for fiscal year 1986 is increased by $3,429,000.

CHAPTER [VI] *VII*

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

LAND ACQUISITION

[(DEFERRAL)]

(RESCISSION)

Of the funds previously appropriated under this head, $3,000,000 [shall not become available for obligation until October 1, 1986] *are rescinded.*

UNITED STATES FISH AND WILDLIFE SERVICE

[RESOURCE MANAGEMENT

[For an additional amount for "Resource management", $90,000.]

LAND ACQUISITION

[(DEFERRAL)

[Of the funds previously appropriated under this head, $4,432,000 shall not become available for obligation until October 1, 1986.]

For an additional amount for "Land acquisition", $2,373,000, to remain available until expended.

NATIONAL PARK SERVICE

OPERATION OF THE NATIONAL PARK SYSTEM

For an additional amount for "Operation of the national park system", [$13,900,000] *$13,470,000.*

CONSTRUCTION

For an additional amount for "Construction", $3,420,000, to remain available until expended.

LAND AND WATER CONSERVATION FUND

(RESCISSION)

The contract authority provided for fiscal year 1986 by 16 U.S.C. 460l-10a is rescinded.

(DEFERRAL)

Of the funds previously appropriated under this head, $1,893,000 shall not become available for obligation until October 1, 1986.

ADMINISTRATIVE PROVISIONS

None of the funds made available by this or any other Act may be used to plan or implement the closure of the Pacific Northwest Regional Office in Seattle, Washington: [*Provided*, That the Cape Cod National Seashore Advisory Commission established under Section 8(a) of the Act of August 7, 1961 (P.L. 87-126; 75 Stat. 292) is reestablished and extended through February 28, 1996:] *Provided, That none of the funds made available by this or any other Act may be used to drain lakes in Delaware Water Gap National Recreation Area prior to approval by the House and Senate Committees on Appropriations in compliance with the reprogramming procedures contained in House Report 97-942.*

GEOLOGICAL SURVEY

SURVEYS, INVESTIGATIONS, AND RESEARCH

For an additional amount for "Surveys, investigations, and research," $1,400,000.

MINERALS MANAGEMENT SERVICE

LEASING AND ROYALTY MANAGEMENT

[For an additional amount for "Leasing and royalty management", $800,000.]

Notwithstanding any other provision of law, payment for processing costs of data and information acquired by the Secretary on or after October 1, 1985, shall be made to permittees with permits issued on or before September 30, 1985.

[OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

[REGULATION AND TECHNOLOGY

[(RESCISSION)

[Of available funds under this head, $710,000 are rescinded.]

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

For an additional amount for "Operation of Indian programs", [not to exceed $31,368,000] *$26,500,000,* of which $1,500,000 shall be transferred to the Chippewa-Ottawa Treaty Fishery Management Authority (COTFMA) to provide the Federal contribution related to the compromise agreement resulting from the U.S. v. Michigan fishery litigation: *Provided,* That these funds shall be made available to COTFMA after receipt and approval by the Secretary of the Interior or his designated representative of an investment plan for establishing a fund, which shall be invested at interest: *Provided further,* That only the interest income from such fund is to be available for fisheries management activities by the Chippewa-Ottawa Treaty Fishery Management Authority: *Provided further,* That funds appropriated hereunder shall be repaid to the Federal government after a fifteen (15) year period: *Provided further,* That should the Chippewa-Ottawa Treaty Fishery Management Authority dissolve at any time during the fifteen (15) year period, funds appropriated hereunder shall immediately be repaid to the Federal government: *Provided further, That general assistance payments are subject to the availability of appropriated funds and hereafter such general assistance payments shall be reduced if the Secretary determines that reductions are necessary so as not to exceed the amounts available.*

REVOLVING FUND FOR LOANS

Public Law 99-190 (99 Stat. 1237) is amended under this heading by deleting the word "may" in the proviso and inserting in lieu thereof the word "shall" and by adding the following new proviso before the period: ": Provided further, That the United States secure a lien in the amount of the principal and interest of the loan upon trust or other funds of the tribe including any net recovery the tribe may receive from any final award of judgment against the United States which may be rendered in favor of the Zuni Indian Tribe in Docket Numbers 161-79L and 327-81L presently pending before the United States Claims Court".

TERRITORIAL AND INTERNATIONAL AFFAIRS

COMPACT OF FREE ASSOCIATION

For grants and necessary expenses for the Federated States of Micronesia and the Marshall Islands, as provided for in Sections 177, 122, 221, and 223 of the Compact of Free Association, $178,750,000, as authorized by Public Law 99-239, *and $9,340,000, to remain available until expended, for grants and necessary expenses to the Republic of Palau, to become available for obligation upon the enactment of S.J. Res. 325 or similar legislation: Provided,* That for purposes of economic assistance as provided pursuant to the Compact, the effective date of the Compact shall be October 1, 1985.

For grants and necessary expenses for the Federated States of Micronesia and the Marshall Islands, as provided for in Sections 211, 212, 213, 214, 215, 216, 217, and 231 of the Compact of Free Association, and Section 111(b) of Title I of the Compact of Free Association Act of 1985 (Public Law 99-239),

[all sums that are or may be required in this and subsequent years are appropriated, and shall be drawn from the Treasury] *such sums as may be necessary are available this fiscal year*, as authorized by Public Law 99-239, *and as may be authorized upon the enactment of S.J. Res. 325 or similar legislation: Provided*, That [$50,493,000] *$62,947,000* of the amount made available to the "Trust Territory of the Pacific Islands" appropriation pursuant to Public Law 99-190 shall be considered to have been made available for the purposes of this appropriation for fiscal year 1986 and expended as provided for by the Compact of Free Association: *Provided further*, That for purposes of economic assistance as provided pursuant to the Compact, the effective date of the Compact shall be October 1, 1985.

Funds appropriated in this Act, under the terms of Public Law 99-239, the Compact of Free Association, for Kwajalein impact payments to the Republic of the Marshall Islands may be used to reimburse the Department of the Army for interim use payments made by the Department of the Army since October 1, 1985.

RELATED AGENCIES

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

STATE AND PRIVATE FORESTRY

For an additional amount for "State and private forestry", $161,000.

NATIONAL FOREST SYSTEM

For an additional amount for "National forest system", $165,700,000.

CONSTRUCTION

For an additional amount for "Construction", $1,700,000, to remain available until expended.

LAND ACQUISITION

For an additional amount for "Land acquisition", $4,436,000, to remain available until expended.

TIMBER SALVAGE SALES

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves $3,153,000 of the proposed deferral D86-3 relating to the Department of Agriculture, U.S. Forest Service, "Timber Salvage Sales", as set forth in the message of October 1, 1985, which was transmitted to the Congress by the President. The disapproval shall be effective upon enactment into law of this [bill] *Act* and the amount of the proposed deferral disapproved herein shall be made available for obligation.

ADMINISTRATIVE PROVISIONS, FOREST SERVICE

Provisions of 7 U.S.C. 147(b) shall apply to appropriations available to the Forest Service only to the extent that the proposed transfer is approved by the House and Senate Committees on Appropriations in compliance with the reprogramming procedures contained in House Report 97-942.

DEPARTMENT OF ENERGY

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

(DISAPPROVAL OF DEFERRAL)

[The Congress disapproves $62,205,000 of the proposed deferral D86-6A relating to the Department of Energy, "Fossil energy research and development", as set forth in the message of February 5, 1986, which was transmitted to the Congress by the President. The disapproval shall be effective upon enactment into law of this bill and the amount of the proposed deferral disapproved herein shall be made available for obligation.]

Of the funds which remain deferred as of May 1, 1986, pursuant to deferral D86-6A relating to the Department of Energy, "Fossil energy research and development", the Congress disapproves the deferral of $22,541,000. The disapproval shall be effective upon enactment into law of this Act and the amount of the deferral disapproved herein shall be made available for obligation.

NAVAL PETROLEUM AND OIL SHALE RESERVES

The Congress approves the deferral D86-8A relating to the Department of Energy, "Naval petroleum and oil shale reserves", as set forth in the message of February 6, 1986, which was transmitted to the Congress by the President.

ENERGY CONSERVATION

(DISAPPROVAL OF DEFERRAL)

[The Congress disapproves deferral D86-9A relating to the Department of Energy, "Energy conservation", as set forth in the message of March 12, 1986, which was transmitted to the Congress by the President. The disapproval shall be effective upon enactment into law of this bill and the amount of the proposed deferral disapproved herein shall be made available for obligation.]

Of the funds which remain deferred as of May 1, 1986, pursuant to deferral D86-9A relating to the Department of Energy, "Energy conservation", the Congress disapproves the deferral of $14,906,000. The disapproval shall be effective upon enactment into law of this Act and the amount of the deferral disapproved herein shall be made available for obligation.

STRATEGIC PETROLEUM RESERVE

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves deferral D86-37 relating to the Department of Energy, "Strategic petroleum reserve", as set forth in the message of February 5, 1986, which was transmitted to the Congress by the President. The disapproval shall be effective upon enactment into law of this [bill] *Act* and the amount of the proposed deferral disapproved herein shall be made available for obligation.

SPR PETROLEUM ACCOUNT

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves [$315,000,000 of the proposed] deferral D86-10A relating to the Department of Energy, "SPR petroleum account", as set forth in the message of February 5, 1986, which was transmitted to the Congress by the President. The disapproval shall be effective upon enactment into law of this [bill] *Act* and the amount of the proposed deferral disapproved herein shall be made available for obligation*: Provided, That the minimum required fill rate during fiscal year 1987 shall be the rate set in the fiscal year 1987 Budget Resolution.*

[Notwithstanding any other provision of law, upon enactment into law of this bill the minimum required rate of fill is 100,000 barrels a day until the funds made available by this Act are expended.]

ALTERNATIVE FUELS PRODUCTION

For the repayment of principal and interest on notes issued to the Secretary of the Treasury by the Secretary of Energy pursuant to the provisions of section 19(n)(4) of the Federal Non-nuclear Energy Research and Development Act, Public Law 93-577, as amended by Public Law 95-238, $1,020,360,322, together with such additional sums as may be necessary, for the payment of interest which shall have accrued to the date final principal payment is made.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

INDIAN HEALTH SERVICES

For an additional amount for "Indian health services", [$20,000,000] *$1,800,000: Provided, That $530,000 shall not become available for obligation until September 30, 1986.*

INDIAN HEALTH FACILITIES

(DEFERRAL)

Of the funds previously appropriated under this head, $13,745,000 shall not become available for obligation until October 1, 1986.

[SMITHSONIAN INSTITUTION

[NATIONAL GALLERY OF ART

[SALARIES AND EXPENSES

[(TRANSFER OF FUNDS)

[For an additional amount for "Salaries and expenses", $136,000, to be derived by transfer from "Repair, restoration and renovation of buildings, National Gallery of Art".]

CHAPTER [VII] *VIII*

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES

For an additional amount for the Health Resources and Services Administration to carry out the provisions of section 1910 of the Public Health Service Act (pertaining to Emergency Medical Services for Children), $2,000,000.

Notwithstanding any other provision of this Act, the Secretary of Health and Human Services shall immediately renew all designated agreements and contracts in accordance with title 15 of the Public Health Service Act for such periods after September 30, 1986 as each Agency's budget, including unobligated Federal funds available for carryover, permits; and no Health Planning Agency shall be required to take action to terminate financial assistance in Fiscal Year 1986.

[NATIONAL INSTITUTES OF HEALTH

[NATIONAL CANCER INSTITUTE

[For an additional amount for "National Cancer Institute", for grants for National Cancer Research and Demonstration Centers as authorized by section 414 of Public Law 99-158, $6,000,000.]

OFFICE OF COMMUNITY SERVICES

COMMUNITY SERVICES BLOCK GRANT

The Administrator of General Services is authorized and directed to convey to the District of Columbia, without cost, all rights, title, and interest in the property located at 425 Second Street, Northwest, in the District of Columbia.

For making a grant to the District of Columbia upon the completion of the conveyance to the District of Columbia of the property located at 425 Second Street, Northwest, in the District of Columbia, and upon the submission of a request to the Office of Community Services, Department of Health and Human Services, by the District of Columbia, $5,000,000 for the repair and renovation of such property for use as a shelter for the homeless.

DEPARTMENT OF EDUCATION

IMPACT AID

[For an additional amount, for "Impact Aid", $20,000,000, which shall remain available until expended, for making payments under section 7 of title I of the Act of September 30, 1950, as amended: *Provided*, That payments made under section 2 of said Act for the fiscal years 1978 through 1983, which were based on entitlements that included State-levied real property taxes, shall stand: *Provided further*, That in a State where a portion of an existing local real property tax levy had been assumed and levied by the State as a real property tax, that these State taxes shall be allowed in the computation of entitlements under section 2 of said Act for the fiscal years 1984 and 1985: *Provided further*, That recovery of any overpayments to any school district of less than $5,000 arising out of payments made under said Act for fiscal year 1978 shall be obtained only from any future year payments to such school district under said Act.]

None of the funds appropriated in this Act, or in any other Appropriations Act for fiscal year 1986, may be used to implement any regulations promulgated by the Secretary of Education after March 31, 1986, to carry out the provisions of the Act of September 30, 1950, relating to impact aid, if such regulations are to take effect during the fiscal year 1986.

Section 3(d)(2)(B) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended by adding at the end thereof the following new sentences: "In carrying out the provisions of this subparagraph, the Secretary shall count the actual number of children with respect to such agency for each fiscal year under subsection (b) without regard to the provisions of subparagraph (E) of this paragraph. The Secretary shall make payments with respect to local educational agencies for each fiscal year under this subparagraph in an amount equal to the amount determined pursuant to the previous sentences of this subparagraph minus the actual payment to be made pursuant to subsection (a) or (b), or both, for that fiscal year.".

The Secretary shall, in making any audit of payments made under the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) accept the manner of counting children attending kindergarten for the purpose of that Act if the manner of counting such children is in accordance with State law.

REHABILITATION SERVICES AND HANDICAPPED RESEARCH

From the amounts appropriated to carry out the Rehabilitation Act of 1973, $29,300,000 shall be made available for special demonstration projects for the severely disabled under section 311: Provided, That $9,000,000 shall be used for supported employment demonstrations.

STUDENT FINANCIAL ASSISTANCE

For an additional amount for subpart 1 of part A of title IV of the Higher Education Act, as amended, $146,000,000, to remain available until September 30, 1987.

RELATED AGENCIES

SOLDIERS' AND AIRMEN'S HOME

OPERATION AND MAINTENANCE

(TRANSFER OF FUNDS)

Provided prior approval is obtained from the Committees on Appropriations, an additional amount not to exceed $1,241,000 for "Operation and Maintenance", may be transferred from the Soldiers' and Airmen's "Capital Outlay" fund.

[CHAPTER VIII

[DEPARTMENT OF LABOR

[ADMINISTRATIVE PROVISION

[No Job Corps Center operating under part B of title IV of the Job Training Partnership Act shall be closed, nor shall the aggregate service level of such centers for any fiscal or program year fall below 40,544 service years. Nothing in this section shall permit the Secretary to exceed funding levels established for carrying out part B of title IV of the Job Training Partnership Act pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).]

CHAPTER IX

LEGISLATIVE BRANCH

SENATE

SALARIES, OFFICERS AND EMPLOYEES

OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER

For an additional amount for "Office of the Sergeant at Arms and Doorkeeper", $500,000.

ADMINISTRATIVE PROVISIONS

SECTION 1. (a) Effective October 1, 1985, the allowance for administrative and clerical assistance of each Senator from the State of Alabama is increased to that allowed Senators from States having a population of four million but less than five million, the population of said State having exceeded four million inhabitants.

(b) Effective October 1, 1985, the allowance for administrative and clerical assistance of each Senator from the State of Florida is increased to that allowed Senators from States having a population of eleven million but less than twelve million, the population of said State having exceeded eleven million inhabitants.

SEC. 2. (a) Subsection (a) of section 110 of Public Law 97-12 (2 U.S.C. 58b(a)) is amended by—

(1) inserting "(1)" after "(a)"; and

(2) striking out the last three sentences of such subsection and inserting in lieu thereof the following:

"(2) Each Senator, at his election, may, during any fiscal year (but not earlier than August 1, thereof), transfer—

"(A) from such Senator's clerk hire allowance to his Official Office Expense Account; or

"(B) from such Senator's Official Office Expense Account to his clerk hire allowance, such amounts as the Senator shall determine, but not in excess of the balance (or accrued surplus in case of transfers made prior to October 1, 1984) as of the end of the month which precedes the date of such transfer. Any amounts so transferred between such accounts shall be available only for expenses incurred during the calendar year in which occurred the close of the fiscal year. Each Senator electing to make such transfer under this paragraph shall advise the Senate Disbursing Office in writing, no later than January 15 of the calendar year immediately following the calendar year in which occurs the close of such fiscal year, and such transfer shall be made on such date (but not earlier than August 1 of the calendar year in which occurs the close of such fiscal year) as may be specified by the Senator.".

(b) Subsection (b) of section 110 of Public Law 97-12 is amended to read as follows:

"(b) Transfer of funds under subsection (a) of this section shall be made between the appropriation 'Administrative, Clerical, and Legislative Assistance Allowance to Senators' under the heading 'Senate' and 'salaries, officers, and employees' and the appropriation 'Miscellaneous items' for allocation to Senatorial Official Office Expense Accounts.".

(c) The amendments made by subsection (a) shall be effective in the case of elections made with respect to transfers of funds to be available for expenses incurred during calendar years after 1984.

SEC. 3. The Chairman of the Majority or Minority Conference Committee of the Senate may, during the fiscal year ending September 30, 1986, at his election, transfer not more than $30,000 from the appropriation account for salaries for the Conference of the Majority and the Conference of the Minority of the Senate, to the account, within the contingent fund of the Senate, from which expenses are payable under section 120 of Public Law 97-51 (2 U.S.C. 61g-6). Any transfer of funds under authority of the preceding sentence shall be made at such time or times as such chairman shall specify in writing to the Senate Disbursing Office. Any funds so transferred by the chairman of the Majority or Minority Conference Committee shall be available for expenditure by such committee in like manner and for the same purposes as are other moneys which are available for expenditure by such committee from the account, within the contingent fund of the Senate, from which expenses are payable under section 120 of Public Law 97-51 (2 U.S.C. 61g-6).

HOUSE OF REPRESENTATIVES

SALARIES, OFFICERS AND EMPLOYEES

For an additional amount for "Office of the Sergeant at Arms", $500,000.

[CONTINGENT EXPENSES OF THE HOUSE

[STANDING COMMITTEES, SPECIAL AND SELECT

[For an additional amount for "Standing committees, special and select", $350,000.]

JOINT ITEMS

CONTINGENT EXPENSES OF THE HOUSE

JOINT COMMITTEE ON TAXATION

For an additional amount for "Joint Committee on Taxation", $912,000.

CAPITOL POLICE

CAPITOL POLICE BOARD

For an additional amount for the "Capitol Police Board", $13,000,000, to remain available until expended, to implement an improved security plan for the United States Capitol, after such plan shall have been approved by the Senate Committee on Rules and Administration, the Senate Committee on Appropriations, the House Committee on Appropriations, the House Committee on Public Works, and the House Committee on Administration: Provided, That such Board is authorized to transfer to the Architect of the Capitol so much of such funds as may be necessary to enable the Architect of the Capitol to carry out appropriate projects to implement such plan, and the Architect of the Capitol is authorized to obligate and expend the funds so transferred to him to carry out contracts entered into without regard to section 3709 of the Revised Statutes, as amended.

ARCHITECT OF THE CAPITOL

OFFICE OF THE ARCHITECT OF THE CAPITOL

SALARIES

For an additional amount for "Office of the Architect of the Capitol, Salaries", $250,000.

CAPITOL BUILDINGS

For an additional amount for "Capitol Buildings", $8,000,000, to remain available until expended: *Provided*, That this additional amount shall be available for obligation without regard to section 3709 of the Revised Statutes, as amended.

WEST CENTRAL FRONT OF THE CAPITOL

(RESCISSION)

Of the funds appropriated under this heading in Public Law 98-63, $2,683,000 are rescinded.

CAPITOL POWER PLANT

For an additional amount for "Capitol Power Plant", $1,583,000: *Provided*, That not to exceed $2,150,000 of the funds credited or to be reimbursed to this appropriation pursuant to Public Law 99-151 shall be available for obligation during fiscal year 1986.

CHAPTER X

DEPARTMENT OF TRANSPORTATION

COAST GUARD

OPERATING EXPENSES

For an additional amount, for "Coast Guard, Operating expenses", $35,500,000. *In addition, $10,400,000 shall be transferred from "Coast Guard, Acquisition, construction and improvements" pursuant to section 5(a) of Public Law 98-557.*

FEDERAL AVIATION ADMINISTRATION

OPERATIONS

[(INCLUDING TRANSFERS OF FUNDS)]

For an additional amount for "Operations", [$85,000,000, of which $2,000,000 shall be derived by transfer from "Coast Guard, Retired pay", $2,250,000 shall be derived by transfer from "Coast Guard, Research, development, test, and evaluation", and $750,000 shall be derived by transfer from "Office of the Secretary, Salaries and expenses": *Provided*, That the immediately preceding transfer shall not become effective until June 1, 1986, and shall not go into effect if by that date the Secretary of Transportation and the appropriate local governmental authorities for those projects identified in section 320 of the Department of Transportation and Related Agencies Appropriations Act, 1986, have reached agreement on the execution of full funding contracts.] *$80,000,000: Provided, That, at a minimum, the air traffic control on-board employment level shall be 14,480 by September 30, 1986.*

RESEARCH, ENGINEERING AND DEVELOPMENT

(AIRPORT AND AIRWAY TRUST FUND)

(TRANSFER OF FUNDS)

For an additional amount for "Research, engineering and development (Airport and Airway Trust Fund)", $72,220,000, of which $17,000,000 shall be derived by transfer from the unobligated balance of "Facilities and equipment (Airport and Airway Trust Fund)" and to remain available until September 30, 1989, and of which $55,220,000 shall be derived by transfer from "Facilities and equipment (Airport and Airway Trust Fund)" and to remain available until September 30, 1990.

FEDERAL HIGHWAY ADMINISTRATION

FEDERAL-AID HIGHWAYS

(HIGHWAY TRUST FUND)

The Department of Transportation is authorized to expend $5,000,000 from the emergency relief fund established by section 125 of title 23, United States Code, for the purposes of preventing the continuing flooding of Interstate 80 by the rising waters of the Great Salt Lake.

FEDERAL RAILROAD ADMINISTRATION

REDEEMABLE PREFERENCE SHARES

Notwithstanding any other provision of law, the Secretary of Transportation shall, until September 30, 1988, issue and sell, and the Secretary of the Treasury until such date shall purchase, Fund anticipation notes, and the Secretary of Transportation is hereby authorized to expend for uses authorized for the Railroad Rehabilitation and Improvement Fund proceeds from the sale of such Fund anticipation notes and any other moneys deposited in the Fund after September 30, 1985, pursuant to sections 502, 505-507, and 509 of the Railroad Revitalization and Regulatory Reform Act of 1976, (Public Law 94-210), as amended, and section 803 of Public Law 95-620, in amounts not to exceed $33,500,000.

URBAN MASS TRANSPORTATION ADMINISTRATION

FORMULA GRANTS

Notwithstanding any other provision of law, urbanized areas which became urbanized areas for the first time under the 1980 census shall be entitled to utilize, from funds apportioned to them under section 9 of the Urban Mass Transportation Assistance Act, as amended, the same amount of funds for operating assistance in fiscal year 1986 as was available to them in fiscal year 1985.

[RELATED AGENCY

[PANAMA CANAL COMMISSION

[OPERATING EXPENSES

[For an additional amount, for "Panama Canal Commission, Operating expenses", $20,000,000, to be derived from the Panama Canal Commission Fund.]

CHAPTER XI

DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

(RESCISSION)

Of the available funds under this head, $912,000 are rescinded.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

Of the total amount previously appropriated and made available under this head in Public Law 99-190, $6,000,000 shall be obligated and remain available until expended for dormitory construction.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

SALARIES AND EXPENSES

For an additional amount for salaries and expenses, $500,000, for the enforcement and administration of 26 U.S.C. 5121.

INTERNAL REVENUE SERVICE

PROCESSING TAX RETURNS

For an additional amount for "Processing tax returns", $194,564,000.

EXAMINATIONS AND APPEALS

For an additional amount for "Examinations and appeals", $68,706,000.

INVESTIGATION, COLLECTION AND TAXPAYER SERVICE

For an additional amount for "Investigation, collection and taxpayer service", $76,730,000.

ADMINISTRATIVE PROVISIONS—INTERNAL REVENUE SERVICE

Section 1. Notwithstanding any other provision of this title, any appropriations made available to the Internal Revenue Service for the current fiscal year may be transferred to any other Internal Revenue Service appropriation to the extent necessary for increased pay costs authorized by law.

Section 2. Not to exceed 5 per centum of any appropriation made available to the Internal Revenue Service for the current fiscal year may be transferred to any other Internal Revenue Service appropriation.

Section 3. The Internal Revenue Service shall provide on a non-reimburseable basis, all necessary data processing support to the Bureau of Alcohol, Tobacco and Firearms to assist in the implementation of a new Special Occupational Tax Compliance system at the Bureau.

Section 4. None of the funds appropriated by this Act or any other Act shall be used to implement Temporary Internal Revenue Service Regulation section 1.274-5T or section 1.274-6T or any other regulation issued reaching the same result as, or a result to, such temporary regulations.

Section 5. Section 13208 of the Consolidated Omnibus Budget Reconciliation Act of 1985, Public Law 99-272 (relating to certain insolvent taxpayers allowed to reduce capital gains preference item for purposes of the individual minimum tax) is amended by adding at the end thereof the following new subsection:

"(c) STATUTE OF LIMITATIONS.—If refund or credit of any overpayment of tax resulting from the amendment made by subsection (a) is prevented at any time on or before October 15, 1986, by the operation of any law or rule of law (including res judicata), refund or credit or such overpayment (to the extent attributable to the application of such amendment) may, nevertheless, be made or allowed if claim therefor is filed on or before the date which is 6 months after the date of the enactment of this subsection.".

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $30,831,000: *Provided*, That no funds appropriated by this or any other Act may be used to implement single eight hour shifts at airports and that all current services as provided by the Customs Service shall continue through September 30, 1986[: *Provided further*, That none of the funds made available by this or any other Act shall be available for administrative expenses to reduce the personnel level of the Customs Service during fiscal year 1986 below an average of 14,041 full time equivalent positions].

[OPERATION AND MAINTENANCE, AIR INTERDICTION PROGRAM

[For an additional amount for "Operation and Maintenance, Air Interdiction Program", $3,225,000.]

UNITED STATES POSTAL SERVICE

The United States Post Office building to be constructed on Main Street in Barnwell, South Carolina, shall be known and designated as the "Solomon Blatt, Sr., Post Office Building". Any reference in any law, regulation, document, record, map, or other paper of the United States to such post office building is deemed to be a reference to the "Solomon Blatt, Sr., Post Office Building".

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

(LIMITATION ON AVAILABILITY OF REVENUE)

In addition to the aggregate amount heretofore made available for real property management and related activities in fiscal year 1986, $3,500,000 shall be made available until expended for the construction and acquisition of facilities as follows:

New Construction:

South Carolina:

Charleston, Post Office and Courthouse Annex, $3,500,000:

Provided, That for additional expenses necessary to carry out the purposes of the fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)), $3,500,000 to be deposited into said fund: Provided further, That any revenues, collections, and any other sums accruing to this fund in excess of $2,415,501,000, excluding reimbursements under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(f)(6)) shall remain in the fund and shall not be available for expenditure except as authorized in appropriations Acts.

GENERAL MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

The annual limitation of $5,200,000 through September 30, 1989 under this heading in the Supplemental Appropriations Act, 1985, Public Law 99-88, for expenses of transportation audit contracts and contract administration is increased to $7,600,000 for fiscal year 1986.

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD

SALARIES AND EXPENSES

For necessary expenses of the Federal Retirement Thrift Investment Board, $250,000.

OFFICE OF PERSONNEL MANAGEMENT

SALARIES AND EXPENSES

Pursuant to section 301 of title III of Public Law 99-251, the Federal Employees Benefits Improvement Act of 1986, not to exceed $2,500 shall be for reception and representation expenses.

TITLE II

GENERAL PROVISIONS

[SEC. 201. Section 1013 of the Budget and Impoundment Control Act (31 U.S.C. 1403) shall not apply to funds herein and subsequently appropriated.]

SEC. [202] *201.* None of the funds appropriated by this or any other Act to carry out part A of title IV of Public Law 92-318 (Indian Education Act) may be expended in violation of the provisions of H. Con. Res. 276 of the Ninety-ninth Congress.

SEC. 202. For purposes of implementing the President's February 1, 1986 order under Public Law 99-177, the percentage reduction required for payments made pursuant to 7 U.S.C. 1012; 43 U.S.C. 1181f-1; 42 U.S.C. 6508; and Public Law 96-586, 94 Stat. 3381, 2(d) (2) and (3) shall be the same percentage reduction as required for all nondefense accounts.

SEC. 203. Within ten days of the date of enactment of this Act, the Secretary of the Treasury shall invest all monies payable to any State, political subdivisions thereof, and territories, due that State, political subdivisions thereof, and territories as a result of programs administered by the Secretary of the Interior or the Secretary of Agriculture, which are sequestered pursuant to any order issued under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 902), but not cancelled under section 256(a)(2) of that Act (2 U.S.C. 906(a)(2)), in such bonds, notes, certificates of indebtedness, or Treasury bills of the United States Government as the Secretary of the Treasury may deem appropriate until such 1985 or 1986 monies, including interest, become available and payable to a State, political subdivisions thereof, and territories in accordance with and to the extent permitted by law: Provided, That the Secretary of the Treasury shall use any interest income earned from any investment of these funds to pay the State, political subdivisions thereof, and territories the portion of such interest earned which is attributable to investment of the principal sequestered amount paid to the State, political subdivisions thereof, and territories: Provided further, That the Secretary of the Treasury shall not pay any interest under sections 1045(a) and 111(b) of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 191), as amended, and 1721(b), on any portion of monies sequestered under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 902).

SEC. [203] *204.* None of the funds in this Act, or any other Appropriations Act for fiscal year 1986, may be used to implement changes to OMB Circular A-21 made subsequent to February 11, 1986.

SEC. [204] *205.* None of the funds appropriated by this Act or any other Act shall be used for preparing, promulgating or implementing new regulations dealing with organization participation in the 1986 Combined Federal Campaign other than repromulgating and implementing the 1984 and 1985 Combined Federal Campaign regulations, unless such regulations provide that any charitable organization which participated in any prior campaign shall be allowed to participate in the 1986 campaign.

SEC. [205] *206.* No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

[SEC. 206. Subsections (a)(4) and (g)(1) of section 1886 of the Social Security Act (42 U.S.C. 1395ww) are amended by striking "1986" each place it appears and inserting "1987".]

SEC. 207. Notwithstanding section 514 of Public Law 99-178, amounts appropriated by that Act for Federal financial assistance to the Trust Territory of the Pacific Islands shall be available, as would have been available had the Compact of Free Association Act (Public Law 99-239) not been enacted, until alternative funding is available under the terms of the Compact of Free Association Act of 1985 (Public Law 99-239). Thereafter, except insofar as the Compact of Free Association Act otherwise provides, such amounts shall be available only for the Republic of Palau, but only in amounts that such Republic would have received had the Compact of Free Association Act of 1985 not been enacted.

SEC. 208. Notwithstanding any other provision of law, section 7 of the Service Contract Act of 1965 (41 U.S.C. 356), is amended—

(1) by striking the word "and" at the end of clause (6);

(2) by striking the period at the end of clause (7) and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end thereof the following new clause:

"(8) any contract for aviation services to be furnished entirely within Alaska.".

[SEC. 207. No funds appropriated or made available under this or any other Act shall be used by the executive branch for soliciting proposals, preparing or reviewing studies or drafting proposals designed to transfer out of Federal or public ownership, management or control in whole or in part the facilities and functions of the Federal power marketing administrations located within the contiguous 48 States, and the Tennessee Valley Authority, until such activities have been specifically authorized and in accordance with terms and conditions established by an Act of Congress hereafter enacted, except that nothing in this amendment shall prohibit an expenditure after May 8, 1986 of $400,000 for preparing or reviewing studies for the purpose of drafting enabling legislation designed to transfer out of Federal ownership or control the facilities or functions of the Federal power marketing administrations located within the 48 States and the Tennessee Valley Authority: *Provided,* That this provision shall not apply to the authority granted under section 2(e) of the Bonneville Project Act of 1937; or to the authority of the Tennessee Valley Authority pursuant to any law under which it may dispose of property in the normal course of business in carrying out the purposes of the Tennessee Valley Authority Act of 1933, as amended; or to the authority of the Administrator of the General Services Administration pursuant to the Federal Property and Administrative Service Act of 1949, as amended, and the Surplus Property Act of 1944 to sell or otherwise dispose of surplus property.]

SEC. 209. No funds appropriated or made available under this or any other Act shall be used by the executive branch for soliciting proposals, preparing or reviewing studies or drafting proposals designed to transfer out of Federal ownership, management or control in whole or in part the facilities and functions of the Federal power marketing administrations located within the contiguous 48 States, and the Tennessee Valley Authority, until such activities have been specifically authorized and in accordance with terms and conditions established by an Act of Congress hereafter enacted: Provided, That this provision shall not apply to the authority granted under section 2(e) of the Bonneville Project Act of 1937; or to the authority of the Tennessee Valley Authority pursuant to any law under which it may transfer facilities or functions in the normal course of business in carrying out the purposes of the Tennessee Valley Authority Act of 1933, as amended; or to the authority of the Administrator of the General Services Administration pursuant to the Federal Property and Administrative Service Act of 1949, as amended, and the Surplus Property Act of 1944 to sell or otherwise dispose of surplus property.

SEC. 210. None of the funds appropriated by this or any other act to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 shall be available for any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training in connection with the growth or production in a foreign country of an agricultural commodity for export which would compete with a similar commodity grown or produced in the United States: Provided, That this section shall not prohibit (1) activities designed to increase food security in developing countries where such activities will not have a significant impact on the export of agricultural commodities of the United States; or (2) research activities intended primarily to benefit American producers.

SEC. 211. Notwithstanding any other provision of law—

(1) no reduction in the amount of funds for which the City of New York, New York, is eligible under any Federal law, or to which the City of New York, New York, is entitled under any Federal law, may be made, and

(2) no other penalty may be imposed by the Federal Government,

by reason of the application of New York City Local Law 19 of 1985 to any contract entered into by the City of New York before October 1, 1986, which is funded in whole, or in part, with funds provided by the Federal Government.

This Act may be cited as the "Urgent Supplemental Appropriations Act, 1986".

UNANIMOUS-CONSENT AGREEMENT

Mr. HATFIELD. Mr. President, I ask unanimous consent that the committee amendments to H.R. 4515 be considered and agreed to en bloc; provided that no points of order under rule XVI be waived thereon and that the measure, as amended, be considered as original text for the purpose of further amendments; with the following exceptions:

Line 19 on page 7 through line 17 on page 9, which is the REA amendment;

Lines 1 and 2 on page 26 of the committee amendment beginning with line 11 on page 20 through line 8 on page 26, which is a repeal amendment;

The committee amendment beginning with line 1 through line 5 on page 27, which is an amendment on flood control;

The committee amendment beginning with line 3 through line 8 on page 42, which has to do with surface mining reclamation;

The committee amendment beginning with line 17 on page 58 through line 8 on page 59, which has to do with capital security;

Lines 1 through 5 on page 65 of the committee amendment beginning with line 22 on page 64 through line 20 on page 65, which is an IRS amendment;

Lines 14 through 25 on page 71 of the committee amendment beginning with line 22 on page 70 through line 25 on page 71, which is an Alaska amendment;

Line 1 on page 72 through line 23 on page 73 of the committee amendment beginning with line 1 on page 72 through line 25 on page 74, which is a PMA amendment.

Mr. BYRD. Mr. President, reserving the right to object, and I shall not object. This agreement has been cleared on this side. It does not involve any time agreements on any amendments or with respect to the overall debate on the bill. There is no objection.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request posed to the consideration of the committee amendments en bloc?

Mr. BURDICK. Mr. President, I reserve the right to object.

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.

□ 1440

Mr. HATFIELD. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

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

□ 1450

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

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

Mr. HATFIELD. Mr. President, I should like to amend my unanimous-consent request so that the first committee amendment would read "Page 7, line 9, through page 9, line 17," along with those that I gave previously, to constitute now the unanimous-consent request.

Mr. JOHNSTON. Mr. President, reserving the right to object, do I correctly understand the Senator to say that the expected portion is page 7, line 19, through page 9, line 17?

Mr. HATFIELD. The Senator heard correctly.

Mr. JOHNSTON. Mr. President, that is in accordance with the agreement, and we have no objection on this side of the aisle—at least, the committee has no objection.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request as proposed by the Senator from Oregon regarding consideration of the committee amendments en bloc? The Chair hears none, and it is so ordered.

Mr. JOHNSTON. Mr. President, I wonder if the distinguished floor manager will yield for a question or two.

Mr. HATFIELD. I am happy to yield.

Mr. JOHNSTON. First, I understand that the floor manager does want to go into the night on this bill, if that is necessary, and I assume it is necessary. Should Senators be on notice that we will work tonight, and does the Senator have in mind any particular hour?

Mr. HATFIELD. Mr. President, the distinguished floor manager of the bill, Senator JOHNSTON, is correct. It is my expectation that with approximately 35 amendments we are aware of, which have been reported to the manager of the bill—and a number of those are very controversial—we will continue on into the night, even with some expectation that if we could complete it tonight, we would go until 2, 3, or 4 o'clock in the morning. We might be able to do it and thereby complete our work before Friday.

If not, then I would seek an agreement of some kind that would provide us the opportunity to complete the bill sometime Friday afternoon. If we can show some progress on this bill in these early afternoon hours, then I would think we could avoid the late hours.

There is a crisis in a number of agencies of Government which are waiting for this action. Even after the Senate completes the action, as the Senator understands, we have to go to conference with the House of Representatives, which cannot occur until next week at the earliest.

Therefore, we are looking at a possibility of agencies being without money for perhaps as long as a week to 10 days. That is going to require the discharge and layoff of personnel in programs that many people are dependent upon. I said yesterday to some that that may not seem like a terrible thing to happen. However, I think that inasmuch as we have a responsibility to maintain these programs, we have a responsibility to see them through in this time of crisis.

People understand that this supplemental provides funds for the remainder of this fiscal year for agencies and programs that underestimated their needs at the beginning of the fiscal year, which is why we refer to this as a supplemental.

Mr. JOHNSTON. Mr. President, I fully concur with my distinguished colleague, the chairman of the Appropriations Committee, in his description of this bill as being urgent and the needs of the various agencies for the money; and I support him in his determination and the hope that we finish this bill this evening. I think that with real discipline, we can deal with this multitude of controversial issues. We can deal with them, and I believe we can finish the bill by late tonight, if Senators will make their statements robust but to the point. I think we can finish it.

Mr. President, in that spirit, I ask all my colleagues who have amendments to please let us know about those amendments. We will try to clear them, where that is possible, and give the Senators a quick victory, if that is possible. If not, they will know whether they are in for a controverted amendment. But that will surely speed us along, if Senators will give us their amendments at this point.

I yield the floor.

Mr. HATFIELD. Mr. President, H.R. 4515 as reported from the Appropriations Committee provides a total of $3,847,872,000 in new budget authority for fiscal year 1986. This is a net figure resulting from $9,593,856,322 in appropriations minus $4,713,624,000 in rescissions and $1,020,360,322 in an appropriation for debt reduction. According to the Congressional Budget Office, the amount of net new budget authority recommended by the committee will result in an additional $53 million in fiscal year 1986 outlays.

Of the amount recommended, $5,842,000,000 in fiscal year 1986 budget authority and $454,000,000 in fiscal year 1986 outlays is for items already calculated in the current level of spending. Specifically, the committee recommends $5.3 billion for the CCC, $363 million for veterans' benefits, and $179 million for the compact of free association.

This leads us to an unusual situation. The provisions of Public Law 99-

177 require that fiscal year 1986 supplementals considered in the Senate be deficit neutral. That is, any additional fiscal year 1986 spending must be offset by spending reductions or revenue increases so as not to increase the fiscal year 1986 deficit. However, certain mandatory items already calculated by the Congressional Budget Office in its accounting of the current level of spending do not require offsets.

As mentioned above, the recommended bill includes $5.8 billion in fiscal year 1986 budget authority and $454 million in fiscal year 1986 outlays for so-called "current level" items. These items do not require offsets. Discounting those items, the net effect of the recommended bill is to reduce noncurrent level spending by $1.898 billion in budget authority and $401 million in outlays. In other words, H.R. 4515 as reported from committee reduces the fiscal year 1986 deficit by $401 million.

A supplemental appropriation bill that has the net effect of reducing the deficit is rather unusual. But the figures I have recited are accurate, and officially blessed by the Congressional Budget Office.

Turning from scorekeeping to substance, I would like to list some of the major elements of the bill.

In the agriculture chapter, we have recommended the $5.3 billion supplemental for the Commodity Credit Corporation mentioned earlier, rather than agree to the administration's request for a permanent indefinite appropriation. We are also recommending language allowing certain farmers to retain advance deficiency payments on crops they were unable to plant because of flood, heavy rains, or excessive moisture, and if the farms affected are in a disaster area. In addition, the committee recommends language waiving the prepayment penalty on REA loans so that they may be refinanced in the private market. This amendment is scored by CBO yielding some $300 million for the general treasury.

In the commerce chapter, the committee recommends a total of $460,172,000 for improved security of U.S. Embassies and other facilities abroad. We are also recommending $18,800,000 in an urgent supplemental for the Board of International Broadcasting, and disapproving deferrals of funds previously appropriated for the Economic Development Administration and the Maritime Administration.

In chapter III, the defense chapter, the committee is recommending $561,900,000 in additional funds for a complementary expendable launch vehicle program, with multiyear contract authority. The committee is also reiterating its support for research projects identified in last year's continuing resolution, as well as a new project at Arizona State University. And, the committee recommends repeal of section 8109 of Public Law 99-190. I understand this latter recommendation will cause some discussion with members of the Armed Services Committee. I sincerely hope that we can resolve that difference amicably, and not engage in a turf fight between committees.

The recommendations of the Energy and Water Subcommittee, which I chair, provide no new budget authority for fiscal year 1986. Certain projects of the Corps of Engineers are recommended, within available funds. The committee has not recommended the requested transfer of funds from the Department of Defense to the Department of Energy for atomic weapons activities.

In foreign operations, which is chapter V of the recommended bill, the committee has agreed with the administration's requests of $20 million for a contribution to the international fund for Northern Ireland and Ireland, and $150 million in economic and military assistance to the Philippines. The committee has also recommended $21,700,000 in assistance for Haiti.

Chapter VI, the HUD chapter, contains a number of the principal recommendations of the committee in this bill. The committee recommends increasing the limitation on mortgage and loan commitments of the FHA by an additional $57,580 million and increasing the limitation on GNMA guarantees by $49 billion. We also recommend the requested supplementals of $250 million for FEMA, $272 million for veterans compensation and pensions, and $91 million for veterans readjustment benefits. In addition, the committee recommends a fiscal year 1986 supplemental of $526 million for NASA, To resolve problems associated with the space shuttle disaster. Finally, we recommend the availability of an additional $600 million for EPA wastewater treatment construction grants, and the disapproval of deferrals totaling $3,462,660,000.

The major recommendations of the committee in the interior chapter, chapter VII, include the provision of $188,090,000 for the compact of free association, and $661,923,000 in deferral disapprovals.

In the chapter for programs under the jurisdiction of our labor-HHS Subcommittee, the committee's recommendations include a total of $153 million in additional fiscal year 1986 budget authority, of which $146 million is for additional student financial assistance through the Department of Education. The committee has also recommended $5 million for a grant to the District of Columbia for the repair of a shelter for the homeless.

In chapter IX, the legislative branch chapter, the committee's principal recommendation concerns funding for improved security for the Capitol and the Senate and House office buildings. Specifically, the committee has recommended an additional $1 million for salaries of U.S. Capitol Police personnel, to fill existing vacancies in the authorized strength of the force; $250,000 for the Architect of the Capitol to complete detailed design and cost estimates; and $13 million for the implementation of an improved security plan, such plan to be subject to the approval of the Senate and House Appropriations Committees, the Senate Rules and Administration Committee, the House Public Works Committee, and the House Administration Committee. The Committee also recommends several administrative provisions of interest to Senators.

In chapter X, the transportation chapter, the committee recommends an additional $35,500,000 for Coast Guard operating expenses, and $80 million for FAA traffic controllers.

And finally, Mr. President, in chapter XI, the Treasury chapter, the committee's major recommendations include a total of $340 million in urgent supplementals for the Internal Revenue Service, as requested, and $30,831,000 for the Customs Service.

The committee has also recommended a number of general provisions in title II of the bill. Perhaps of greatest interest to Senators is the recommended deletion of House language pertaining to the President's authority to defer funds. The committee agrees with the House on the substance of this matter, and is particularly gratified by the district court decision last Friday on the deferral issue. The committee recommends deletion of the House language simply to avoid procedural problems here in the Senate.

Mr. President, Senate Report 99-301, the report accompanying H.R. 4515 as reported from committee, describes all the committee's recommendations in greater detail. It has been printed and available since last Friday afternoon, and I refer Senators and staff to that document for additional information.

Mr. President, the Appropriations Committee has held hearings on these program requests of the President, reflecting the needs of the agencies of the executive branch of Government. The committee has the responsibility to provide these additional moneys for this fiscal year, which ends on September 30, 1986.

We also had the responsibility to provide offsets. That is to say, we could not add spending to the Federal budget without finding ways of compensating for those additions by subtractions or by finding unexpended revenues that could compensate for those additional programs and requests. We are what we would call deficit neutral in this appropriations bill. In other words, for all the add-on

moneys we have seen to report to this body, we have found other moneys that were able to offset those additions. Thus, supplemental is not in any way adding to the deficit, and this is action taken not only because of the requirements of the Senate but also because of the policy of our committee.

FIRST EXCEPTED COMMITTEE AMENDMENT—(RELATING TO REA)

Mr. HATFIELD. Mr. President, at this time, I ask the Chair to lay before the Senate the first committee amendment.

The PRESIDING OFFICER. The first committee amendment will be stated.

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

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

The amendment is as follows:

On page 7, after line 18, insert the following:

DEFICIENCY PAYMENTS

(a) Effective only for the 1986 crop of wheat, feed grains, upland cotton, and rice, notwithstanding any other provision of law, the Secretary of Agriculture shall make deficiency payments to producers on a farm under section 107D(c)(1), 105(C)(c)(1), 103A(c)(1), or 101A(c)(1) of the Agricultural Act of 1949 (7 U.S.C. 1445b-3(c)(1), 1444e(c)(1), 1444-1(c)(1), or 1444-1(c)(1)), as the case may be, if the Secretary determines that—

(1) the producers on a farm are preventing from planting any portion of the acreage intended for a commodity to the commodity or other nonconserving crops because of flood, heavy rains, or excessive moisture; and

(2) the farm is located in an area that the Secretary determines has been substantially affected by a natural disaster in the United States or by a major disaster or emergency designated by the President under the Disaster Relief Act of 1974 (42 U.S.C. 5152 et seq.).

(b) The amount of deficiency payments under subsection (a) shall be computed by multiplying—

(1) a payment rate equal to 40 percent of the established price for the crop; by

(2) the number of acres so affected but not to exceed the acreage planted to the commodity for harvest (including any acreage that the producers were prevented from planting to the commodity or other nonconserving crops in lieu of the commodity because of flood, heavy rains, or excessive moisture) in the immediately preceding year; by

(3) the farm program payment yield established for the crop for the farm.

PREPARMENT OF LOANS BY RURAL ELECTRIFICATION AND TELEPHONE SYSTEMS

In the case of a borrower of a loan made by the Federal Financing Bank, and guaranteed by the Administrator of the Rural Electrification Administration, under section 306 of the Rural Electrification Act of 1936 (7 U.S.C. 936) that is outstanding on the date of enactment of this Act, the borrower may prepay the loan by payment of the outstanding principal balance due on the loan using private capital with the existing loan guarantee. No sums in addition to payment of such balance shall be charged as the result of such prepayment against the borrower, the Rural Electrification and Telephone Revolving Fund established under section 301 of such Act (7 U.S.C. 931), or the Rural Electrification Administration.

Mr. HATFIELD. Mr. President, we have before the Senate at this time, in effect, a two-part amendment.

The committee puts its bill together in a little different fashion than the Chair and the Parliamentarian interpret that bill on the floor. So, in effect, we have a two-part amendment—one dealing with the REA subject, and one dealing with the deficiency payment subject.

As is customary for those who have asked to be heard on a specific committee amendment, I will yield the floor to the two advocates of this two-part amendment, as they would see fit to seek the floor.

It is important to understand that either the opponent or the proponent will handle the argument for the amendment or against the amendment. The two Senators from the Dakotas are very interested in this two-part amendment—the Senator from North Dakota [Mr. BURDICK] and the Senator from South Dakota [Mr. ABDNOR].

So I yield the floor at this time to the advocates of the amendment to present their case.

Mr. BURDICK addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

□ 1500

Mr. BURDICK. Mr. President, I rise in support of this supplemental appropriations bill. It contains what I consider to be a very important provision affecting our rural electric cooperatives. This provision was included by the Senate Appropriations Committee and I urge my colleagues to support it.

Basically, this provision allows REA borrowers to repay their loans to the Federal Government with money these borrowers obtain from private lenders. This administration has been pushing in every Federal loan program to get those borrowers off the Federal loans and into private loans. That is exactly what we are doing by passing this bill today.

The reason these borrowers cannot refinance these loans today is that many of them are either prevented from refinancing or would have to pay substantial prepayment penalties. This provision states that once the borrower pays back the outstanding principal, no additional sums or penalties shall be charged to the borrower, the Rural Electrification and Telephone Revolving Fund, or the rural Electrification Administration.

The borrowers that I am talking about were locked into long-term loans at a time when interest rates were high. Now that the interest rate has fallen, refinancing these loans will mean substantial interest savings—almost $200 million annually—for these borrowers. These savings will then be passed on to the electric consumers through reduced rates.

Incredibly, this measure also results in immediate savings to the Government. Because the borrowers will be paying off these loans, the influx of money to the Government will be substantial—$300 million in this fiscal year and $7 billion in fiscal 1987, according to the Congressional Budget Office. This is money the Government can use in other areas.

I wish to address the argument that this provision is going to cost money in the long run. That is a false argument. It is true that the Government will not be getting the interest over the next 30-some years. But that is because the loan was paid back. The Government is not in the business of charging exorbitant interest rates and exorbitant prepayment penalties so that it can make money off its citizens.

The Government is not paying out any extra money because of this measure. We are merely preventing the Government from raising money by charging excessive interests rates that rural electric consumers have to pay. If the Government and opponents of this measure want to raise money, then let them raise taxes.

Mr. President, I ask unanimous consent that two tables be printed in the RECORD showing the amount of outstanding loans and interest rates by REA borrowers and the interest savings that would accrue from the refinancing of these loans.

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

LONG-TERM FFB LOANS OUTSTANDING BY INTEREST RATE AND BORROWER [1]

[In millions dollars]

State	REA No.	REA borrower	Over 12 percent	11 to 11.9 percent	10 to 10.9 percent	9 to 9.9 percent	8 to 8.9 percent	Under 8 percent	Total
Alaska	8	Chugach Electric	63.3	26.6	14.0	23.1	1.1	0	129.1
Alabama	42	Alabama Elecrtric	0	11.0	113.3	0	38.6	104.8	267.7

LONG-TERM FFB LOANS OUTSTANDING BY INTEREST RATE AND BORROWER [1]—Continued

[In millions dollars]

State	REA No.	REA borrower	Over 12 percent	11 to 11.9 percent	10 to 10.9 percent	9 to 9.9 percent	8 to 8.9 percent	Under 8 percent	Total
Arkansas	32	Kamo Electric	0	0	7.8	75.3	4.2	0	87.3
Do	34	Arkansas Electric	0	36.2	86.7	33.7	139.8	56.7	353.1
Arizona	28	Arizona Electric	38.8	4.4	6.6	27.3	97.0	130.7	304.7
Colorado	46	Colorado-Ute Electric	10.2	7.2	7.8	0	70.9	38.1	134.3
Do	47	Tri-State G&T Association	0	29.6	178.5	79.7	83.3	74.2	445.4
Florida	41	Seminole Electric	0	0	329.3	48.6	7.9	.7	386.5
Georgia	109	Oglethorpe Power	0	0	728.8	35.2	512.0	466.6	1,742.6
Iowa	9	Eastern Iowa Light	6.0	2.4	19.7	2.8	0	7.8	38.8
Do	83	Central Iowa Power	.6	8.4	10.7	1.3	11.1	10.9	43.1
Do	84	Corn Belt Power	3.1	1.0	8.7	1.5	14.8	8.9	38.0
Do	85	Northwest Iowa Power	0	0	0	0	36.5	0	36.5
Illinois	50	Southern Illinois	19.6	10.8	23.3	0	0	4.7	58.4
Do	51	Western Illinois	0	94.6	188.4	31.7	3.4	0	318.1
Do	53	Soyland Power	0	115.3	166.9	31.1	9.6	0	322.9
Indiana	106	Hoosier Energy	65.0	82.0	57.3	34.2	0	0	238.6
Do	107	Wabash Valley	21.6	14.0	90.4	35.9	69.1	0	231.1
Kansas	53	Sunflower Electric	0	90.0	45.2	7.9	50.3	6.6	199.9
Do	54	Kansas Electric Power	0	12.3	50.4	12.4	0	0	75.1
Kentucky	59	East Kentucky Power	0	41.0	285.4	54.8	33.1	69.0	483.2
Do	62	Big River Electric	0	232.6	346.5	40.5	43.3	93.9	756.7
Louisiana	30	Cajun Electric	50.0	202.8	826.2	108.5	0	100.8	1,288.3
Michigan	46	Wolverine Electric	0	0	0	8.0	7.8	2.0	17.7
Minnesota	106	Cooperative Power	0	44.6	25.1	1.2	211.5	210.8	493.2
Do	107	United Power Associates	11.5	50.0	99.9	5.1	139.3	141.2	447.0
Do	59	Sho-Me Power	.3	0	7.1	7.8	0	0	15.1
Do	60	M&A Power Coop	0	5.4	0	0	0	0	5.4
Do	70	Northeast Missouri	0	0	.4	1.8	2.0	0	4.2
Do	73	Associated Electric	0	7.1	395.4	36.4	40.3	79.5	558.7
Mississippi	53	South Mississippi EPA	25.4	24.2	356.8	36.9	0	1.3	444.6
North Carolina	46	French Broad EMC	0	0	.6	0	0	0	.6
Do	67	North Carolina EMC	0	0	22.7	112.4	3.4	0	138.6
North Dakota	20	Minnkota Power Co	0	0	3.8	0	0	0	3.8
Do	45	Basin Electric	0	0	190.6	25.0	26.0	0	241.6
New Hampshire	4	New Hampshire EC	1.2	12.3	33.9	24.8	1.4	0	73.5
New Mexico	18	Plains Electric G	24.0	15.8	185.0	27.8	23.5	0	276.3
Ohio	99	Buckeye Power	15.9	18.6	0	11.5	11.0	0	57.0
Oklahoma	32	Western Farmers	149.4	13.7	26.5	52.1	34.9	41.2	217.7
Oregon	42	Pacific Northwest	3.5	3.6	10.3	7.7	28.9	0	54.0
Pennsylvania	27	Allegheny Electric Co	2.8	0	36.9	29.8	128.5	0	198.0
South Carolina	50	Central Electric	0	0	.2	.3	.3	0	.6
Do	51	Saluda River Electric	0	138.5	73.9	39.8	7.5	0	259.8
South Dakota	43	East River Electric	0	0	1.6	0	0	0	1.6
Texas	95	Medina Electric	0	0	1.4	0	0	0	1.4
Do	121	Brazos Electric Power	0	28.9	59.5	17.4	2.3	0	108.0
Do	148	South Texas Electric	1.6	0	15.5	2.9	0	0	20.1
Do	154	Sam Rayburn	0	0	53.5	0	0	0	53.5
Do	155	San Miguel	0	0	297.1	0	0	0	297.1
Do	157	Tex-La Electric	0	5.6	96.0	11.2	.9	0	113.6
Utah	21	Deseret G&T	0	0	188.6	0	174.5	0	363.2
Virginia	52	Old Dominion Elecrtric	0	0	.7	98.5	0	0	99.2
Vermont	8	Washington Electric	0	0	0	2.1	0	0	2.1
Do	12	Vermont G&T Co-op	0	2.6	5.7	7.1	0	0	15.4
Wisconsin	64	Dairyland Power Co	0	0	8.0	22.0	64.6	49.0	143.5
Total			514.0	1,393.4	5,788.7	1,275.1	2,134.4	1,699.3	12,804.9

[1] Includes FFB loans locked into long-term interest rates as of the end of March 1986.

INTEREST SAVINGS FROM REFINANCING [1]

[Dollar amounts in millions]

State	REA No.	G&T name	Total interest expense [2]	Interest savings	Percent Reduction in interest expense
1. Alaska	8	Chugach Electric	$15.426	$4.500	29.17
2. Alabama	42	Alabama Electric	24.376	2.600	10.67
3. Arkansas	32	Kamo Electric	8.221	.800	9.73
4. Arkansas	34	Arkansas Electric	32.760	3.400	10.38
5. Arizona	28	Arizona Electric	27.095	2.300	8.49
6. Colorado	46	Colorado-Ute Electric	11.865	.900	7.59
*7. Colorado	47	Tri-State G&T Association	42.536	5.400	12.70
8. Florida	41	Seminole Electric	40.231	7.400	18.39
9. Georgia	109	Oglethorpe Power	159.154	15.100	9.49
10. Iowa	9	Eastern Iowa Light & Power	4.091	.900	22.00
11. Iowa	83	Central Iowa Power	4.091	.500	12.22
12. Iowa	84	Corn Belt Power	3.540	.400	11.30
13. Iowa	85	Northwest Iowa Power	3.022	0	0
14. Illinois	50	Southern Illinois	6.633	1.700	25.63
15. Illinois	51	Western Illinois	34.190	7.200	21.06
16. Illinois	53	Soyland Power	34.864	7.500	21.51
17. Indiana	106	Hoosier Energy	27.335	7.100	25.97
18. Indiana	107	Wabash Valley	23.288	3.700	15.89
19. Kansas	53	Sunflower Electric Cooperative	20.203	3.400	16.83
20. Kansas	54	Kansas Electric Power Cooperative	7.891	1.500	19.01
21. Kentucky	59	East Kentucky Power Cooperative	48.183	7.700	15.98
22. Kentucky	62	Big Rivers Electric Corporation	77.981	14.400	18.47
23. Louisiana	30	Cajun Electric	134.715	26.000	19.30
24. Michigan	46	Wolverine Electric	1.528	.070	4.58
25. Minnesota	106	Cooperative Power Association	42.042	2.000	4.76
26. Minnesota	107	United Power Association	40.965	4.200	10.25
27. Missouri	59	Sho-Me Power	1.558	.300	19.26
28. Missouri	60	M&A Power Cooperative	.598	.200	33.44
29. Missouri	70	Northeast Missouri EPC	.374	.030	8.02
30. Missouri	73	Associated Electric Cooperative	54.880	8.100	14.76
31. Mississippi	53	South Mississippi EPA	47.811	10.000	20.92
32. North Carolina	46	French Broad EMC	.065	.010	15.34
33. North Carolina	67	North Carolina EMC	13.215	1.400	10.59
34. North Dakota	20	Minnkota Power Cooperative	.399	.080	20.03
35. North Dakota	45	Basin Electric	24.649	4.100	16.63
36. New Hampshire	4	New Hampshire EC	7.556	1.300	17.20

INTEREST SAVINGS FROM REFINANCING [1]—Continued

[Dollar amounts in millions]

State	REA No.	G&T name	Total interest expense [2]	Interest savings	Percent Reduction in interest expense
37. New Mexico	18	Plains Electric G&T	28.910	5.400	18.68
38. Ohio	99	Buckeye Power	6.053	1.200	19.82
39. Oklahoma	32	Western Farmers	33.921	7.300	21.52
40. Oregon	42	Pacific Northwest Generating	5.191	.600	11.56
41. Pennsylvania	27	Allegheny Electric Cooperative	17.704	1.100	6.21
42. South Carolina	50	Central Electric Power Cooperative	.074	.007	9.50
43. South Carolina	51	Saluda River Electric	27.551	5.500	19.96
44. South Dakota	43	East River Electric	.171	.040	23.36
45. Texas	95	Medina Electric	.158	.040	25.32
46. Texas	121	Brazos Electric Power	11.505	2.300	19.99
47. Texas	148	South Texas Electric	2.157	.500	23.18
48. Texas	154	Sam Rayburn	5.624	1.100	19.56
49. Texas	155	San Miguel	31.660	6.400	20.21
50. Texas	157	Tex-La Electric	11.947	2.300	19.25
51. Utah	21	Deseret G&T	34.716	4.300	12.39
52. Virginia	52	Old Dominion Electric Cooperative	9.231	.800	8.67
53. Vermont	8	Washington Electric Cooperative	.198	.020	10.08
54. Vermont	12	Vermont G&T Cooperative	1.562	.300	19.21
55. Wisconsin	64	Dairyland Power Cooperative	12.202	.400	3.28
Total			1,267.865	195.797	15.44

[1] Assumes that FFB loans locked into long-term interest rates of more than 8.5 percent are prepaid with funds from private sources with existing guarantees at 8.5 percent.
[2] Includes interest expense on FFB loans locked into long-term rates as of the end of March 1986.

Mr. BURDICK. Mr. President, this is precisely the gist of this argument—that the repayment can take place now and the Government will receive its money and reprogram it. I do not think anyone will lose any money, and it will be a benefit to the REA system of this country.

Mr. JOHNSTON. Mr. President, I congratulate the distinguished Senator from North Dakota for bringing in this amendment.

It is very, very simple. All this amendment does is facilitate the repayment of a debt to the Federal Government—in this case, the Federal Financing Bank. One hundred cents on the dollar they will be paid back, and then it allows these REA's to go on the private markets for private financing.

It ought to be, you would think, Mr. President, exactly in line with what this administration wants because what they have always said? They said, "Get the Government off our backs," and that is exactly what this amendment wants to do—wants to pay off a debt to the Federal Government and pay it off 100 cents on the dollar.

What is the objection to it? They say it is going to cost the Government money.

Mr. President, it does not cost the Government money. All it does is say that the Government will not extract a penalty for paying off this debt 100 cents on the dollar. That is what the argument is all about, whether the Government should extract a penalty from REA's because of payment of 100 cents on the dollar on the debt.

All I can say, Mr. President, is that REA stands for Rural Electrification Administration. And indeed, these REA's are in the rural parts of our country, most of them in the agricultural belt, and if the administration has not heard, Mr. President, the agricultural areas of this country are hurting and hurting bad.

To seek to extract a penalty from agricultural areas of this country for wanting to pay off 100 cents on the dollar on the debt, I do not think is proper, I do not think it is right, I do not think it is appropriate, and I do not think it is in line with conditions in rural America today.

So, Mr. President, I hope the Senate will go along with the Appropriations Committee, which felt that this is not only a help to rural America, to agricultural America, but it is exactly in line with the keynote of this administration which is get the Government out of private business, get the Government off our backs—let us privatize as much as we can. This is a true privatization amendment.

I yield the floor.

The PRESIDING OFFICER (Mr. WARNER). The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, I rise in strong opposition to this amendment.

I hear my colleagues talk about a simple proposal, a proposal that just simply lets REA pay off a debt. We are all for paying off a debt.

Let me outline, if I may, for our colleagues here today how the process works of borrowing money from the Federal Financing Bank. I would like to talk about what kind of cost is going to be imposed on the forgotten person in this debate, and that is the taxpayer. I would like to talk about the fact of cost is going to be imposed on the forgotten person in this debate, and that is the taxpayer. I would like to talk about the fact that we are not discussing small bit of assistance here, but instead we are talking about a loss to the American taxpayer this year of between $2.4 and $3 billion. Furthermore, we are setting a principle that, if carried out by all other Government entities who borrow through the Federal Financing Bank, would cost the American taxpayer $30 billion this year.

Let me remind my colleagues that President Reagan proposed a budget to save $28 billion. We called that draconian, and we ended up adopting our own budget that purports to save $28 billion but has about $12 billion of taxes in it.

So the amounts of money we are talking about here are significant. In fact, I would be willing to assert that never has there been a rider on an appropriations bill to my knowledge in my 7 years in Congress that is more detrimental to the taxpayer than this one.

Having said all that in general terms, let me explain how this works and why this must be defeated if we are serious about dealing with the deficit problem and if we are serious about representing the interest of the American taxpayer.

The Federal Financing Bank lends to REA. Thousands of REA loans have been subsidized, have been below market, and in the process, we have been able to average out utility rates and phone bills between rural and urban America. That is not a dispute here. The loans were made. Subsidies were present. Those subsidies were provided. Congress decided that, and that is not the debate here.

But when the Federal Financing Bank loans money, the Treasury goes out and sells a bond in order to raise the money. Now, when the Treasury sells a bond, the Treasury does not have the ability to call that loan or that bond if paid off on face value. In the loans that were made to REA, REA did not have the right to repay the loans without penalty because that was the circumstance under which the Treasury borrowed the money.

So what has happened over the last few years is that the Treasury has gone out and borrowed money selling bonds. Those bonds are not callable bonds, and therefore, the Treasury is

stuck with the interest rate that those bonds carried, those interest rates now being above the market rates that exist because of the progress we have made in the last 2 years in bringing down interest rates.

The Treasury sold those bonds, provided a subsidized loan at fixed rates, which REA was bound to, just as the Treasury was bound in the bonds that it sold.

□ 1510

What our colleague has proposed here is a bookkeeping gimmick that sounds good on the surface: Let us allow REA to pay off these loans and go out and borrow new money.

The problem is the Treasury cannot pay off the bonds that the Treasury used to raise the money to lend REA and we are about to allow the taxpayer to be hit to the tune of $2.4 billion to $3 billion as a result of this very simple, straightforward, reasonable-sounding amendment that we are debating.

We currently have outstanding about $7.4 billion of REA loans that carry an interest rate that is high enough that the Treasury is confident that, given the adoption of this amendment, REA woud come in and pay off.

This will cost the American taxpayer between $16 billion and $24 billion.

So I want my colleagues to understand, when we sold our bond to lend the money to REA, we sold it under the same contractual agreement that REA borrowed it; and that is, once it was sold, you have got a penalty in terms of trying to buy the bond back if interest rates go down. Interest rates have gone down and, as a result, Treasury has $7.4 billion worth of bonds that it sold to lend the money to REA. Those rates are fixed by law and the Treasury cannot call those bonds. They have got to pay that interest rate.

They were protected by law because REA could not call its loans and, in fact, it had to pay its interest rate and, therefore, the subsidy the taxpayer provided was clearly defined. The rate that we borrowed the money at relative to the rate we loaned it at represented the effective subsidy.

If we allow the Burdick amendment to be adopted, what we are going to do is to leave the taxpayer trapped with bonds that we have sold at interest rates over the last 3 or 4 years that are above market. But we are going to leave the taxpayer paying $16 billion to $24 billion over the next 30 years. If we do this for REA, why do we not do it for every borrower? What are we going to say next week when the Export-Import Bank comes in and says, "Well, you were willing to let REA prepay its outstanding obligations. Why won't you let us?"

If every other borrower were given the same privilege we are proposing to give to REA, we would lose $30 billion this year.

I know this is a difficult issue. I know we have difficulties in rural America and we have difficulties in rural Texas. But I urge my colleagues, when a point of order is raised against this amendment, whether the vote comes on the germaneness question or on the ruling of the Chair or on the substance itself, there are two reasons why this amendment should be defeated: First, such a dramatic change in the financial policies of this Nation should not be undertaken in a rider on an appropriation bill. They ought to come out of the Agriculture Committee that has jurisdiction, that can debate these issues, that can hold hearings, so that we understand what we are doing.

Second, in a time of tight budgets where, under the Gramm-Rudman-Hollings bill, we are going to have to balance the budget over the next 5 years, to simply write off in present value $3 billion today and set a precedent for losing $30 billion in present value, I think, is totally unjustified.

Finally, the administration today, in a letter from Jim Baker and from Jim Miller, the Secretary of the Treasury and the Director of the Office of Management and Budget, outlined the problems with this provision and say: "We strongly believe that this provision must be deleted from H.R. 4515 before final approval can be recommended to the President."

So that even if this is adopted here today, we set up the possibility, given the urgent nature of the bill which we have heard about earlier, that this provision will mean the bill will be vetoed, and we will be forced to come back and either override that veto or change the bill.

So, I urge my colleagues to defeat this amendment, whether the vote occurs on procedure or substance.

And, Mr. President, I raise a point of order under rule XVI that the committee amendment beginning on page 7, line 19, and ending on page 9, line 17 is out of order since that language constitutes general legislation on an appropriations measure.

Mr. BURDICK addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. BURDICK. Mr. President, I raise the defense of germaneness and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Is that point of order debatable?

The PRESIDING OFFICER. Under rule XVI, it is not debatable.

The question now, under rule XVI of the Senate, is the question of germaneness.

Mr. GRAMM. Mr. President, I was unaware other Members wished to speak on this subject. I ask unanimous consent to withhold the point of order.

The PRESIDING OFFICER. Is there objection? Hearing no objection, the request of the Senator from Texas is granted.

Mr. ANDREWS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. ANDREWS. Mr. President, I appreciate the gesture of my friend from Texas.

Let me point out that in listening to his discussion for the last few minutes, I could not help but think that I am getting damn sick and tired, Mr. President, of balancing this budget on the backs of farmers. Let us be totally candid about what is happening here.

It was just said that the Government, somehow or other, is going to lose money because of the bonds they have out there, if they do not continue to get some totally sky-high interest rate from the farmers and farm families of this country.

□ 1520

The impression that you might be left with is the fact that these are 25-year notes from the Government. They are not. They are about 4- or 4½-year notes from the Government. They are not 20- and 25-year loans from the Federal Government. They are talking about the fact that this is a situation where the farmers are somehow or another going to get a special advantage. They are not. The whole principle of the Rural Electrification Program is to give, Mr. President, some comparability of rate structure.

I think it is important to realize when we are looking at this item that Congress in its wisdom, and the authorizing committee—as the Senator from Texas pointed out, Mr. President, the authorizing committee will do this. There was a period of time from 1979 to 1983 when these loans made to the rural electric co-ops were made for long periods of time, and they were not allowed to be rolled over except every 11 years. Mr. President, I think it is important to note that in 1983 Congress saw that was not fair, and they turned over to a 3-year rollover.

So any rural electric co-op which has borrowed money since 1983 now can roll over and seek those new lower interest rates based on today's interest rates.

All we are doing is seeking equity in trying to solve for those rural electric co-ops that borrowed between 1979

and 1983 their problems of these strictly far too high interest rates.

Let me talk of another issue, Mr. President, that I think is an issue of equity in point here. The Reagan administration has been very proud and rightfully so of the fact they brought interest rates down.

This administration has said—and we get in our speech kit those proud paragraphs to point out that interest rates have come down. Now all of you as Americans can refinance your mortgage on your home. All of us as Americans can refinance our mortgages on our business. But somehow or another someone in the bowels of the White House says that class of citizens who are rural citizens should be second-class citizens, and should not be able to refinance the mortgage that gives them the electricity that allows them to exist in rural America.

I say, Mr. President, that is hokum. It does not make any sense at all. It is counterindicated. It is not fair. This amendment will not result in additional long-term costs because the Government borrows, as I say, mainly short-term. Four years and 11 months was the average maturity of marketable interest-bearing public debt as of the end of 1985. Rural electric systems, Mr. President, are the only electric utilities that are not able to refinance their debt. Both investor-owned and municipal systems are refinancing unprecedented amounts which are expected to exceed $19 billion this year.

I am sure, Mr. President, the Senator from Texas does not say that the privately-financed utilities should be able to refinance their debts and enjoy a lower interest rate and charge lower electric charges to their consumers any more than the rural electric coops who are there by existence because they are out in a low-density populated area of the country, and need this kind of special rate in order to give electric power at anywhere near comparable rates to those in cities. Why should they become even more pushed back in the higher range? Prepayment of the FFB debt with private capital as proposed by this amendment is consistent, Mr. President, with the administration's desire to bring more private capital into the rural electric program. Prepayment of FFB debt by rural electric systems will, indeed and in fact, reduce Government outlays.

I would like to conclude, Mr. President, by pointing out that if this amendment is defeated we are going to need some $300 million in additional savings somewhere in this package to make things come out straight this year. That is a solid figure. It is one that we ought to be concerned about but the issue we ought to be more concerned about is equity for rural America. If it is OK to refinance your debt for a private utility, why then do we turn our backs on our rural electric coops and say that they cannot refinance their debt?

Mr. ABDNOR addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. ABDNOR. Mr. President, I will be brief on the first point of borrowing by REA to refinance the FFB.

I totally agree with the cosponsor of the amendment, my colleague from North Dakota [Mr. BURDICK]. I certainly concur with everything the Senator from North Dakota has just stated.

I recall something very interesting a year-and-a-half ago or so when Mr. Stockman attempted to phase out REA. The statement was something like this: that we are financing 30-year REA loans on 90-day paper. How far we have come now with trying to suggest that we are losing this money over 30 years? I, like Senator ANDREWS, checked with the FFB. On the average, bonds are issued for 4.7 years and most of them are far beyond that point. I certainly think it would be a great injustice not only to the REA but more particularly to the farmers of the United States that this would be ruled out on a point of order.

There is another part of this point of order that I want to touch on. It relates to a bill that I have introduced that will allow farmers who are enrolled in the farm program to reside in areas designated as disaster areas, but who are unable to plant their crops due to flooding and excessive moisture, to retain the advanced deficiency payments they have received. Under current law farmers cannot retain their advanced deficiency payments if they are unable to plant their crops.

Mr. President, farmers in the eastern part of my home State of South Dakota and other neighboring States have received more rain this year than any year of the past 150. It is likely that 1 million acres of farmland which normally is tilled will not be planted this year. The financial loss to farmers affected by the flooding in South Dakota will amount to hundreds of millions of dollars and will force some farm operators into bankruptcy.

Some critics of this provision State that farmers should not be able to keep these advance deficiency payments, arguing that prevented planting crop insurance was available to farmers to protect them from the risk of flooding. Let me address this issue and say that this argument is full of baloney.

The South Dakota Director for the Federal Crop Insurance Corporation has advised me that the crop insurance office did not receive the procedures and policies for the prevented planting crop insurance option until April 10, 1986. Sign up for crop insurance ended on April 15, 1986. That gave the crop insurance office a total of 3 business days to inform all crop insurance salesmen about prevented planting crop insurance who in turn had only 2 days or less to inform farmers about this insurance. How many farmers can a crop insurance agent contact in a day. Ten? Fifteen? Needless to say, most insurance agents and farmers did not know that a prevented planting insurance option existed at all unit it was too late to sign up.

Additionally, the prevented planting option is a completely new program—one that was not available in other years. The Federal Crop Insurance office in South Dakota could not do a thing to inform farmers about this program until it received the procedures and it did not receive this information until 3 days before sign up ended. If prevented planting crop insurance had been available, I would not be here speaking in support of this amendment. But it was not. I am here asking for fairness.

All we are asking for is fairness. As I said a few moments ago, if they signed up and planted their crops, and it was flooded out, they not only would receive the early deficiency payment of the 40 percent, but they would be eligible for the entire 100 percent which is so important to the farmers of this country.

All these people, before this rain even hit, went out and bought their seed, bought their fertilizers, and all the necessary material, machinery they needed to put their crops in but unfortunately rain and flood has their land under water where they cannot get it in time to even think about producing small grain and maybe even corn because the water is still there. They would have to miss out on this.

The intent was clear. They signed up for the program just like everyone else did. But unfortunately they are not able to get it planted. Now they have come along and tell us that, my, they have this new insurance policy they have been signed up on.

□ 1350

I wonder if they have any idea. They ought to go out and spend some time in rural America and find out how we operate, how spread out we are, how difficult it is to try to tell the story to every farmer so he knows his options with 2 days' notice.

It is a very ridiculous thing to suggest that this can properly be brought about.

When this amendment was brought about on a point of order, it also affected this proposal. We need this amendment. The farmers of America need it. I certainly urge support for the amendment.

Mr. STEVENS. Mr. President, I would like to address the portion of this amendment that pertains to the prepayment of loans by REA's. I hope

that the Senator from Texas, Mr. President, will think of this problem in a broader spectrum.

What he has suggested is a catch-22. We have the situation in Alaska where there is an REA that serves a very wide area. That area is now encompassed in what we call a borough, a very large area of local government that encompasses several cities. Suddenly the REA finds itself in the center of our largest metropolitan district, in effect.

It has been denied additional funds to expand to meet its service requirements because of REA policies, and it has gone to the private sector to borrow money to meet its needs. But the private sector says, "No, we cannot loan you money because, under your agreement with the REA, they come first in terms of all the security of your assets, even those that you might buy with our money."

So the concept was developed, and I think it is a wise one, that we ought to allow these REA's that are in this situation of being close to and absorbed by developing communities to find a way to transition out of the need to borrow money from only the Federal Government. They are fortunate that they are able to make this transition in a period of relatively low interest rates, lower than before but not as low as I think they should be.

So when they are in a situation where they want to borrow the money, they can borrow the money, the borrowers say, "We will loan you enough money to pay off the REA so we can have security in your assets," and now the claim is made, "Wait a minute, you cannot prepay that loan because if you prepay that loan, the Federal Government is going to lose the high interest that you are obligated to repay."

I think that is a catch-22, and I hope the Senate will consider the plight of the people who are trying to find a way to transition away from future demands for REA loans if the position of the Senator from Texas is upheld.

I believe that the REA should do what other lending agencies are doing, as the Senator from North Dakota has just mentioned. My State did that. My State issued new bonds and paid off the old bonds and was able to put themselves in a position where their lending rates are lower because of the circumstances.

I see no reason why the Federal Government cannot do the same thing.

In addition to that, one of the things the Senator from Texas does not take into account is the money is being repaid to the Federal Government now. It will not have to borrow that amount of money that would be repaid.

To hold these REA borrowers to a provision of long-term commitment to high interest to me is unthinkable, particularly in the circumstance where by doing so they compel these people to find a way to increase their borrowings from the Federal Government in the future.

That certainly cannot be in the best interest of the program of this administration or the program that we have all supported. That is to reduce the demand on the Federal Government for borrowings from the Federal Government.

I say to the Senate I believe that the point of order that is going to be made should not be sustained. This amendment is germane. It is absolutely necessary in terms of REA, at least in my State, and I think that the same situation pertains throughout the country.

I support the amendment that is in the bill from the Appropriations Committee. I support the whole amendment, including the one that the Senator from South Dakota and the Senator from North Dakota have just described, but particularly I want to call to the Senate's attention the prepayment provision. It is not the situation that the Senator from Texas has asked us to assume, that everybody is going to come in and prepay at the same time, that they are all going to go out and borrow money and prepay their loans.

Even if they did, what is wrong with that? The Federal Government has its money back. The money that the Senator from Texas says we are losing is future interest from borrowers from the United States. Are we in the lending business or are we in the business of running a Government? Many have said let us find a way to stop being in the lending business and try to transition these people into the private sector.

This catch-22 is a defeating proposition. We must have a way to allow these people to transition into the position where they can borrow money from the private sector, where they no longer have to come to us for money. I tell the Senate unless this provision carries we will see such an increased demand for money, for an increase of money, from the REA that we cannot meet it.

Mr. JOHNSTON. Will the Senator yield?

Mr. STEVENS. Yes.

Mr. JOHNSTON. Is this repayment to the Government of 100 cents on the dollar on all of this money?

Mr. STEVENS. I am not sure about all loans but as to the particular loan in question, it would be a 100-percent repayment. There may be other loans that they would decide not to repay at the time. There should not be a penalty for a prepayment of a loan made by the Federal Government particularly when it means that the borrower is transitioning into the private sector. That is where we want them to be.

I think this catch-22 is just nonsense because it will bring these people back to us next year and ask us to increase the budget, increase the amount of money we will lend to them in the future, because they are denied the right to borrow money that is available in the private sector because of this catch-22.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, let me say that the Senator from Alaska may have some particular finance problem with one of his REA co-ops, and perhaps this approach would solve his problem, I do not know. Frankly, this is not the way to solve Alaska's problem. It is not the way to solve any of the REA problems.

First of all, I understand that there is great frustration out there in the hinterland because interest rates have dropped and some people who have been taking advantage of REA's guaranteed loan program at subsidized rates now think that they ought to be permitted to abandon that position and go to the private sector with the whole REA loan portfolio.

There might not even be anything wrong with that. But let me tell you, if ever there was a rule in the U.S. Senate that made sense in a case, it is this case. It is a very simple rule: that you ought not authorize on appropriations bills.

We do that from time to time. We do it 30 or 40 times, perhaps, on every supplemental and urgent supplemental. Many of us close our eyes to it because it involves things that clearly people feel ought to occur. But let me tell my fellow Senators, in the name of an urgent supplemental, it is not proper to take the entire portfolio of REA and refinance it on an urgent supplemental appropriations bill.

I am a strong proponent of REA. I stand here on the floor as one who has received as many accolades from them as any Senator here. I even was named their "Man of the Year." However, this is the wrong bill to address the REA guarantee loan program.

The U.S. Government has loaned $154 billion from the Federal Financing Bank, which we established as the Government's bank. The REA cooperatives got good deals because we let them borrow from this bank. They got lower interest rates than other people in America.

Some REA cooperatives pay 11 or 12 percent on their loans. Now, what they would like to do in an appropriations bill, with no previous hearings before the authorizing committees, no hearings before the Banking Committee on the impact of this proposal, is to come to the floor with a one-paragraph amendment in an apropriations

bill and say, "Let us refinance the entire REA portfolio if the interest rates are too high, with no prepayment penalty. We do not want to take any bad medicine. We took all the good medicine over the years. Now we would just like to take advantage of the situation and let the taxpayers pick up the tab."

There is some kind of suggestion there is no tab to be picked up. That is utter and absolute malarky. There is a big tab that is going to be picked up.

The Secretary of the Treasury in a letter to the leader of the U.S. Senate sets it out very clearly. If you let the prepayment penalty payments go by the board, we let them refinance their loans at today's interest rates, and we will suffer the loss of $2.4 billion. Over the next 25 years we will start down the path where these very same loans are going to cost the taxpayers of the United States somewhere around $25 billion.

Regrettably, our scoring of the impact of this action on this year's deficit does not reflect the costs in the out years. We just tell you about it.

But this proposal is not free. This is not free at all when you look down the road. As the Secretary of the Treasury says, forgiving the prepayment penalties that are owed to the U.S. taxpayers by the REA cooperatives is going to cost us $2.4 billion. And the cooperative's are for refinancing when interest rates are going their way.

I am not telling the U.S. Senate that under these kinds of circumstances we should not try to alleviate this problem perhaps in a selective way, but I submit to you it ought not be done on what is called an urgent supplemental when there are two committees of jurisdiction that ought to be having hearings on this.

□ 1640

The Banking Committee has something to do with it because their jurisdiction is over that huge Federal Financing Bank window into which we put the REA portfolio and another $135 billion worth of financing, including things like TVA. We have just opened the floodgates here. Without any hearings, we will have one after another down here saying, "We want to refinance, we want to waive the prepayment penalties and we want the better of the deal now, even though we have taken advantage of the good things for the last 15 years. After all, it is only the taxpayers' money, it is only the Federal Government's bounty involved; it is nothing else."

I submit that the Secretary of the Treasury is right. He urges us not to do it this way. He states clearly what the problem is. He urges that we give it more consideration and sets forth the current value of the loss in banking terms if we do this.

There will be others who are going to stand up and say, "Well, CBO says it saves money." That is absolutely right. It saves money this year. It saves money next year. And we do not dispute that. We are talking about the next 15 or 20 or 25 years. That is what we are talking about, and it is not going to come cheap.

I urge that for once, for once, we do what the rules prescribe. It is tough because the good people from the REA cooperatives have already been to see everyone. And clearly, they are telling everyone the sad story of the 11- to 14-percent interest rates they currently pay. They say they are due a better deal.

I do not have a great deal of hope that the Senate rule, which applies to this amendment, will be upheld. I really do not believe we will do it. I think by our vote we will go ahead and say, "it is good for them, let us give them the refinancing." I hope we do not.

As a matter of fact, we ought to urge our committees of jurisdiction to take hold of this issue and begin some very formal hearings about the refinancing of this debt. I want to tell the Senate this is not a little issue. I have told this body about the $154 billion of FFB loans out there, some the same as REA loans, some different.

This issue is similar to the issue of selling the assets of the Federal Government. It is similar to the Conrail sale. We ought to get our act together and decide on some generic rules that apply to the Government's assets, that apply to loan portfolios, that apply in good times or bad times, something that will help us decide when we ought to sell them and when we ought not to sell them. Last year, we decided to authorize the sale of some rural housing loans. That was a giant step. We had to have a lot of advice. The committees had to have hearings, but at least the authorizing committees took a look at it and got the answers.

I tell you, Mr. President, adding this REA refinancing proposal to a supplemental appropriations bill is not the way to do it. It demands a lot more attention and study.

I submit, Mr. President, the Secretary of the Treasury, in his letter to the distinguished majority leader of June 5, 1986, sets it all out. Since I have not been here earlier in the debate, I might make a parliamentary inquiry: Has that letter been submitted for the RECORD?

The PRESIDING OFFICER. The Chair advises the Senator that it has not been submitted.

Mr. DOMENICI. I ask unanimous consent that a letter dated June 5, 1986, to the majority leader from the Secretary of the Treasury urging that we not do this be printed in the RECORD.

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

THE SECRETARY OF THE TREASURY,
Washington, DC, June 5, 1986.

Hon. ROBERT DOLE,
Majority Leader, U.S. Senate,
Washington, DC.

DEAR BOB: The Administration strongly opposes the provision of the Urgent Supplemental Appropriation Bill, H.R. 4515 which would allow borrowers from the Rural Electrification Administration (REA) to prepay outstanding Federal Financing Bank (FFB) debt without penalty. We urge the deletion of this provision from the bill.

REA guaranteed borrowers have already benefited from below market financing as a result of Treasury direct lending and Government guarantees at the expense of the general taxpayer. Approximately $14.5 billion of REA guaranteed debt would be eligible for such prepayment under this provision. Based on the Congressional Budget Office estimate of $7.6 billion which would be prepaid at current interest rates, the Federal cost of forgiving the prepayment penalty has a discounted present value of $2.4 billion representing $16 to $24 billion in forgiven interest over the 20 to 30 year life of the loans. The cost of the long-term Treasury debt incurred at previously much higher interest rates to finance these loans will have to be paid by the taxpayer who does not have the option of "no cost" refinancing at today's reduced interest rates. The long-term costs of this provision far outweight the short-term cash accounting savings of prepayment over the FY 86/87 period.

Aside from the substantial costs that would be shifted from the REA borrowers to the taxpayer under this provision, it would also seriously disrupt the Treasury's management of its debt. It has this effect by creating a competing instrument in the market, since such privately originated loans will be federally-guaranteed thereby creating securities with credit risks equivalent to those issued by the Treasury. We strongly believe that this provision must be deleted from H.R. 4515 before final approval can be recommended by the President.

Sincerely yours,

JAMES A. BAKER III.
JAMES C. MILLER III.

Mr. DOMENICI. I yield the floor.

Mr. STEVENS. Mr. President, would the chairman answer a question before he does that?

Mr. DOMENICI. Of course, Mr. President.

Mr. STEVENS. The CBO has said this does not have an impact this year or next year, as the Senator from New Mexico has pointed out, this that the Secretary of the Treasury has warned us of. The Secretary has asked us to allow the legislative committees to have a chance to work their will. What is wrong with taking care of an emergency if we have at least 2 years of surplus caused by this action that is available to take care of the problem in rural America now and next year? That gives the committees 2 years. The Banking Committee and the Agriculture Committee have 2 years to deal with this problem before there is any fiscal impact on it. The letter

from the Secretary of the Treasury—does it refer to what the Senator knows to be the truth, that for 2 years, it has no adverse impact on the budget of the U.S. Government?

Mr. DOMENICI. That is absolutely right, I say to my friend from Alaska. But the horse is out of the barn. We cannot do anything after 2 years. You have already incurred the liability that the Senator is speaking about.

Mr. STEVENS. Where are the legislative committees if that is the case? Why cannot Congress issue new bonds and take advantage of this new rate and repay the old ones, as my State did?

Mr. DOMENICI. Your State can, and that is exactly what they ought to do but that is not what we are going to do.

Mr. STEVENS. Why penalize my people in the REA who can expand and want and need expansion from doing it now because Congress has not done what most States and local governments have already done? Why do we not refinance?

Mr. DOMENICI. The Senator has been here a lot longer than I have. I have the greatest respect for him. In fact, I have been heard to say that I wish, when I finished being a Senator, I could say I have represented New Mexico as well as he has represented Alaska. In my first 10 years here, I did not find a major bill on the floor that my friend from Alaska did not have an Alaskan issue on.

But I submit this is not an Alaskan issue. If he has an Alaskan cooperative with a financial problem that requires refinancing, why not figure out a way to address that? This amendment, I tell the Senator in all honesty, is not only solving Alaska's problem, maybe, but is taking the entire portfolio of REA loans with it.

I hope we drop this refinancing proposal because I would urge the President to veto this bill on this issue alone. I may not necessarily carry much weight, but I would urge a veto. Because it is absolutely ridiculous in the name of helping some REA Cooperatives that we start down a path of refinancing an entire loan portfolio, generated over years, in good times and bad times, because there is a margin of interest benefit out there now.

What happened when the margin of benefit was the other way? I will not ask the Senator from Alaska, I will tell him: The taxpayers picked up the difference. When we made these below-market loans, we established prepayment penalties. Now we are entitled to pick up something on prepayment and we are not going to pick it up. They can get a better deal in the private sector so we are not interested in the impact on the taxpayers and the Treasury.

I have another letter in line with what the Secretary of the Treasury said. The CBO has written the Committee on the Budget a letter, signed by Rudolph Penner. He said that, based on information from the FFB, he estimates that the net cost of this proposal would be about $2.4 billion.

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

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

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, DC, May 20, 1986.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget, U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office (CBO) has estimated the budgetary impact in fiscal years 1986 and 1987 of the provision authorizing the refinancing of loans guaranteed by the Rural Electrification Administration (REA) in H.R. 4515, the Urgent Supplemental Appropriations Bill, 1986, as reported by the Senate Committee on Appropriations, May 15, 1986. This bill would allow rural electric and telephone cooperatives to prepay long-term loans guaranteed by the REA and financed by the Federal Financing Bank (FFB) without paying the premiums required under the existing loan agreements. These premiums would be foregiven if the borrower pays the outstanding principal balance to the FFB using private capital, backed by the existing REA guarantee. The bill also would relieve the REA of its obligation, as guarantor of the loans, to pay the premiums.

Using CBO's baseline interest rate assumptions, we estimate that these provisions would have no effect on budget authority in either 1986 or 1987, but would reduce outlays by approximately $0.3 billion in 1986, and by about $7.0 billion in 1987. Starting in 1988, however, outlays would increase by about $0.9 billion a year for the next 25 to 35 years, as a result of the lost repayments on the loans refinanced in 1986 and 1987. This estimate assumes that all existing loans bearing interest at 10 percent or more would be refinanced.

This transaction results in a net cost to the government, because the government would lose a repayment stream bearing interest at 10 percent or more, while its current borrowing is at a lower rate. This net cost, on a present value basis, is represented by the amount of the premiums that would be due to the FFB under the current agreements if the cooperatives were to refinance. Based on information from the FFB, we estimate that the net cost to the government of this proposal would be about $2.4 billion.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,

Sincerely,

RUDOLPH G. PENNER,
Director.

Mr. DOMENICI. Mr. President, in the name of saving money through the bookkeeping and accounting practices, because of the way we handle the prepayment of a loan in the budget of the United States, some are running around saying we are solving the deficits because we are making money now. As a matter of fact, it will unequivocally and absolutely increase the deficits in the long run. We will allow the refinancing of this debt with no rules, no guidelines. We will just put it out there and tell them, "Let's start on this $9½ billion refinancing job."

Now, I close by saying I do not have a great deal of hope we will uphold this rule, which is a salutory rule if ever there was one. Its application is epitomized here today, with the authorization of this kind of activity on an urgent supplemental appropriations bill. I do not have any hope that we will uphold it, but I am extremely thankful that the U.S. Senate in its wisdom at least has such a rule. This rule provides us the opportunity to debate the impropriety of $9½ billion worth of authorizing legislation in the name of saving money on an urgent supplemental when it is neither urgent nor with it save money. I yield the floor.

□ 1550

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, I thank my good friend from New Mexico for these comments concerning my activities here for Alaska. I am pleased to admit I did all those things he said. But let me say to the President and to the Senate that my State has a program of lending money for homes. Our homes cost so much more than they do in the south 48 that we could not really build homes under the FHA Program so we set up a State program. The State went out and borrowed money and loaned it to Alaskans so they could build their homes. When the interest rates went up, the State had to go out and issue new bonds at a lower rate. The State said to the people who had bought those homes, "Come, apply for a new loan. We will loan you the same amount of money at a lower rate; come, get your new loan, you pay lower rates; we are paying lower rates." Now our Government, our Federal Government sits here blindly saying, "Oh, well, we entered into bond agreements for 20 and 30 years and we expect the people who borrowed money to pay us enough money to pay off those bonds for the next 15 to 20 years."

That is not a problem for the REA. It is not a problem for the borrowers from the REA. It is a problem for the banking community. They have plenty of time. They have 2 years at least before this amendment will cost the taxpayers a dime and if my little State can do it in 2 months, I think the Federal Government can do it in 2 years.

Mr. SIMPSON addressed the Chair.

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

Mr. SIMPSON. I represent a State much like Senator STEVENS'. Mine is a very fortunate State, much like Senator STEVENS'. We had oil and gas production, and it is tough now for us. At one time we had great moneys coming into the Permanent Mineral Trust Fund, which we have in my State. At one time in the Senator's State of Alaska they kind of had a "divvy up" where they gave out 1,000 bucks to every citizen. In Wyoming we did something like that; we put it into the Permanent Mineral Trust Fund. We are very fortunate, more fortunate than many States represented here.

I will tell you why we do not do anything with this REA. We are terrified by the REA. They ride in here from the west and just unravel us. I have seen them come. I have been a person who has supported the REA in every sense for many years. An original director J.C. Nichols was from my home town of Cody, WY. But for heaven's sakes, we have bailed out the REA on into the decades, and do you know why? First they were nothing more than an electrical distribution agency of the Federal Government. We were supposed to get power to people who had never had power before, get it out there to that leather-faced lady hanging over the washboard without a light bulb, finally get the power out there, down in that "holler" at the end of the "crick."

Well, we did that, and it was a marvelous thing to do. But then what happened with the REA? I will tell you what happened to the REA. they really got classy. They got into generation and transmission and everything else. They are into nuclear energy. We have poured about $8 billion down the rathole for some of the stuff they have been involved in with regard to nuclear power.

That is where we were with REA. I will tell you they will be back. I can promise you they will be back. And they bring with them some of the classiest people in our communities, marvelous people—the "salt of the Earth" kind of people come here to lobby us on the REA. They bring this whole network with them from some political system which went defunct 40 years ago, some upper area—I am not a student of political geography, but there is something about that old system up in the North of populism—of how to get in now and pay later. I do not know what it is. But anyway they will be back, you can bet a buck on that, because they have always been back.

Then, when the private investor-owned utilities found this remarkable method to induce the REA's to get their financing on a cooperative venture, so they could tap the Federal Financing Bank, that is where they began to really mine a little coal, because the REA and its magic name, helped them dip into the Federal Financing Bank, and that has enabled the investor-owned utilities to go out and build their facilities as long as they have the REA in it. Just a little REA, for you do not need a lot of REA, because they have a big hand and they can get into the Federal Financing Bank fast.

So, that is what we have with REA. I stood on this floor about 2 years ago, an election year, mind you—I remember that—and I took on the REA. I did not really relish that—but I kind of did, too! And so I said, "What are they doing? When do they ever pay anything back?" I tell you, you have to be an atomic scientist to figure out the financing of the REA, and that is not from what they were doing or the wonderful people that I know who represent them. You have certificates of beneficial ownership, you have borrowings, you have low-percent-interest loans, you have financing commitments, you have off-budget borrowing, an extraordinary array of the most electrifying and novel financing methods known to man. And what will always electrify you in REA is the cost of the program if you ever put your pencil to it. It is absolutely extraordinary. We all ought to be embarrassed by it, but we are not.

If you want to hear a story about an REA, listen to one in Wyoming that has a certified area and they were able to get 2-percent loans—at least we quit that—but now they can get 5-percent loans. We have not quit that. But this one REA 4 years ago was producing 91 percent of its power for some of the biggest corporations in America. It went to some of the biggest heavy hitter corporations in America who were working in the oil patch. Is that what REA was supposed to be about? I thought it was again for the little old guy at the end of the "holler"—"just get me a light out here and I won't have that old outhouse."

I think that is great. If somebody can show me how many more of those people there are when we are told that 99.9 percent of America is electrified, I will personally bring any amendment to this body and produce a line out to them. I do not care what it costs. Oh, it will be so much cheaper than what we are going to do here. Now, you are going to let them off the hook. You are going to single out one class of Federal financing borrowers for special benefits at the expense of the dear old taxpayers. We are going to make up that "forgiven interest" income to the Treasury; the taxpayer is going to do that.

□ 1600

From an accounting standpoint, allowing prepayment, I suppose it does produce some short-term savings. But that is 16 million bucks to $24 billion over the 20 to 30 years of the loan. That is where you are with REA. The reason we do not deal with them honestly here is that we are petrified by them.

Do you remember a little amendment of a few weeks ago, where we said we are going to knock off 44 agencies of the Federal Government? I see a knowing nod from my friend from Louisiana and my friend from Oregon. It was a provocative amendment. But it only saved us 4.6 billion bucks. So, it was not as good as we thought. But there was one name in the 44 to be eliminated that made the blood run out of the toes of our colleagues, and it was REA. You are not going to do in the REA. I mean, you can get rid of Amtrak and SBA and you name it, but not REA.

So I watched that. It left us all in a drawn and pale capacity for several days, as we failed to address that issue.

So now we come to what we are going to do is to help the REA break a contractual commitment to the United States of America. Be aware of what you are doing, not just in the supplemental but any time. They are going to break a contractual commitment by the G&T's, as we call them—that is the generation and transmission co-op—when they wanted to engage in power plant construction through direct loans from the Treasury.

That is where the REA went way off the track out in the prairies. They got out of distribution and went to G&T. They went to generation and transmission, and they are no good at it at all. They are particularly poor at it with regard to nuclear power, and we are going to find out that they want a bailout of $6 to $8 billion on that. They got into some of the most egregious capers with that type of alternate power, and they failed. They failed. But they have not been here for us to pick up the tab yet. That comes later. But a little of it is here.

Since 1973, these REA borrowers, on their G&T capers, have plumbed the Treasury for 35 billion bucks from the FFB—the Federal Financing Bank—which, thank Heaven, we are finally bringing back into the budget structure of the United States.

REA borrowers have benefited from below-market financing forever. Then, to hear this wail—by Heavens, they are being picked on. They have been paying 2 percent. Can anybody borrow money at 2 percent? They did. We finally closed that pay window a few years ago. Now they can get it at 5 percent. The Government furnishes guarantees at the expense of the taxpayer to go along with that.

I visited with their accountants and their officers. It is dazzling. You sit there with them, and they are talking

as if they are speaking Egyptian. I am not fluent in that. They just speak and roll things off their tongues about accruals and nonaccruals and performing and nonperforming and CBO and OMB, and your eyes are going around like a slot machine before they finish. Then they gather their portfolio and leave, and say, "You're a decent fellow, but obviously not too clever, not too learned, not too sharp. But you have possibilities for learning the complexities of REA financing."

I have seen enough. This bailout is a marvelous accounting gimmick, and they have a battery of people who produce this stuff that will increase the deficit of the United States. You can talk about short term or long term, but that is exactly what is going to happen.

We all owe a debt to PETE DOMENICI—PETE DOMENICI, who comes here and scraps on the unpopular stuff; and the Senator from Oregon, who goes through the anguish of the budget and the appropriation; and Senator JOHNSTON. They are the ones who do the heavy lifting.

If this one passes, it does not matter what the procedure or when—and it will pass; I can tell you it will pass somewhere—you are going to open the door for every Federal Financial Bank borrower to seek special treatment.

If this is going to occur, it is the start of great potential loss to the Treasury, running into the tens of billions of dollars, because the current FFB portfolio is $153 billion.

As Senator DOMENICI said, in his clarity—and that is what makes him effective—how can a "downward only," penalty-free financing be called fair, in any comparison or under any comprehension? A really fair proposal would have interest rates floating down and up with the Government's cost of borrowing. But we do not now require those power generation facilities to finance their debt when interest rates increase. In fact, their lobby, a very potent lobby, strongly opposes adjustment rates. That is very funny.

Why should we now provide "power-plant builders" with a new subsidy without going through the normal appropriations process?

In May of 1973, Congress authorized the Government and REA to make money available to power supply borrowers called G&T's. That is where the error was made—Generation and Transmission co-ops—through the Federal Financing Bank, at the Treasury rate plus one-eighth of 1 percent. No private lender could match that.

If you get in a box and run a G&T, get the FFB on the phone and say, "Ship money," and the FFB responds just like that. [Laughter.]

That sounds funny, but it ain't funny. That is exactly how it works if you are an REA in a G&T facility.

No wonder the investor-owned utilities curry them, bring them into the G&T, because they know they bring the deep well with them. So they use each other in an abusive and curiously perverse relationship.

Anyway, between 1973-81, FFB direct lending to REA borrowers increased by 760 percent. I really want to hear from somebody on the other side how the FFB lending to REA borrowers increased by 760 percent, while the number of consumers being served by the REA increased by only 32 percent. That is the figure; and in this debate, everybody is entitled to their own opinion, but nobody is entitled to their own facts. Seven hundred and sixty percent.

Of all FFB loans made under the G&T's, under the guarantee—and they are all guaranteed by the Rural Electric and Telephone Revolving Fund—which does not revolve at all. That fund quit revolving completely. There is nothing to revolve in it. It has been used up, abused, gimmicked. The revolving fund of the REA is a broken merry-go-round—done, all cashed in.

So here you have 41 percent of the FFB loans were made to REA's—the whole spectrum of the Federal Financing Bank, and the REA has 41 percent of that. Those borrowers are the largest group of recipients of FFB loans made under the guarantee. In fact, as recently as 1983, the FFB supplied 99 percent of all funding to REA's power supply borrowers under the REA guarantees.

If you will just mull around long enough in this program, you will see how an extremely sophisticated special-interest lobby, with real hog, has taken a most magnificent program, dedicated to the rural electrification of America in the 1930's—so great, and all of us would back it—and they went into Adventure Land and took the Federal Treasury and put a big bomb in the middle of it every way, through a remarkable array of scalpels, wrenches, and sledgehammers, and have fashioned a bizarre plan of off-budget, on-budget financing and subsidy packages through use of the Federal Financing Bank and other methods over these years, which should tremendously disappoint and sadden all of us, and greatly distress the creators of rural electrification in this country.

Mr. ANDREWS. Mr. President, will the Senator yield for a brief question?

Mr. SIMPSON. Indeed, I will.

□ 1610

(Mr. EVANS assumed the chair.)

Mr. ANDREWS. I appreciate that.

My colleague is most eloquent and a great friend.

When he was mulling around in this whole issue of rural electric financing and the FFB, did he mull around deep enough to find out that whenever they borrow from the FFB they pay one-eighth of 1 percent more interest than it costs the Federal Government so in actuality the Federal Government and the taxpayers are making a profit off those loans that they then broker to the rural electric co-ops?

Mr. SIMPSON. Mr. President, I am aware of that. One percent above Treasury in my mind is called great money.

Mr. ANDREWS. Oh, you bet. You bet. I would tell my colleague it is great money, and it is a great deal of money as well, and with the Business Week writing articles, as my colleague knows, that the private utilities are going to refund about $19 billion, it is estimated to us that the rural electrics might well, if we can pass this amendment, pay back some $9 billion. The question there arises would my good friend and colleague, the Senator from Wyoming, not be happy to see when we next have to vote on increasing the national debt that it is $9 billion less because some this has been paid back?

Mr. SIMPSON. Mr. President, if that is true, then that judgment and comment is as creative as REA financing itself because it is going to cost us $20 billion to over $25 billion according to CBO.

But I want to say that all I have ever tried to do with REA—I am not trying to be an obstructionist—I said to them all I want to do with you people is two things: Pay back what you owe the Government and quit coming in here with the whiz-bang methods of getting out of paying it back, and then get your borrowing and your interest closer to market.

That is all I have ever said to them, no tricks, no fun and games.

That is all I have said to them because now the last time they came, and my good friend from North Dakota knows they were here recently, they are saying now that they need additional help because they cannot compete.

I said, "Well, you cannot compete. Let us see, in the free market system if you can't compete someone comes along with a lesser rate and you go out of business."

I think that is called competition. It used to be. It does not happen much anymore because when you go broke in America today you come to Congress to be made whole.

In any event, I want to say to you that that is exactly where you are with that. They cannot compete.

I say, "Well, then, you are losing business. Are you losing certified areas?" They said, "Yes, we are."

And again if you look at who REA is serving you show me anybody that Senator STEVENS knows is in extremity or someone from the State of North Dakota, and I say I will help string the line, but do not give me that business of serving development subdivisions

and providing power to Amoco Oil and all the rest of it at a subsidized rate from the Federal Treasury. That is exactly what has happened.

Mr. ANDREWS. Might I point out to my friend from Wyoming, and let me use Wyoming figures, not North Dakota figures, because when I have been mulling around, as my colleague points out and he makes an excellent point of it, I have been trying to find figures close to my colleague's heart.

In the State of Wyoming, the rural electric systems have a revenue per mile—to distribute electricity it takes miles of line—$5,756. The investor-owned utilities in Wyoming have a revenue per mile of $25,229, virtually five times as much, I would point out that is similar in North Dakota.

But based on that, would my colleague not agree that perhaps some type of incentive has to be given in order to get some comparabilty of costs based on a revenue per mile for in Wyoming rural electrics have only one-fifth as much as the private utilities have?

Mr. SIMPSON. Mr. President, that is a valid point. You show me the person who needs the distribution of electricity and I will meet that comparative test or get the numbers on density or how many a mile and all that stuff. Again, that is part of the extraordinary array of statistics. You show me the person that needs to be electrified and I will say get him electrified. But do not give me any more about generation and transmission and nuclear facilities, and that is all I am saying in this debate.

I am fully aware that in my State we have tremendous distances. The issue is called density and I am well aware of that one.

But that is not what we are talking about. We are talking about how the REA has lost its way and forgotten its original mission. That is what I am talking about.

Mr. ANDREWS. The original mission, might I point out to my good friend, is comparability of rates between rural Americans and urban Americans. The reason for the problem is that even today State after State the rural electric consumer pays on average 17 percent more than the urban consumer in the same State. That is a problem. That is comparability. That is equity. That is fairness. That is what this amendment is all about.

I appreciate very much my good friend from Wyoming yielding.

Mr. SIMPSON. Mr. President, I understand that business of comparability of rates. And if that is true why are the REA's telling me they can no longer compete?

Mr. ANDREWS. They no longer can compete at comparable rates because in fact they are having to charge, might I point out to the Senator from Wyoming, 17 percent more to the customers in North Dakota—I do not know about Wyoming—but average nationwide it is 17 percent more in North Dakota to the rural electric consumer versus the city cousin, and that is not right. That is not what we want to do if we want to retain people in the rural parts of this Nation of ours.

Mr. SIMPSON. Mr. President, they were telling me when they came here to see me that Pacific Power & Light was undercutting their rates, so I do not know what that has to do with the debate.

When they say they cannot compete, that means someone is selling power for less and that is what is happening in many areas of the United States.

Mr. STEVENS. Mr. President, will the Senator yield on that point?

Mr. SIMPSON. Yes; indeed.

Mr. STEVENS. The problem about competition is illustrated, I think, by the utilities in Alaska that I mentioned.

Ten years ago when they got their REA loans, they were rural. The city and populated areas moved out around them now and they cannot compete in the sense they cannot get any money to improve their system because the REA will not loan them any more money because they feel, as the Senator expressed, why should you be financing expansion in a subdivision area and, on the other hand, they cannot borrow money from the private sector because they say: "We are not going to lend you money unless you borrow enough money to pay off the REA"?

If you borrow enough money to pay off the REA under these prepayment penalty provisions, then you are worse than you were then to start with.

How can you compete under those circumstances when all they are asking to do is to have the right to pay back the Federal Government and, incidentally, under the terms of the original provisions at the time they borrowed their money there was not this repayment penalty as it exists today. It was amended 2 to 3 years ago administratively on the prepayment penalty.

I think one of the worst things we have today is the inability of people to understand these people want to compete in the REA in the sense they would like to be able to borrow the money to expand. That is the competition the Senator is talking about.

The non-REA utilities are taking their customers because they cannot borrow the money to expand. The reason they cannot borrow the money to expand is because they cannot pay back the REA, they cannot pay back the REA because they have a prepayment penalty despite the fact the private sector is willing to lend them enough money to pay back the loans without a prepayment penalty.

Incidentally, the final result, as I said before, and I think the Senator from Wyoming would like to see this, is these utilities in growing areas would be out of the business of borrowing money from REA's. They would be borrowing money from the private sector. By definition they would no longer be REA eligible.

Does the Senator disagree with that concept?

Mr. SIMPSON. The concept, Mr. President, is magnificent, but they have never done it yet and they are not going to do it.

Mr. STEVENS. Not unless this amendment passes.

Mr. SIMPSON. No; whether this amendment passes or whether it does not, the REA will be back again and again and again.

I have been here 8 years and it is a revisitation that is always asking more, always more—or some sophisticated forgiveness of indebtedness.

Some day they ought to pay their debt and then we ought to get them closer to market on interest. That is all I have been saying for about 5 years.

□ 1620

Mr. STEVENS. Mr. President, I say to the Senator from Wyoming, I will be happy to fly with you up to Anchorage and show you this utility and let you talk to the board that wants to get into the position where they do not have to borrow money from the REA any longer. They cannot do it because of REA regulations.

Mr. SIMPSON. Mr. President, we have an entire United States to run. I could go back to Wyoming and show you an REA that has the same situation. But that is not the issue.

The issue is a national issue and what are you going to do about the REA. If we want to take care of the one in Alaska, let us work up an amendment to do that. It would be eminently cheaper than seeing REA, out dabbling in subdivisions, and selling power to big corporations. That is what I am talking about.

I am not going to get into the provincial aspects of it. This is how we always get caught in here. We talk about some "little guy" or some unfortunate or wretched situation in some other location and forget what the issue is as to the total high ticket cost in the whole United States. What is it costing this country to continually come in here and watch the REA work its magic on us and forgive and forgive and forgive, all on the basis that some little old guy out there in Oshkosh B'Gosh overalls is gazing off into the vanishing sunset. That is not where the money is going—to little guy. It is going down the rathole.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I have spoken and others have not, but there are several points that have been raised that, before the debate ends, I would like to go back and be sure Members understand the difference between opinions and fact.

Every time I listen to the distinguished Senator from Wyoming speak, I not only realize my inadequacies, but I also learn something. I think he made one point in his statement that everyone has a right to their own opinions, but not their own facts.

What we have heard here over and over by the proponents of this new giveaway of the taxpayers' money is an assertion of opinion and wishful thinking as if it were fact.

We keep hearing that we have got a catch-22 situation: "REA borrowed this money and now they want to pay it back in advance so they can borrow at a lower rate. Why can't we let them do it?"

We can let them do it, but they have to do it on the same basis that everybody else does it. When these utilities prepay interest, what do you think they do? If they went out and sold bonds that did not guarantee them that right, and if they got guaranteed that right they paid a higher interest rate to begin with, if they want to go back and redeem those bonds, they have to pay a penalty.

All of these people who are getting notices from Senators that things are better, you can refinance your home, you go out and try to refinance your home. I do not know how REA refinances homes, but I can tell you how everybody else does. You go to the savings and loan or bank and you say:

> I want to refinance my home. I read in the paper you are lending now at 9½ percent. I got this 12 percent loan and I want the 9½ percent.

And they say:

> Well, brother, sit down. You see, in this contract that you signed, we said that you could refinance it all right, but there is cost involved. And there is a penalty involved because if rates go down, we cannot come back and refinance.

So if you go to the savings and loan this afternoon to refinance your home, you are going to pay a penalty.

If you are in business and you sell a bond and that bond is not callable, and if it is callable you pay a big premium for it because, again, the borrower is taking the risk if the interest rates go up and the lender is taking the risk if the interest rates go down.

So this idea that there is a catch-22 is absolutely baloney. There is no catch-22. They are in exactly the same situation everybody else is, except they have political friends.

Now, what we are hearing is, "Let's let them refinance." Fine. But let them go back and read the contract. The contract said they could refinance but they would have to pay penalties.

Some may say, "Well, why do they have to pay penalties?" Well, when the Federal Government loaned at 2, 5, and 7 percent, rates doubled and tripled. Did they come back in and pay those loans off? No. And I never heard anybody anywhere from any political party say they ought to.

The Federal Government took the risk. Rates went up. The Federal Government lost. So when we are hearing this catch-22 business, that is simply a code word for "Let's treat them differently than everybody else would have to pay under similar circumstances."

The second point I would like to address is this idea that, well, why does not the Federal Government refinance its debt? That is a wonderful idea.

The problem is, however, we have $2 trillion worth of bonds out there that were sold on the good faith and credit of the United States. They are held by retirement programs and by savers and by investors. We do not have the right, under law, to go back and cut their rates.

So when we sold the bond that let the REA borrow the money, we committed ourselves and they committed themselves. As a result, we protected ourselves.

Now, if the taxpayer comes back when we cannot call in our bonds and allow them to call in theirs without paying a penalty, we are, in essence, absorbing huge financial hits on the working people of America.

A final point: Since we are getting these bonds paid back, and that for 2 years would keep us in the black, then in 2 years the Banking Committee ought to be able to figure out how to solve the problem that for the next 28 years we are losing interest. Well, that is an interesting assertion. Because, in fact, almost any business, by selling off assets, can look good for 2 years. The question is: What do you do after that?

The point here again—and I want to make it and then I will let others have the floor and we can move to vote—is that this is not a small, nice little way to help. This is, at least in my 7 years in Congress, the most expensive rider that I am aware of, between $2.4 billion and $3 billion in present value loss to the American taxpayer if this amendment becomes law; $16 billion to $24 billion of interest the Federal Government is due, with a contract that we signed in good faith. And the present value at current interest rates converts into about $3 billion. But that is not the end of the story.

The problem is we cannot just help one agency, because if we let one agency come in now and change the rules of the game and let the taxpayer pick up a $3-billion hit, then all the other loans that have been made by the Federal Financing Bank at above the current interest rates would now be subject, through their political lobby, to come in and say, "Well, now, what about the Export-Import Bank? After all, they are creating jobs. Many of those jobs are going to farmers. Don't you want to help them?"

And so we come back in and we let them escape their payment penalty, all the while we have bonds that we sold to lend the money.

We are talking about $30 billion in present value this year, more than all the savings in the President's budget that we did not adopt, if we treated everybody the way we are treating one agency here. This is not a nice way to help out people. This is legislation on an appropriations bill with no hearings. We are talking about huge amounts of costs to the taxpayer. We are talking about a terrible precedent being set that is going to come back and haunt us.

We have already helped REA. We have already provided all these subsidized loans, and they are loans that we have all supported.

It is a question of whether or not we are, on a whim on an appropriations bill, going to cost the taxpayer $3 billion this year, and if everybody else were treated the same, $30 billion. This is serious business to a Congress that has committed itself by law to balancing the budget.

I urge my colleagues to turn down this amendment. There are obviously people in REA, in the organization itself, who are going to be looking over your right shoulder, sending letters back home telling people whether you "care."

Unfortunately, there probably would not be anybody looking over your left shoulder saying whether you care about the taxpayer, the working people of America, and the future of the country. If they were looking over both shoulders, we would laugh this amendment out of the U.S. Senate.

I oppose it.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I think it is really obvious to the Senate that this is a matter of great controversy. We have been debating the issue now for about 2 hours. This is a bill that is entitled an "Urgent Supplemental Appropriations Bill." It was ordered reported on March 25 in the House of Representatives.

I think the first amendment we ought to adopt in the bill is to strike the word "urgent" from the title, although obviously it is a matter of greater urgency now than it ever has been. But the fact is that the House took up amendments that were de-

signed to rewrite portions of the farm bill, and a lot of other things were attempted to be added to the bill that should not have been a part of this appropriations bill. Here we are with another example, I think, and it is very clear to the Senate—or it should be—that we are going to further slow down the process by taking up such a matter on this bill as this amendment of such controversy.

It may be meritorious. And I have been persuaded by some of the very good arguments that have been made by the distinguished Senator from Alaska, and by the Senators from North Dakota on the subject of the REA and its need to be permitted to refinance some of this indebtedness. That may be something that Congress needs to address right now. That may be urgent. But it is obvious if this amendment is added to this bill it is not going to be dealt with or completed any time soon.

We have two Cabinet officials who signed a letter which is now part of the record saying they are going to recommend a veto to the President if this provision is in the bill when it reaches the White House.

Let me remind the Senate what is in the bill that is absolutely urgent.

There is, $5.3 billion for the Commodity Credit Corporation, which is out of money. They have no money to write checks for deficiency payments to farmers who are entitled to those payments under the farm bill that was passed last year.

There is $9 million in this bill for indemnities for dairy farmers in Arkansas, Oklahoma, and Missouri, who saw milk contaminated by pesticides. That is an emergency situation. Those farmers are destitute, out of business, and they are on the brink of bankruptcy. And the Department of Agiculture does not have money in those accounts to make those indemnity payments. Those farmers are entitled to them under the law.

There is $36.7 million for the Soil Conservation Service, for emergency measures to try to help deal with the floods that have occurred around the country, particularly out West earlier this year.

There is $4.5 million to pay the cost of inspecting poultry and meat. There are meat packing plants and poultry processing plants that are not operating at full efficiency. Some are being threatened with closing because they do not have enough Federal meat inspectors to keep them operating. That is an emergency.

There are other examples in this bill. Those are four that come to mind.

The amendment now being considered may be an emergency measure that is similar to these others. It does need the attention of the Congress. I agree with that. However, this is not the place to try to solve that problem. We are just going to make matters worse if we try to add this amendment here. And the point of order that has been suggested, and that will be made, in my judgment ought to be sustained.

Mr. HELMS addressed the chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I thank the Chair.

Mr. President, when all is said and done, it looks like we are going to have to say it four times. We are on television. I hope the Senator from Texas will renew his point of order in just a moment, and do it quickly. But let me say that as chairman of the Senate Agriculture Committee, we have not had 1 minute of hearing on this proposition. This amendment addresses the issue of prevented planting and so forth and so on. But the Agriculture Committee has not considered this amendment in any way. There has been no legislation referred to the committee that I know of. The distinguished Senator from Mississippi is absolutely correct. It is headed on a collision course by a veto with this in it. So I hope the Senator from Texas will renew his point of order. If he will not, I will do it. But I recognize the difficulties described by the distinguished Senator from Alaska. But the point is we ought to do something and get it done. We have been on this amendment for 2½ hours. The substantive arguments surrounding the amendment aside, the real issue here is whether the Senate supports the integrity of the committee system. I have all of the respect in the world for the members of the Appropriations Committee, and particularly the distinguished chairman. But I do think this is a matter that ought to be handled in a routine way.

I thank the Chair.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, I am sure it must puzzle an awful lot of you because of what is happening here today in terms of an appropriation bill that gets into a long 2½-hour debate on the policy of the REA.

You know, if we had adhered to rule XVI of the Senate, we would not have this issue today. Many of these issues would have broken down, and perhaps we would not have put the appropriation process in such great jeopardy of adequate functioning, but I just would like to say it goes back to 1981 when we tried to reform this whole program, and came out here to the floor with a commitment from the Committee on Appropriations that we would not entertain any legislative action on the appropriation vehicle. We pled our case before the body of the Senate. But there was a very emotional issue that was raised as an amendment called abortion. Because we had the stampede of emotion and with this overwhelming emotion controlling the floor of the Senate, we decided to set aside rule XVI because the abortion question was clearly one of legislation.

I found myself in a very interesting situation. I supported the amendment since I oppose abortion. But, I took the floor to fight the amendment on that occasion because we would violate rule XVI even on an issue that I feel strongly about. We opened Pandora's Box. Since that date in 1981, we have legislated on appropriation bills at will. We have reauthorized foreign assistance of this country. We have enacted a $20 billion Energy Security Act for Synfuels on an appropriation measure. We adopted a crime bill on an appropriation vehicle. And that is just to give you but three of dozens upon dozens of instances in which the body has seen fit to violate its own rule XVI.

I agree with the Senator from Texas. But I do not think there ought to be any pity demonstrated out here today that somehow we are violating a rule that is a sanctified rule of this Senate. Let me tell you it is a hoarish rule. That is what it is. It is not sanctified because we have perverted it. We have used it. And we have exploited it only on the basis of our personal interests.

I am going to support the ruling of the Chair because it is legislation on appropriations bill. The Chair has ruled. But I do not do so with any sense that somehow I am preserving the integrity of the rules of the Senate. There is no integrity to rule XVI. We violated that beginning in 1981 with abortion. I would venture that the Senator from Texas would probably have voted for the violation of rule XVI knowing of his strong convictions on abortion. I do not know. He was not in the Senate.

But I just want to say to the Senator from Texas that it was back in 1981 when the decision was made that led to the REA issue of today, not something the Appropriations Committee itself initiated, but something the whole body adopted and established as a strong precedent and resulting in repeated violations of the rule.

So it is not the Appropriations Committee today that should be looked upon as the agency of the Senate that has come here today to present this issue on REA in deliberate violation of rule XVI. That is the distinction I want to make on this whole debate.

I hope that we realize again we have 35 other amendments. If we spend 2 to 2½ hours on repetitious and redundant kind of arguments, we will be here forever and a day. But I am going to support the challenge of the Senator from Texas purely on the basis of my personal commitment against legislation on appropriation. I wish we

had upheld it in 1981. We would not be in this kind of a situation today.

● Mr. BOREN. Mr. President, I would like to join Senator BURDICK and urge my colleagues to support his amendment that will allow rural electric co-ops to pay off their loans with the REA without any prepayment penalties. We should reward those rural cooperatives that have chosen to seek private financing for their programs. Under current law however, any rural electric cooperative that choses to pay their obligations early are faced with a substantial penalty. This amendment will allow those co-ops facing substantial interest payments to refinance at the much lower current rates.

In Oklahoma this amendment will allow one of our co-ops to save over $6.5 million in interest payments this year alone. During these difficult economic times in rural America, Congress should continue to seek measures such as this to aid our agriculture industry in any way that we can. I urge my colleagues to support this most important and timely amendment.●

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I was not in this body in 1981. I do not know whether rule XVI is hoarish or not. I made my arguments based on the merits of this proposal. I think this proposal totally lacks merit. I think it is a ripoff of the taxpayer. Only the convoluted nature of the transaction prevents this from being thrown out of the Senate as being a ridiculous transfer of wealth.

I urge my colleagues to vote to find this amendment based on this technical procedure to be out of order, and failing that I intend to offer an amendment to try to strike it.

Mr. President, I raise the point of order under rule XVI that the committee amendment beginning on page 7, line 19, and ending on page 9, line 17, is out of order since that language constitutes general legislation on an appropriations measure.

□ 1640

Mr. BURDICK. Mr. President, I raise the defense of germaneness and ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been ordered. The question is, is the amendment germane? No debate can ensue. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Florida [Mrs. HAWKINS] is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Illinois [Mr. DIXON] is necessarily absent.

I further announce that, if present and voting, the Senator from Illinois [Mr. DIXON] would vote "yes."

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

The result was announced—yeas 62, nays 36, as follows:

[Rollcall Vote No. 112 Leg.]

YEAS—62

Abdnor	Gore	Nickles
Andrews	Grassley	Nunn
Baucus	Harkin	Packwood
Bentsen	Hart	Pressler
Biden	Hecht	Pryor
Boren	Heflin	Quayle
Boschwitz	Hollings	Riegle
Bumpers	Inouye	Rockefeller
Burdick	Johnston	Sarbanes
Byrd	Kasten	Sasser
Chiles	Kennedy	Simon
Cranston	Kerry	Specter
DeConcini	Leahy	Stafford
Denton	Levin	Stennis
Dodd	Mathias	Stevens
Durenberger	Matsunaga	Symms
Eagleton	Mattingly	Thurmond
Exon	McClure	Trible
Ford	Melcher	Warner
Garn	Mitchell	Zorinsky
Glenn	Murkowski	

NAYS—36

Armstrong	Goldwater	Lugar
Bingaman	Gorton	McConnell
Bradley	Gramm	Metzenbaum
Chafee	Hatch	Moynihan
Cochran	Hatfield	Pell
Cohen	Heinz	Proxmire
D'Amato	Helms	Roth
Danforth	Humphrey	Rudman
Dole	Kassebaum	Simpson
Domenici	Lautenberg	Wallop
East	Laxalt	Weicker
Evans	Long	Wilson

NOT VOTING—2

Dixon	Hawkins

□ 1700

The PRESIDING OFFICER. On this vote there are 62 yeas, 36 nays. The amendment is declared germane. The point of order falls. The question is on agreeing to the amendment.

Mr. HATFIELD. Mr. President, I move the adoption of the committee amendment.

The PRESIDING OFFICER. Will the Senator suspend? The Senate is not in order. Will those who are in the aisles please clear the aisles and take their seats. We cannot continue until the Senate is in order.

The Senator from Oregon.

Mr. HATFIELD. Mr. President, I move the adoption of the committee amendment.

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

The first committee amendment was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider that action.

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

The motion to lay on the table was agreed to.

SECOND EXCEPTED COMMITTEE AMENDMENT—(RELATING TO DEFENSE APPROPRIATIONS)

The PRESIDING OFFICER. The clerk will report the next committee amendment.

The legislative clerk read as follows:

On page 26, beginning on line 1, insert the following new language:

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

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

The amendment is as follows:

Lines 1 and 2 on page 26 of reported amendment that begins on line 11 of page 20, through line 8 on page 26; as follows:

SEC. 7. Sec. 8109 of Public Law 99-190 (99 Stat. 1222) is repealed.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. If the Senator will suspend for a moment, the Senate is not in order. Will those Members conversing in the aisles kindly proceed to the cloakroom. We cannot carry on the business of the Senate. Until the aisles are cleared, the Senate will not continue.

The Senator from Oregon.

Mr. HATFIELD. Mr. President, the unanimous-consent agreement that I am going to propound would temporarily lay aside the next six amendments of the seven remaining committee amendments, in order to get to the eighth committee amendment, one that the Senator from New Hampshire [Mr. HUMPHREY] wishes to discuss relating to power marketing. The best estimate of time now would be I hope to end maybe half an hour——

Mr. STENNIS. Mr. President, may we have order so we can hear. This is a highly important item the Senator is talking about.

The PRESIDING OFFICER. The Senator is correct. The Senate is not in order. Senators must take their seats and staff members will clear the aisles. The Senator from Oregon.

Mr. HATFIELD. Mr. President, it is estimated it will take perhaps between half an hour and an hour to dispose of the eighth committee amendment. At that time, upon disposal of that eighth committee amendment, I would return to the second committee amendment and act upon that at that time, which should be hopefully by 6 to 6:30. And so I ask for this unanimous consent, to temporarily lay aside these six committee amendments in order to get to the eighth committee amendment.

Mr. NUNN. Mr. President, will the Senator from Oregon pull that mike up a little closer. I have not been able to hear; I am sorry.

Mr. HATFIELD. I thought our coaches said we should not hold the microphone in our hand. As one who voted against televising the Senate, I

feel free to hold my microphone in my hand.

I would say to the Senator from Georgia that I was about to propound a unanimous-consent request which would temporarily set aside the next six committee amendments in order to get to the eighth one, on the basis of the attempt to accommodate Members of the Senate, to take up the Power Marketing Act amendment of the committee, that the Senator from New Hampshire [Mr. HUMPHREY] wishes to address. It is estimated it would take approximately half an hour to an hour to dispose of this particular committee amendment, upon which we would automatically return to committee amendment No. 2, which relates to the Armed Service Committee issue. And then I would hope that we could dispose of that next.

Mr. NUNN. Will the Senator from Oregon yield for a brief question?

Mr. HATFIELD. I am happy to yield.

Mr. NUNN. I would hope that we could dispose of that amendment this evening. That is my major goal.

Mr. HATFIELD. Correct.

Mr. NUNN. I do not really have a preference as to whether we take it up now or 2 hours from now or 3 hours from now.

Mr. HATFIELD. I can assure the Senator from Georgia there is no disagreement with those objectives. I want to dispose of that amendment tonight. I am very hopeful we can dispose of the entire bill tonight, but I would like to do it at a time when we are not worn down, frazzled out because this is a very important issue and I do not plan strategy to wear people down so that maybe this amendment would be only tacitly accepted or disposed of. I agree with the Senator. I want to get it done tonight, and I want to get the whole bill done tonight.

Mr. NUNN. I thank the Senator.

□ 1710

Mr. PRYOR. Mr. President, will the Senator yield for a question?

Mr. HATFIELD. I yield.

Mr. PRYOR. Will the Senator from Oregon please advise the Senator from Arkansas, and perhaps others, about how many more amendments we have pending?

Mr. HATFIELD. Yes; we have a total of 8 committee amendments. Unfortunately, it took about 2½ hours to dispose of the first committee amendment.

Mr. PRYOR. Mr. President, there is not order in the Chamber, and I cannot hear my friend from Oregon respond to the question.

The PRESIDING OFFICER (Mr. QUAYLE). The Senator is correct. The Senate will be in order.

The Senator from Oregon is recognized.

Mr. HATFIELD. Mr. President, let me respond once again.

There were eight committee amendments. The first committee amendment has just been acted upon, which took about 2½ hours. I have no idea how long the remaining seven will take, but we have 35 other amendments to be offered by individual Members, beyond the seven remaining committee amendments. It is our expectation that many of those amendments could be handled rather rapidly, but that depends on the desire of the Senators to speak, speak, and speak again.

Mr. PRYOR. Did I correctly understand the Senator from Oregon to say that he would like to finish the bill tonight?

Mr. HATFIELD. Yes.

Mr. PRYOR. I would like to say good luck to the Senator. [Laughter.]

Mr. HATFIELD. I have a fallback position, but I am not ready to announce that.

Mr. EVANS. Mr. President, will the Senator from Oregon yield to the Senator from Washington?

Mr. HATFIELD. I yield.

Mr. EVANS. Mr. President, reserving the right to object, this comes as something of a surprise to those of us who have a significant interest in this particular amendment. I am sure we were prepared to move in anticipation that these amendments would come in order. We expected this to come somewhat later down the road a bit. I find that a little difficult now.

I do not know precisely why there has been a request to move this up in rank, but it does catch us by surprise.

Mr. HATFIELD. It may come as a surprise in sequence but not in timing. The request has been made to lay these six amendments aside in order to get to this particular one; because when this bill was first brought up today and as we began to move into it, we were looking for Senators to offer amendments.

The Senator from New Hampshire was on deck, ready to move and to act upon the amendment in which he had an interest. The Senate was basically void of any other Senators ready to move. We did have the REA matter come up as the first committee amendment, because those Senators, too, were coming to the floor and ready to move.

I say to the Senator from Washington that the Senator from New Hampshire made that request kind of on a mutually convenient basis of getting this bill under way and having an amendment to consider, and I committed myself, as the manager of the bill, to get to him as soon as possible, because of his cooperation in being ready to move on this bill.

Mr. EVANS. I understand the desire of the Senator to move on the bill, and I will not object on that basis, although I must say that the Senator from Oregon understands the critical nature of this particular amendment and the fact that it may take some considerable time to debate.

Mr. HATFIELD. I understand that.

I hope that when the Senator from New Hampshire identifies his proposal, it may go a long way to reach the concerns of the Senator from Washington, the Senator from Oregon, and other Northwestern Senators and other power-marketing area Senators.

Mr. President, I now propound the request that we set aside temporarily the next six amendments and move to No. 8 of the committee amendments.

The PRESIDING OFFICER (Mr. MCCONNELL). Is there objection? The Chair hears none, and it is so ordered.

Mr. GOLDWATER. Mr. President, reserving the right to object, I did not hear what the chairman suggested—the unanimous-consent request.

Mr. HATFIELD. The unanimous-consent request I propounded was to temporarily lay aside the next six committee amendments in order to reach No. 8, which is the last committee amendment, and then, of course, automatically return to committee amendment No. 2, following the disposition of committee amendment No. 8.

Mr. GOLDWATER. I have no objection.

EIGHTH EXCEPTED COMMITTEE AMENDMENT (RELATING TO PMA)

The PRESIDING OFFICER. The committee amendment will be stated.

The legislative clerk read as follows:

On page 72, strike line 1, through and including line 2 on page 73, and insert the following:

SEC. 209. No funds appropriated or made available under this or any other Act shall be used by the executive branch for soliciting proposals, preparing or reviewing studies or drafting proposals designed to transfer out of Federal ownership, management or control in whole or in part the facilities and functions of the Federal power marketing administrations located within the contiguous 48 States, and the Tennessee Valley Authority, until such activities have been specifically authorized and in accordance with terms and conditions established by an Act of Congress hereafter enacted: *Provided*, That his provision shall not apply to the authority granted under section 2(e) of the Bonneville Project Act of 1937; or to the authority of the Tennessee Valley Authority pursuant to any law under which it may transfer facilities or functions in the normal course of business in carrying out the purposes of the Tennessee Valley Authority Act of 1933, as amended; or to the authority of the Administrator of the General Services Administration pursuant to the Federal Property and Administrative Service Act of 1949, as amended, and the Surplus Property Act of 1944 to sell or otherwise dispose of surplus property.

AMENDMENT NO. 2010

(Purpose: To prohibit Federal divestiture of the facilities and functions of any Federal Power Marketing Administration except when specifically authorized by the Congress)

Mr. HUMPHREY. Mr. President, I send an amendment to the desk and ask that it be considered at this point.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Hampshire [Mr. HUMPHREY] proposes an amendment numbered 2010.

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

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

The amendment is as follows:

On page 73, strike out lines 3 through 23 and insert in lieu thereof the following:

SEC. 209. (a) None of the funds appropriated or made available under this or any other Act may be used to divest Federal ownership, management, or control of the facilities or functions of a Federal Power Marketing Administration located in the contiguous forty-eight States unless and until—

(1) the terms and conditions of a divestiture proposal are specifically authorized by law; and

(2) any specific divestiture agreement resulting from that authorization is submitted to the Congress of the United States for review and is specifically authorized by law.

(b)(1) The limitation provided in subsection (a) shall not prohibit the conduct of divestiture studies or the preparation of proposals for submission to Congress with respect to the divestiture of Federal ownership, management, or control of the facilities or functions of a Federal Power Marketing Administration.

(2) if any divestiture of Federal ownership, management, or control of the facilities or functions of a Federal Power Marketing Administration results from any divestiture study or the preparation of a proposal, the costs of such study or proposal shall be paid by the person acquiring the assets. The costs payable under the preceding sentence shall be determined by the Secretary of Energy at the time the Secretary submits the agreement for such divestiture to Congress under subsection (a)(2).

(3) Nothing in this section shall be construed as indicating the intent of Congress with respect to the advisability or feasibility of the divestiture of any Federal Power Marketing Administration.

(c) The limitation provided in subsection (a) shall not apply to—

(1) the authority granted under section 2E of the Bonneville Project Act of 1937; and

(2) the authority of the Administrator of the General Services Administration pursuant to the Federal Property and Administrative Service Act of 1949, as amended, and the Surplus Property Act of 1944 to sell or otherwise dispose of surplus property.

Mr. HUMPHREY. Mr. President, first, I want to thank the Senator from Oregon for his usual kind and gentlemanly assistance in affording me this opportunity to offer the amendment early on.

May I say, also, to my friend from Washington and others who are concerned about this Power Marketing Administration proposal that, as Senator HATFIELD has suggested, I hope to be able to allay the concerns and fears of those Senators and hope they might support the amendment ultimately.

Mr. President, I should say at the outset that the amendment has the support of the administration. I have letters from the Director of the Office of Management and Budget and a letter from the Secretary of Energy explicitly supporting this amendment and its language, and I will insert those in the RECORD.

May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will come to order.

Mr. HUMPHREY. Mr. President, the amendment addresses the matter of PMA's—power marketing administrations. Some might say that the urgent supplemental appropriations bill is no place to be dealing the matters relative to PMA's, and I would agree. Unfortunately, the bill as it came to us from committee contains language bearing on PMA's, language which the administration and this Senator find objectionable. And so we have no alternative than to address the PMA issue on the floor by means of amendment.

Mr. President, just a little background. There are five power marketing administrations. They are commercial activities of the Federal Government. They transmit and sell electrical power generated at 123 dams operated by other agencies of the Federal Government.

Mr. President, for a number of years, the Executive has been studying and considering the idea of divesting the Federal Government of these assets—that is, divesting them to another level of government, perhaps State government, perhaps regional compacts, or perhaps even to a private buyer; but, in any event, considering the possibility of divesting one or more of these power marketing administrations, with the idea of streamlining and making more efficient the Federal Government and streamlining and making more efficient the delivery of essential services to constituents.

I point out that, so far, no proposal has come from the Executive to do that. So far the Executive has only been studying the issue.

As a matter of fact, we are assured by the Secretary of Energy that should these studies conclude that divestiture is an attractive option from their point of view, or from most points of view, the executive will submit any such proposal or proposals to Congress for approval.

All the Executive proposes to do for the moment is to continue to do what it has been doing these years, and that is to study the potential for divestiture of these assets, to see if it makes sense on balance, to learn all that needs to be known, to learn all that needs to be known so that a proposal might be made to Congress at a later date should a proposal be warranted on the basis of the conclusions of these studies.

□ 1720

Unfortunately, Mr. President, the committee amendment before us, which incidentally was inserted into the bill in committee after approximately 2 minutes of debate—that is all the attention this important issue got in committee, according to the transcript, about five or six sentences exchanged between two Senators which could not have taken more than 2 minutes, probably not even 1—as I was saying, the committee amendment before us, which was inserted rather hastily I would say as a committee amendment into the bill, this committee amendment flatly prohibits any further study by the Executive of the question of divestiture of these PMA's. It flatly prohibits that. It calls an absolute halt to these studies which have been underway for a number of years.

In other words, the bill before us, if this committee amendment is adopted and not amended as I seek to amend it, would say on the part of the Senate and say to the Executive, "Sorry, that is it, stop where you are, do not do anything further, no more studies, the issue is a dead line, it is a dead letter."

That would be a very unfortunate and unfair thing to do, may I say, Mr. President, because at least the Executive ought to have the option of studying various proposals and alternatives, ought to have the option of studying just about any issue and every issue.

I think it is wrong and even disgraceful for this body to erect a complete wall, such as this amendment would do, to preclude any further study of important issues such as this.

The amendment which I have offered, Mr. President, will restore to the Executive the option of continuing these studies, and the amendment will do that simply by striking the language which is now in the committee amendment prohibiting such studies.

But there is more, Mr. President. I especially invite the attention of my colleagues from the States served by power marketing administrations—there is more. Specifically to allay the fears of those Senators and their constituents, the amendment I offered would codify a procedure which would require the Executive to come to Congress for approval of any divestiture plan it might wish later to propose.

In fact, the Executive would have to come twice, not once, but twice, twice for the approval of Congress. First, to secure the approval of a general plan that might lead to divestiture and then, second, to secure the approval of

Congress of specific terms that might be arranged for a specific divestiture. That is a double safeguard which does not exist today in law. As a matter of fact, all that exists today to protect the concerns of the Senator from Washington and others is the verbal assurance of the Executive that it would submit such a proposal to Congress. I am personally prepared to consider that verbal assurance as good as gold.

To allay the concerns of my colleagues, I propose to put in the statute that kind of requirement. That statutory requirement is embodied in the amendment which I have offered to the Senate.

So it does two things. It strikes the language which is now in the committee amendment which blocks absolutely any further study of this issue of divestiture and, second, sets up statutory requirements which would require the Executive to twice obtain the approval of Congress before any divestiture would be carried out.

I do not know how much more reasonable people can expect. I think those are very good safeguards. I think we made a very good faith effort to consider concerns of our colleagues who are worried on this point.

Mr. President, as I finish with what I have to say, because it is a rather simple matter, I noted at the outset I have a number of letters of support for this amendment.

I ask unanimous consent to have printed in the RECORD a letter from John S. Herrington, Secretary of Energy, supporting the amendment; a letter from James C. Miller III, Director of the Office of Management and Budget, supporting the amendment; and also a letter from J. Peter Grace, the head of the Council for Citizens Against Government Waste, the Grace Commission, so called, dated May 23 which is also written especially in support of the amendment which I offered.

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

THE SECRETARY OF ENERGY,
Washington, DC, June 5, 1986.

Senator GORDON J. HUMPHREY,
Washington, DC.

DEAR SENATOR HUMPHREY: I am writing to express my strong support of your amendment to H.R. 4515, Urgent Supplemental Appropriation, 1986, which would allow the Administration to conduct preliminary studies of the feasibility of divesting one or more of the four Power Marketing Administrations (PMAs) operating in the lower 48 States. I understand that under your amendment:

the studies would develop proposed options for Congress to consider and review;

the Administration would be required to obtain Congressional review of proposed divestiture concepts and approval of final divestiture actions; and

the provisions simply ratify current Executive authorities to study issues, and do not imply any intent of the Congress regarding the advisability or feasibility of PMA divestiture.

Administration policy is to remove the Federal Government from commercial operations that can be managed as well or better by public or private entities that are closer to the region and customers being served. With respect to the PMAs, our prime objective is to accomplish this in a manner that benefits both the affected PMA region and the taxpayer. We understand clearly that we must prove to the satisfaction of the public and the Congress that such options exist. This is the purpose of the study authority we are requesting.

I appreciate your willingness to offer this amendment and your opposition to any efforts to curtail the President's authority to review those programs he manages and recommend proposals for change to the Congress.

Yours truly,

JOHN S. HERRINGTON.

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, June 4, 1986.

Hon. GORDON J. HUMPHREY,
U.S. Senate, Washington, DC.

DEAR GORDON: The Administration strongly supports your amendment to H.R. 4515, the Urgent Supplemental Appropriations bill, which would permit the executive branch to study divestiture of the Federal Power Marketing Administration (PMA's). At the same time, it would require that no asset divestiture proceed without specific Congressional approval.

Your amendment would allow the examination of new and possibly better ways to serve the customers of the PMA's through asset divestiture. It would also guarantee that we will do what we have every intention of doing—work closely with the Congress on the issue.

Much opposition—even to studies of PMA asset divestiture—has been expressed over the past several months out of the fear that divestiture would automatically and inevitably lead to large rate hikes for current PMA customers. We recognize that such rate hikes would be unacceptable to their representatives in Congress. I want to assure you and your colleagues in the Senate that it is not our intent to try to balance the Federal budget by increasing PMA customer rates.

Where people have not prejudged the outcome and instead have proceeded to look at PMA divestiture in an open-minded fashion, the results have been favorable. The Federal Government and the State of Alaska, for example, recently completed a study of defederalizing the Alaska PMA. The study has generated positive interest by the State and local governments. We would expect to follow a similar course with similar results on the other PMA's. I cite this as an example of the fact that the Administration is looking for "win-win" options that serve both regional and national interests.

There is good reason to believe that careful study will show that PMA divestiture is in the interest of PMA customers. In the years ahead, we face an unpleasent but undeniable reality—continuing pressure to reduce Federal spending. If PMA assets are divested,the constant attacks at the Federal level to cut PMA funding will stop. If these assets are not divested, the evolving Gramm-Rudman-Hollings environment will make it increasingly difficult to protect regional interests.

The Administration has demonstrated time and again over the past five and a half years that the Government can serve people better if it intervenes less in the economy. Other countries have been successful in selling assets and reducing the size of the Government. It is time to give asset divestiture a hard look here too—letting Government concentrate on governmental activities and leaving commercial activities to other entities better able to provide them.

Your amendment would allow a fair hearing and review of PMA asset divestiture options. At the same time, it would guarantee that the Administration could implement no PMA asset divestiture proposal unless Congress fully considered the proposal and approved it. In fact it requires Congress to vote twice on any specific PMA divestiture option, once to authorize any specific proposal and again to approve any specific divestiture agreement. There is no question that Congress could stop any divestiture proposal if we do not abide by our commitments to provide an honest and fair assessment of options.

In conclusion, let me emphasize the fact that it would be premature for the Congress to pass judgment on the PMA divestiture proposal without more information. Supporting your amendment will allow the Congress to obtain the information it needs to make an informed decision on the issue. Voting in favor of your amendment, is reasonable, wise and fair.

Thank you for your leadership on this issue.

Sincerely yours,

JAMES C. MILLER III,
Director.

COUNCIL FOR CITIZENS AGAINST GOVERNMENT WASTE,
Washington, DC, May 23, 1986.

Hon. GORDON HUMPHREY,
Senate Office Building, Washington, DC.

DEAR SENATOR HUMPHREY: It has come to my attention that the Senate Appropriations Committee has adopted an amendment to the Urgent Supplemental Appropriations, 1986 bill (H.R. 4515) that would effectively prohibit the Administration from studying the possible divestiture of the Federal Power Marketing Administrations (PMAs)—and that you are prepared to offer an amendment to remove this prohibition. I hope that a majority of your colleagues in the Senate will follow your lead on this issue.

We are greatly encouraged that the Administration is seriously considering the divestiture of the PMAs. The national interest has been ill-served by PMA sales of hydroelectric power to a small segment of our population at rates that are heavily subsidized—through manipulation of repayment schedules and taking advantage of interest rates set well below the government's cost of money—by all taxpayers. Marketing hydroelectric power is clearly a commercial enterprise that is far more suited to local public or private organizations than the federal government. Sale of the assets that generate and transmit power by the PMAs would result in net revenues to the Treasury of almost $13 billion in 1987-1991, according to Administration estimates—a major opportunity for deficit reduction in these years.

The President's Private Sector Survey on Cost Control, which I was privileged to chair, recommended that "the federal government should begin immediately an orderly process of disengagement from participating in the commercial enterprise of electric

power marketing." A thorough study of how divestiture might best be accomplished is the essential first step in this process.

I do not have enough information available to me at this time to make possible a determination of how much a thorough divestiture study should cost. I am of course aware that the House has placed a $400,000 ceiling on such a study. Whether this amount is adequate or not for this task is a question I must leave to others that are better informed to judge. It is clear, however, that the Senate Appropriations Committee prohibition on the use of funds for a PMA divestiture study goes too far. Such an action would prevent Congress from even having an opportunity to make a fully informed decision on the PMA divestiture issue. I consequently urge the Senate to accept the amendment have proposed or, if need be, an appropriate funding ceiling in place of the current prohibition adopted by the Senate Appropriations Committee.

As always, your efforts to reduce waste and inefficiency in federal spending are much appreciated.

Sincerely,

J. PETER GRACE.

Mr. HUMPHREY. Mr. President, let me just close then on that point that the Grace Commission in its recommendations, which has been 2 years ago, I guess, among those recommendations suggested that the Federal Government ought to find ways of divesting itself of these assets of these power marketing restrictions. either to another governmental body, as the Senate, for example, chose to do with Dulles and National Airports, a governmental body, regional body, or to a private bidder if that were found more satisfactory to the various parties.

So that is it in a nutshell. It would remove this flat prohibition on further study and set up statutory requirements that the Executive come before Congress to secure approval twice on any proposal to divest any one or more of these properties.

Mr. President, I do not personally see the need for a rollcall vote on this amendment. It should be noncontroversial. There should not be anything controversial about proposing to study something. Indeed, it ought to be transferred to propose to not block studies aimed at finding ways to make Government more efficient.

So for my part, unless we run into a problem here, I do not intend to ask for a rollcall vote. I am prepared to do so if necessary.

At this point, I yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. ABDNOR. Mr. President, I was somewhat surprised to see my colleague from New Hampshire offer this amendment. It was my language in the appropriations committee markup that struck the $150,000 for a study, and it was unanimously accepted.

This is a most unusual proposal at the outset by OMB and they claim it is an attempt to balance the budget, I guess. Let me assure everyone in this room that the proposal to sell the Federal power facilities is hardly the answer to solving our budgetary problem.

When something is not broken, then why try to fix it?

Here is a program that has been in effect for many, many years, working very effectively. I have never heretofore heard any comments about inefficiencies.

As a matter of fact, I think some of us need to remember that when these dams were constructed and power generated, they are being paid back over a period of 50 years, paying interest, mind you, and everything for the most part is very current. It is bringing revenues in the form of interest back into the Government.

Now we are attempting to pursue a new proposal, trying to make a study for the purpose of selling off the dams. I suppose you could make the studies do whatever you want them to if they set out to do that program.

I can assure you that this is not a feasible proposal.

It has been estimated that the sale or transfer of the Federal power agencies would cost electric consumers at least $2.2 billion and possibly as much as $12.6 billion annually. Rates will increase from 68 to 390 percent. This is not feasible.

In South Dakota, it is estimated that electric rates would increase by $70 million. This is not feasible.

It is a ridiculous program to try to study in the first place. If, from the beginning, a proposal is not feasible, why should we waste the American taxpayers money on studying an unworkable program?

I just want to urge that all Members of this body think deeply about this type of a proposal. The damage to farmers and small communities across America is far too great. With the budget deficit, there is no need to spend money on a proposal that will only fail.

I hope that the Members of this body will see fit to vote it down by a large majority and maintain what I worked out doing the appropriations markup.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Oregon.

□ 1730

Mr. HATFIELD. Mr. President, I think this whole matter can be clarified with just recognizing there are basically two steps involved in this whole proposal. One is the matter of making a study, a feasibility study, a comprehensive study that would lay out the facts and the information, the data necessary to consider the possibility of divestiture. The second part is the act of divestiture.

Now, bear in mind that the Senate bill does not prohibit the idea of looking into information or facts. In fact, it might be noted here that the administration has already spent $200,000 in just 6 weeks on the DOE Task Force on Privatization. So it is not as if we are not gathering information and looking at this issue. Those of us on the committee are not opposed to truth, knowledge, information, data, whatever.

But I think it is important to note that under the amendment offered by the Senator from New Hampshire, it only addresses the second part, the second step, and that is before divestiture can be proposed or initiated, it has to, of course, receive the approval of the Congress.

Well, let me say there is a clear record in our Appropriations Committee from the Secretary of Energy, from the Secretary of the Interior, in which they recognize, with their legal counsel present in these hearings, that they could not unilaterally divest the Government of its holdings in any of these PMA's without congressional authority. This amendment means nothing. It is absolutely meaningless because the administration, with all of its energy and desire to divest PMA's, already acknowledges the fact they have no authority to divest PMA's without legislative authority.

I think, in effect, what we have in this proposed amendment is an open-ended invitation to go out and spend money on developing a case for divestiture without the congressional role being played.

I think it is a very interesting thing I have before me, and I want to introduce it into the RECORD. This is a directive, internal memorandum, within the Department of Energy, to the program officials for asset divestitute, from William J. Silvey, Executive Director, Asset Divestiture Group. The subject is "Early Input to Establishing Working Groups and Preliminary Work Plans For Asset Divestiture."

I will not go into all of it, but I will submit it for the record. But I want to just note one very interesting and very, I think, important signal coming to us, an interesting statement here. I quote directly:

> It will be important to quickly build an effective public and political network to disseminate information and allow the process to be publicly transparent. It may be appropriate to work preemptively with editorial boards of national and local media.

Now, Mr. President, this indicates that without the authority that is even implied in the particular amendment offered by the Senator from New Hampshire, the scheme, the idea, the strategy within the Department is to go out into the public and preemptively develop a public support base on an action they do not even have legal authority to take, on a case that they have not developed sufficiently to come to the Congress to get money for

the feasibility of divestiture and to develop absolute and concrete plans and getting congressional input. Congressional authority, congressional responsibility is here and we cannot divest outselves of that role.

Now, one might say, "Well, of course, coming from a PMA district, you have a vested interest." Yes, I have a vested interest. I made it very clear that the divestiture of the Bonneville Power Administration will occur over my dead body. Now that is not too ambivalent and I believe that I made my position clear on that.

But the point is, I am willing to take that case up and fight it on its merits and so forth. But I am not willing to, at this point in time, give the invitation of an open-ended preemptive strike, so to speak, on the part of the agency to go out there and develop a public base of support for an action which they do not even have authorization to carry out. And I am not about ready to give them that authorization until they can present their proposal in toto to the Congress.

Mr. President, I do not know that I have to take a great deal more time with it. I ask unanimous consent that this internal memorandum that pretty well expresses the kind of strategy being pursued already in the Department of Energy be printed in the RECORD.

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

DEPARTMENT OF ENERGY,
Washington, DC, March 18, 1986.

Memorandum for: Program Officials for Asset Divestiture.

From: William J. Silvey, Executive Director, Asset Divestiture Group.

Subject: Early Input on Establishing Working Groups and Preliminary Workplans for Asset Divestiture.

Over the past couple of weeks we have had numerous contacts with people whose advice may be of value in conducting the divestiture of these assets. These contacts include Federal Railroad Administration staff (involved in the sale of the Alaskan-Railroad and currently pursuing the sale of Conrail), people in the investment community and others who have been involved in sale of major government properties. The purpose of this memorandum is to consolidate the highlights from these contacts for your use in planning working group activities.

Points which we have consistently heard from these contacts include:

It is important to get an early, independent assessment on the value of the asset to be sold. This is important not only in setting the expectations of the seller, but also in building a solid, analytical base to demonstrate prudence in the transaction when faced with downstream second-guessing. It is essential to demonstrate a comprehensive, methodical process.

The Conrail sale was facilitated by enabling legislation. Working without such legislation will put increased pressure on a "hill strategy" to build consensus for these sales. It will be important to build an early political consensus at the Federal, state and local levels on the appropriateness of pursuing these transactions.

It is important to get early assistance from an investment banker. Only the people who do these transactions professionally, on a daily basis, are likely to have the imagination and strategic sense to understand what's possible.

Since contracting for investment banking services will take some time, it is important for the working groups to accomplish what they can to prepare for the banker who will conduct the transactions. Such steps might include:

1. Categorize/inventory assets and liabilities in a manner which is meaningful to prospective buyers.
2. Inventory existing contracts and evaluate their effect on asset valuation.
3. Identify and evaluate issues which will affect asset value (e.g., non-power related obligations which would convey with assets, personnel programs, etc.)
4. Profile relevant markets—customers, suppliers, regulators and other institutions.

It will be important to quickly build an effective public and political network to disseminate information and allow the process to be publicly transparent. It may be appropriate to work preemptively with editorial boards of national and local media.

It will be important to identify major issues, initiatives and upcoming decisions which could be affected by this divestiture initiative. A strategy should be devised which minimizes the impact of this initiative during the period prior to transaction on ongoing programs. Conversely, it is important that these ongoing business decisions be addressed in a manner consistent with our intentions to divest these properties.

MAKEUP OF WORKING GROUPS

Working groups must bring together the mix of skills and knowledge which can carry out all dimensions of the transaction. The core working group should be comprised of program people, but support from headquarters staff and non-government experts (especially investment bankers) will be provided on a closely associated basis as coordinated by the Executive Director.

Mr. EVANS. Mr. President, I cannot believe that anyone could have introduced a proposal and gotten into an issue that strikes so closely to the heart of the economic present and economic future of the Northwest. I am confident the Senator from New Hampshire did not consciously recognize that or do that. He did not discuss this amendment with me prior to introducing it.

But I can tell him that no issue, no issue that has come to the floor of this Senate since I have been here in my short time, has more importance, deals more critically and adversely with the entire economic future of the Northwest than this particular issue.

I can tell the Senator from New Hampshire that, as far as I am concerned, this is only the first step. I have introduced a bill, and I will tell him now that I intend to attach it at the first opportunity to the appropriate vehicle, to ban for a period of 10 years any divestiture of power marketing authority.

And why? Well, let me tell him first that his offers, in the amendment to bring back the results of any study for congressional action do not allay my fears in the least. I share with the Senator from Oregon the recognition that, of course, they would have to come to Congress before the divesting of any major asset of this type. It would be not only foolish but I believe impossible for the administration to divest itself of a complex entity of this type without coming to Congress.

Mr. President, we are now being treated to the shade of David Stockman. For 5 years, we had the pleasure—for some a dubious pleasure—of his intense feelings about issues, as Director of the Office of Management and Budget. He is gone, but his shade remains and it still permeates the corridors of the Office of Management and Budget and, unfortunately, has found its way back into this proposed budget.

I debated this issue on a number of occasions with David Stockman. We brought him a comprehensive and detailed proposal showing why the Grace Commission proposals were flawed and the huge amounts of revenue they sought to achieve from the Pacific Northwest—and from 32 other States, I might add—were simply not there.

After more than an hour of debate with Mr. Stockman, he leaned back and said, "Well, leaving all of those things aside, I just get the impression that you in the Pacific Northwest don't pay enough for electric power."

Now, this was the real David Stockman unmasked. This was the ideology that says, "Because you don't pay as much as someone else, something must be wrong."

Well, let me tell the Senator from New Hampshire that there are assets and liabilities to each part of this Nation. I do not see anyone here on the floor of the Senate suggesting that somehow, because natural gas is cheaper in Texas and Oklahoma than it is in Washington or New Hampshire, that somehow we should simply raise the price to those citizens because they pay too little. Or because the citizens and the manufacturers of New Hampshire happen to be a lot closer to major markets and transportation costs are less, that somehow they should pay more in transportation costs because they are smaller than the same transportation costs from the west coast.

No, that is the real reason, the unmasked David Stockman, just simply, "You don't pay enough."

□ 1740

The Grace Commission report I have looked at in detail. I can tell the Senator from New Hampshire that there are a good many parts of that

report which are worthwhile, a number of portions of that report which have been implemented, and some others which ought to be implemented. However, that part of the report is flawed, flawed, flawed. I can detail as long as you wish the flawed portions of those recommendations.

Let me begin by only suggesting that a good friend of mine was the head of the task force that studied the Bonneville Power Administration, and the proposal for divestiture and included along with that the proposal for increased selective power prices in the Northwest because unless you increase electric power prices you cannot make the large profits that some would suggest will come from divestiture.

No one is going to pay larger prices for the current assets unless they are going to get more in terms of reward or rates than they get now. Of course, the leader of that task force interestingly enough was a high executive of the natural gas industry, hardly a friend of the electric power industry.

Let me only suggest as I did at the beginning that nothing deals a stronger body blow to the economy of the Pacific Northwest and to the future we face than this proposal. Our economy is still fragile. Citizens of the State of Washington for many years enjoyed a per capita income that was among the top 10 in the Nation. Over the past 15 to 20 years it has always been among the top 15 until just recently. It has steadily slipped until now it is below the national average. Unemployment still is considerably higher than the national average.

For those who suggest that people in the Pacific Northwest are not paying market rates for electricity, even though they are low, let me tell the Senator from New Hampshire and others that British Columbia is ready to sell electricity to the Pacific Northwest and beyond at rates cheaper than are now being charged by the Bonneville Power Administration.

Citizens of California through the tie line now take in less power through the Pacific Northwest creating a shortage in revenue for Bonneville because it is now cheaper to fire up the gas and oil turbines of California than to buy even surplus hydropower.

The aluminum companies which have 20 percent of the power use in the Pacific Northwest are all marginal companies. The 13,000 direct employees of those aluminum companies are all at risk. We have had to help lower those electric prices in order to keep them even partially working.

Mr. President, and my good friend from New Hampshire, I could go into a good deal more detail. I do not think this is the time nor is this the bill to do that. If the Senator from New Hampshire wants to cripple the economy of the Pacific Northwest, this is precisely the best way to start.

He has always been a careful and conservative viewer of the public budget. I commend him for that. I cannot think of a better, more direct and easier way to save the more than $1 million that the Department of Energy expects to spend during the remainder of this fiscal year on studies than by simply banning the studies, saving the million dollars, recognize that this is a ludicrous proposition that ought not to go anywhere and will not go anywhere.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, I wish first to commend the eloquent and clear statement of my colleague from the State of Washington, and to associate myself with his remarks. I can only say to the Senator from New Hampshire that the proposal he has here is analogous to spending Federal money on a study as to whether or not the cost of the lodges and ski lifts of the State of New Hampshire ought to be quadrupled because New Hampshire is so much closer to skiers from New York City than is Colorado or the State of Washington, that we cannot fairly compete with them in attracting from major Eastern metropolitan areas people who would like to ski.

The Bonneville Power Administration and its projects are fundamental to the economy of the State of Washington, to the State of Oregon, to the State of Idaho, and to the Pacific Northwest, in general.

Without the Bonneville Power Administration our economy would be in disastrous condition. We hope we will today succeed in preventing changes in the Bonneville Power Administration, or for that matter, the power marketing agencies which provide similar services to more than half of the other States of the United States. But that is simply not sufficient for economic planning in the Pacific Northwest.

As long as the administration, as my Senate colleague from Washington so eloquently stated, or the name David Stockman was around with recommendations like this emanating from the administration each and every year, we cannot offer a secure basis for future planning of the economy in our State, or in our region.

It is for precisely that reason that the Appropriations Committee has included this prohibition against further expenditure of money on the part of the Office of Management and Budget in studying this set of ideas.

In fact, the Office of Management and Budget has already spent a substantial amount of money on that proposition. The amendment of the Senator from New Hampshire does state, of course, that no determinant, final action can be taken with respect to the status of power marketing agencies without an act of Congress. But that is irrelevant. In most other areas, in most other fields, when we are about to authorize a water project and the like, we authorize the study here in Congress first. We do not simply react to a self-starting study on the part of the Office of Management and Budget. That is what should be required on the part of the administration. It should be required to seek authorization to spend the Federal money on studies of this sort if it wishes to do so, and that is all the committee amendment requires.

Passing the amendment proposed by the Senator from New Hampshire is not going to result in a divestiture of power marketing authorities in the Pacific Northwest and elsewhere. It is, however, going to add to the uncertainty with which economic development in the Pacific Northwest is faced. It is going to be an inhibiting factor with respect to both the standard of living at the present time and in the future of our citizens. It is for that reason that we have sought the kind of certainty which the committee amendment provides for us. We feel that is overwhelmingly justified.

My colleague from the State of Washington eloquently pointed out that this was a particular crusade—the sale of these power marketing agencies by the most recent Director of the Office of Management and Budget. I want to inform my colleagues that if he were successful, he would not lower the deficit of the Government of the United States. As a matter of fact, were he successful, he would add to that deficit. The maximum possible value of these agencies on the open market could not conceivably match the losses in social insurance, and social dislocation which would result from their sale—costs which would inevitably be imposed on the Federal Government.

I notice on the opposite side of the Chamber my distinguished colleague from the State of Tennessee, whom I am certain can make precisely the same statement with respect to power marketing authorities in the State which he represents.

□ 1750

We have a right, it seems to me, to a certain degree of assurance as to the future. We in the Pacific Northwest have met obligations which were imposed upon us by the Congress of the United States when the dams, which are the fundamental bases for the Bonneville Power Administration, were constructed there. We have met those obligations. We are entitled, while we are meeting those obligations, to feel that the United States will honor the contract which it made with us and with the people whom we represent.

The amendment is mischievous. It cannot possibly succeed. It would cause what would be a disastrous sale. It can, however, add to economic dislocation in many States across the country and thus to the economic dislocation and to serious economic problems in the United States as a whole.

Putting this to rest for once and for all in the way in which the committee amendment does will be a positive benefit for the people of the United States. It will allow for the proper economic growth and for economic security which, in turn, will be reflected in our gross national product and in a lesser need for Government appropriations for a wide range of social purposes.

Mr. President, the committee amendment is an appropriate response to a serious and ill-intentioned proposal on the part of the administration over the last several years.

Simply in the interest of comity, in the interest of federalism, in the interest of development for all of the people of the United States, this amendment should be overwhelmingly and summarily rejected.

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

Mr. GORTON. I yield.

Mr. EVANS. Someone suggested that a study sounds benign enough and that before any action is taken this action might be authorized. That would be one suggestion to some.

Could my colleague from Washington inform me as to the reaction of businesses and investors and those who would look toward their own economic well-being and future in the Pacific Northwest subsequent to the beginnings of talks about divestiture and the whole question of study having an effect economically, or does the Senator believe it will have an effect economically?

Mr. GORTON. I say to my distinguished colleague from the State of Washington that the same kind of reaction would attend upon such a study as would attend, to take the Northeast for example, a serious study as to the sale not as a unit but the abandonment of Conrail. Just to think 5 or 6 years ago of the great problems of Conrail, the Government of the United States had seriously thought that we just ought to tear up the tracks, that it was costing too much money for us to help the Northeast by getting Conrail out of a serious situation in which it found itself. What impact would that have on the Northeast?

Quite simply, no business which has any need for transportation whatsoever would consider locating or expanding in an area such as that. The same kind of consequences will, of course, attend upon any serious effort in this connection, whether it is a study or reality.

For our State, for the State of Tennessee, and for many other States, no one whose business is seriously dependent upon power, upon an assured supply of low-cost power, could possibly consider creating or expanding a business enterprise in the Northwest under that set of circumstances.

As a consequence, something of this sort would have a very deleterious effect upon our economy.

Mr. EVANS. Is it not true that the industry which uses 20 percent of the total power in the Northwest, the aluminum industry, is already struggling under low worldwide prices and that they are already considering whether to shut down plants simply because of the uncertainty created by these proposals and studies?

Mr. GORTON. The Senator is correct. The adoption of the mildest proposals made by Mr. Stockman, the adoption of the mildest of those proposals, would have resulted in the immediate closure of the entire aluminum industry in the Pacific Northwest.

Mr. President, I ask unanimous consent that an article which I authored, entitled "The Perils of Divesting the Federal Power System," which appeared in Public Power, May-June 1986, be printed in the RECORD at this point.

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

THE PERILS OF DIVESTING THE FEDERAL POWER SYSTEM

(By Senator Slade Gorton)

One of the hallmarks of President Ronald Reagan's domestic policy has been his effort to narrow the scope of activity of the federal government. In furtherance of that policy, various proposals have been made to sell federal assets. These have included proposals to sell federal land parcels, portfolios of loans and other assets. This year such divestment acquired special prominence when the president made asset sales a centerpiece of his budget proposal.

While some of the president's proposed asset sales may have considerable merit, others—such as the sale of the federal power marketing administrations (PMAS)—are inappropriate and potentially disastrous.

Specifically, the administration's proposal to privatize the Bonneville Power Administration (BPA); the Western Area Power Administration (WAPA); the Southwestern Power Administration (SWPA); the Southeastern Power Administration (SEPA); and the Alaska Power Administration (APA) raises many complex legal, political and financial questions. Under the proposal, the federal government would: (1) sell all transmission and power generation facilities at federal dams; (2) retain government ownership and control over the dams themselves, as well as authority to regulate streamflow; and (3) require an agreement between the government and the new owners of the power systems to share costs in any future investments made at the dam structures.

The administration assumes the BPA and SWPA will be privatized in 1988, and the other three PMAS will be sold by 1991. The Office of Management and Budget claims that a "net savings" of $12.7 billion would be achieved if all of the PMAS were privatized.

Many of us in Congress believe this proposal is fiscally irresponsible. The PMAS pay more money into the Treasury than they take out. Of the total federal hydroelectric investment of approximately $15 billion, 20 percent has been repaid on the principal, plus an additional $5.3 billion in interest to the U.S. Treasury. If the PMAS are sold, not only will income from them stop, but continuing costs will be imposed on the federal government.

Agencies such as BPA perform a combination of other governmental functions, such as home energy conservation, fisheries development and environmental protection. Today, revenues from the power operations pay the costs of these functions. If BPA is sold, the federal taxpayers will have to start paying for these governmental programs.

I am deeply concerned, as well, that the sale of PMAS will lead to litigation and require expensive changes to existing contracts. The sale of BPA alone would require renegotiation of about 10,000 contracts and substantive changes in several laws. The legal questions raised include constitutional issues involving the impairment of contracts; outstanding obligations and lawsuits related to the Washington Public Power Supply System (WPPSS); Indian and Canadian treaty rights; statutory processes for review of planning, environmental protection, procurement approaches and administrative actions; and employee rights under civil service laws.

Congress must resolve many enormous problems before a transfer can be completed. For example:

What should be done with the federal dams that are operated by the Army Corps of Engineers and the Bureau of Reclamation for many purposes besides power generation?

Should only the right to the power output be transferred, or should the powerhouse, or the complete dam and reservior including the powerhouse be sold?

How is the buyer going to finance the transaction?

To what extent will the buyer assume the responsibility for fish and wildlife, conservation programs, compliance with international treaties, and reimbursing the Treasury for the costs of past and future irrigation projects?

On what basis will the sale price be determined?

Will the buyer be bound by the longstanding federal principles of preference in the sale of power, and of rates based on the recovery of costs without making a profit?

These questions and many more would take years to resolve *if* there were a consensus in Congress and the regions served by PMAS in favor of the transfer, which there is not. Unless the government lets the federal hydroelectirc projects go at bargain basement prices, the potential buyers would have to borrow billions of dollars at today's interest rates, and the cost of refinancing would have to be passed on to the consumer, possibly doubling current utility bills.

This would have far-reaching, severe economic consequences, not only on regions served by PMAS such as the Pacific Northwest, but the nation as a whole. In fact, the added social costs for unemployment compensation, welfare and other economic dislocation assistance, not to mention the loss of

federal tax revenues, means the deficit would probably not be reduced at all.

Fortunately, the Senate Budget Committee, of which I am a member, rejected the proposed sale of PMAS, as a means for reducing the federal deficit, in the fiscal year 1987 budget. There are strong concerns that the Department of Energy may waste a large amount of taxpayer/ratepayer money studying ways to privatize the federal power marketing administrations.

Before this fiscal year is complete there will be a concerted effort to address this issue. The federal government's recent experience in selling Conrail indicates how difficult this matter can be. The proposed sale took the federal government more than four years to negotiate and millions of taxpayer dollars before the deal was ready for congressional approval. The privatization of Conrail is a simple proposition relative to the sale of agencies such as BPA.

In conclusion, the federal power marketing administrations are revenue-producing assets. The PMAS are required by law to pay all of the costs of construction, including principal and interest, over a 50-year period, as well as the operation and maintenance expenses. It is wrong for the federal government to finance the deficit, selling long-term, money-making assets to bridge the shortfall between current spending and receipts.

Mr. GORE. Mr. President, I want to join my distinguished colleagues in the Pacific Northwest in opposing this amendment. As they have noted, the effect is not confined just to their States but to 32 other States in the country. The Southeast would be particularly affected by this amendment. My area of the country is served by the Southeastern Power Administration. The actions proposed to be studied under this amendment would result in an overnight electric rate increase of 7 percent for every single one of my constituents. You can see why I am a little exercised about this amendment and why it should be opposed.

I would urge my colleagues from other parts of the country to look carefully at the power marketing administrations that serve their areas. They are not well known. They have not been well publicized. But they do provide wholesale electricity to the retail electricity marketers in many parts of the country.

What this is all about is these power marketing administrations at the present time provide this electricity on a wholesale basis for the cost of production. They do it efficiently. They do it well. They provide savings to the people who ultimately consume that electrical power at no cost to the taxpayers of this country.

But there is an ideological move called privatization which says anything that the Government does, get rid of it and let private industry do it and make a profit out of it. That is really what is behind this.

The basic idea is to take these power marketing administrations. This is just a study, but make no mistake. The message implicit in this amendment is clear. It would send a message to the administration that says basically, "Yes, it is fine with the Senate for DOE to move ahead with these plans to accomplish the selloff of the Federal power marketing administrations."

That is really the message trying to be sent here. This amendment needs to be defeated.

But let me get back to my point. The purpose is to sell off these power marketing administrations to what the Department of Energy refers to as "regional or private interests" and let them take it over and make as much profit as they can on it and charge that profit to the consumers of electricity, to the consumer in our areas of the country, raise the electricity rates so that a profit can be made by the private interests which want to take over this function which is being performed very efficiently and in the public interest by the power administrations.

The sponsor says there is no proposal to sell off the PMA's. That is incorrect because the administration has been floating this idea for 5 years. They made a firm proposal in their 1987 budget to do prescisely that, to dump the power marketing agencies.

Some say there is nothing wrong with an innocent study down in the bowels of the bureaucracy. Well, there is nothing innocent at all about the administration's plans for the millions of rural Americans who would be forced to pay much higher electric rates if this amendment were passed and the inevitable result which would follow this amendment.

The committee approach is sound because it sends the right message, that the Senate wants the administration to know without doubt that it will not stand by and allow a valuable public asset to be auctioned off at a fire sale, driving up electricity rates, all in the name of privatization. That is the intention of the bill we have before us today.

I hope the committee position will be supported.

Let me make one other point. Instead of producing some windfall for the Treasury, the process of disposing of these valuable public assets would carry an enormous cost in itself. It would produce nominal Treasury revenues at best and yet drive up electricity rates for millions of Americans just because of the obsession with privitization. The proposal is no trial balloon. The administration is deadly serious and committed to this flawed proposition.

□ 1800

The PMA's, as I said before, wholesale the electricity to utilities at the cost of production and transmission. The PMA's repay the Federal Treasury for the public investment in these facilities in full. The President's proposal in the fiscal year 1987 budget would be to sell all of the PMA-operated transmission facilities. The selloff would occur by auction or be negotiating directly with regional and private interests.

Let me take a moment before I close to describe more specifically what the effect of a fire sale of PMA's would be on Tennessee.

TVA and other public and private utilities throughout the Southeast have long-term contracts to purchase hydropower from the Southeastern Power Administration—SEPA. TVA then resells this hydropower to local distributors for their residential customers under provisions of the TVA act restricting low-cost hydropower to residential users.

In 1984, TVA purchased from SEPA, and resold to Valley distributors, approximately 3.2 billion kilowatt hours of electricity from SEPA dams, or 4.5 percent of all of TVA's sales. TVA paid SEPA approximately $14 million for that power.

If SEPA assets were sold to the highest bidder, its new charges for power would be, at minimum, the estimated market cost of replacement power. Even if the high bidder would agree to continue selling that power to TVA ratepayers, TVA would than be forced to pay approximately $125 million for power which cost $14 million—using 1984 figures—under current laws.

A $110 million increase in TVA electricity costs would force a 7-percent overnight rate increase for TVA ratepayers. Those increases would be mirrored throughout the country as utilities face greatly increased costs for PMA-marketed hydropower. In addition to skyrocketing ratepayer increases, the administration's plan is flawed in other ways:

First, the purported Treasury windfall from a selloff of the PMA's is highly speculative. There has never been a similar selloff from which to analyze transaction costs, market participation, et cetera. For example, the DOT's plan to sell Conrail, at $1.2 billion, is the largest such effort ever undertaken by the U.S. Government.

Second, even if these assets could be sold, the price would be so high as to force either a breakup of the systems involved, or such a degree of financial leverage as to endanger the very solvency of the power distribution systems.

For example, if unguaranteed bonds were issued to finance a purchase of Corps of Engineers or Bureau of Reclamation dams, billions of dollars of new capital would be needed, at interest rates sufficiently high to attract investors. Those costs would necessarily be passed on to utilities, who then might be forced to build new capacity from nuclear or coal-fired facilities. In

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any event, utility planning would be disrupted, directly affecting their customers.

Third, the administration has not taken into account the legal commitments that currently exist between the PMA's and the utilities TVA's contract, for example, is in place through 1944.

Fourth, these corps and Land Reclamation dams were built to provide public benefits and produce economic growth for the regions they serve—not to create a corporate windfall opportunity for investors taking advantage of a Government fire sale.

Fifth, the public investment in PMA facilities is being paid back, with interest. There is no taxpayer subsidy involved. Yet, if private investors purchase these assets, it is certain that huge tax deductions or credits would subsidize the sale—in other words, the selloff itself would be subsidized by the taxpayer. That, in fact, has been one of the major criticisms of the Conrail sale.

Mr. President, the list of reasons to oppose the selloff of PMA's goes on and on. In fact, there are simply no credible reasons to support the administration plan. We must foreclose the administration from advancing such a wrongheaded proposal disguised as a deficit reduction move. I urge my colleagues to oppose this amendment.

To make the story short, Mr. President, this is a terrible amendment. I urge my colleagues, from whatever part of the country, to reject that amendment, stay with the sound approach adopted by the committee, and listen well to the articulate arguments presented by our colleagues from the Pacific Northwest, keeping in mind that although the impact is greatest in that part of the country and in the TVA area, which depends very heavily on these power marketing administration assets, the impact is not confined to those areas.

Thirty-two States are affected. I say to 64 of my colleagues here who represent those 32 States, pay very close attention to which ones of your constituents are going to have their electricity rates increased because of the actions that are anticipated as a result of the study proposed in this amendment. I call on my colleagues from all parts of the country to reject this ill-considered amendment and stay with the committee.

I yield the floor, Mr. President.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I rise today to oppose the amendment offered by the Senator from New Hampshire [Mr. HUMPHREY]. I joined with the distinguished chairman of the Committee on Appropriations in proposing the language that the Senator from New Hampshire seeks to strike, and I think the striking of this language would do serious damage to public power marketing agencies all across the United States.

Let us be clear and understand what we are about here: my friend from New Hampshire distributed a letter among our colleagues. In that letter he makes the following assertion:

> In light of the fact that the administration has not proposed any specific divestiture proposal, it is premature for Congress to restrict the Government's ability to conduct divestiture studies.

Mr. President, I beg to differ with my friend from New Hampshire and point out that the administration has done just that. It has already made such studies. In fact, I have here a book entitled "Major Policy Initiatives, Executive Office of the President, Office of Management and Budget, Fiscal Year 1987." On page 25 of this official document, a section begins under the title "Power Marketing Administrations." Under the section entitled "The Administration Proposal," the following statement is made:

"The administration proposes to privatize the five PMA's administrations. Under the proposal"—still quoting—"the Federal Government would sell all transmission and power generation facilities at Federal dams."

Mr. President, the Dear Colleague letter of my friend from New Hampshire states, "Let me assure you that this amendment is not a vote in favor of PMA privatization." I do not see how a vote for the Humphrey amendment could be interpreted in any other way except to sell this Nation's assets in public power marketing administrations. I say to my colleagues today, let us not be mistaken about this: If you vote "yea" on this amendment, if this amendment is passed, if the administration goes forward with these predetermined studies, then sure as night follows day, the power marketing administrations will be put on the auction block.

The facts are these: The administration has already issued studies aimed at selling the power marketing administrations. The Department of Energy has provided Congress with information that indicates that since the beginning of calendar year 1986 and without—I emphasize without—congressional authorization, the Department of Energy has, directly or indirectly, spent over 4,000 man-hours on the project of studying the sale of the Bonneville Power Administration and the power marketing administrations.

The Department of Energy further indicates that more than $200,000, without congressional authorization and congressional appropriation, has already been spent to study the sale of power marketing administrations. So, Mr. President, I think it is clear that without the language contained in this appropriations bill, this administration will continue to go forward in preparation for the ultimate sale of these power marketing administrations.

My distinguished colleague from Tennessee has already outlined to this body the disastrous consequences this would have for electric power consumers in our native State of Tennessee; indeed, disastrous consequences for electrical power consumers all across the Tennessee Valley region: the State of Alabama, the State of Mississippi, on and on. And, of course, we have seen in detail the consequences it would have in the Pacific Northwest.

Mr. President, I submit that it would be a gross error for the U.S. Senate today to support the Humphrey amendment simply on the premise that we are authorizing a study here and nothing further will proceed.

□ 1810

If we allow the administration to go forward and spend the funds to complete the studies, to fulfill the predetermined course that they have already decided upon, to sell these power marketing administrations, then I think we are well down the road to defeating and revoking the decision to support public power in this country, a decision that was made well over 50 years ago, and a decision that I think has stood this Nation in good stead.

Mr. President, I wish to further extend my remarks, but I will do so in the RECORD, knowing full well that our distinguished chairman has many miles to go before we can get to final passage of this particular supplemental appropriations bill this evening.

I conclude by urging my colleagues to study this amendment carefully. I think after doing so, we will defeat the amendment of my distinguished friend from New Hampshire.

Mr. President, I yield the floor.

Mr. BAUCUS. Mr. President, I rise today in opposition to the amendment of the Senator from New Hampshire [Mr. HUMPHREY].

The Humphrey amendment would change language included in H.R. 4515, the urgent supplemental appropriations bill. The amendment would make funds available to the executive branch to facilitate the sale of Federal Power Marketing Administrations [PMA's].

Sale of the PMA's would be fiscally irresponsible, and would lead to a breakdown of the delicate but effective balance between public and private utilities. Even speculation of a sale could jeopardize the economic health of the regions served by PMA's.

The uncertain environment created by a sale proposal could force the aluminum industry out of the Northwest, and bring chaos to industries in the other regions served by PMA's.

A quick sale of the PMA's would do nothing to solve the underlying fiscal problems that have led to steadily growing budget deficits. Government asset sales generally result in only temporary reduction in the Federal budget deficit. In fact, such sales would probably make the situation worse in years to come.

Unfortunately, in its efforts to cut the deficit, the Reagan administration has identified a target that pays more money into the Treasury than it takes out.

I also question the validity of the Reagan administration's claim that privatizing Government assets leads to an improvement in the quality of service at a lower cost in the case of PMA's.

Unfortunately, the Reagan administration's proposal to privatize Federal Power Marketing Administration is driven by ideology rather than by sound business judgment.

The effect of privatization would certainly be higher electric rates for millions of consumers. Refinancing costs would have to be passed on to consumers. This would be catastrophic for regions that receive a substantial portion of their electricity from a federal power program.

All of the PMA's have entered into power supply agreements that are vitally important to the regions they serve. These agreements would be seriously disrupted by a sale.

PMA's also perform proprietary functions as well as government functions. A sale would force the transfer of governmental functions such as conservation, fisheries development and environmental protection to another Federal agency. Today, revenues from the proprietary operations pay the costs of the governmental function. A sale would force taxpayers to pay for the governmental operations.

Privatizing the Federal Power Marketing Administrations would penalize millions of consumers by unnecessarily driving up rates.

The American people should continue to benefit from the services provided by the PMA's. Selling them would be a great disservice to all utility customers.

Mr. PACKWOOD. Mr. President, I rise in opposition to Senator HUMPHREY's amendment. The Senator's amendment would place no limit on the amount of money that the Department of Energy [DOE] could spend to study the idea of selling the Power Marketing Administrations [PMA's]. I oppose this amendment because unlimited amounts of taxpayers' money should not be spent to implement one of the administration's major budget initiatives without congressional approval.

The Senate Budget Committee in the fiscal year 1987 budget rejected the administration's proposal to sell the Power Marketing Administrations. For DOE to spend taxpayers' money to study ways to sell the PMA's when Congress has not expressed support for the proposed sales is a waste of time and money.

To date, DOE has spent $200,000 on its sale studies. DOE has admitted that the total costs for the studies in calendar year 1986 could approach $1 million. DOE should not be allowed to continue spending money on this pipe dream; especially when Congress is grappling with ways to reduce the massive Federal budget deficit. If Congress determines that the idea of selling the PMA's has merit, Congress will authorize DOE to spend money to determine how best to sell the PMA's.

In short, no more taxpayer money should be wasted on an idea that Congress has not endorsed. I urge my colleagues to vote against the Humphrey amendment.

● Mr. GORTON. Mr. President, I am opposed to the amendment offered by my colleague from New Hampshire. The amendment would allow the administration, at its discretion, to continue pursuing unwise and controversial studies to sell off four of the five Federal Power Marketing Administrations [PMA's].

The administration's objective in considering the divestiture of the PMA's is to "use the taxpayers dollars wisely and prudently." Prudent use of taxpayers' money demands that the amendment be rejected. The Department of Energy should not be allowed to continue to spend money on a meritless proposal that has never received congressional authorization.

The Federal power program is an integral part of the economy of 34 States. Before any further action is taken to make a radical change in Federal energy policy, Congress should have the opportunity to review the merits of the concept—and if it so desires—to set the guidelines for further consideration of the proposal. Secretary of Energy Herrington has stated that: "No final action to divest the PMA's will be taken without congressional review." That simply is not good enough. The language now in the bill requires that Congress be involved from the beginning; any further expenditure of funds should be preceded by congressional review and authorization.

Mr. President, stating the obvious, the amendment being offered is merely a smokescreen. The amendment would preclude actual sale of the PMA's without congressional authorization. Secretary Herrington has already stated that the Department of Energy will have to come to Congress for authorizing legislation to sell the PMA's—this amendment offers nothing new. The amendment would allow the Department of Energy to proceed with its efforts to sell these vital public assets without restriction.

Supporters of the amendment state that the current bill language is tantamount to censorship or book burning. That is not the case. The Department of Energy has already taken a $200,000 look at privatization. Before a feasibility study for a water project is conducted, congressional authorization is required. Before the Department of Transportation studied the Conrail sale, Congress directed Transportation to conduct a study. Why should this situation be any different?

The Department of Energy admits that any divestiture process will drag on for several years. In the meantime, a cloud is hanging over the regions served by the Power Marketing Administrations. Industries and businesses are refusing to make investment decisions because of the uncertainty of future electric rates and energy supplies. Even the PMA's are being discouraged from making necessary facilities improvements and additions.

I firmly believe that the best interests of the American taxpayers are served by ending the Department of Energy's quest to sell the Federal Power Marketing Administrations. I urge my colleagues to join me in rejecting this amendment.●

Mr. STENNIS. Mr. President, I am certainly not going to take but a small amount of time, 2 or 3 minutes. Our friend from New Hampshire is familiar with the subject matter and has himself well prepared.

I have listened to his argument. I have listened to the presentation of my colleagues from Tennessee and others who have spoken on the same subject. This is an important, far-reaching question. It comes forth here as an amendment, proposed amendment, to an appropriation bill without hearings that I have heard anything about.

We certainly have not covered the subject fully. A matter like this cannot be handled properly, I respectively submit, at 6 o'clock at night with a few minutes to go until the vote. I respectfully say that to the author of this amendment.

I expect a motion to table this amendment which would dismiss it for the time being without destroying his right to proceed in some other form at some other time.

I yield the floor, Mr. President.

Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, if we were fishing this afternoon, we would have a full catch by now because the red herrings are literally figuratively flopping all over the floor.

With respect to the concern over the fact there have been no hearings on

this proposal, the Senator from New Hampshire has offered an amendment dealing with a provision inserted into the bill in committee in a process that took about 2 months. There were no hearings on that amendment when it was offered. It took about 2 minutes to stick it into the bill, and if objections are going to be raised about the lack of a hearing somebody ought to raise an objection about the lack of a hearing on inserting this very important, pervasive, all-powerful amendment within the committee. There was no hearing, of course. It took place in about 2 minutes' time.

Mr. President, my friend from Washington has felt as though he has been caught by surprise. We sent out a "Dear Colleague" letter dated May 20 indicating we would offer this very same amendment to this very same bill way back before the beginning of the Memorial Day recess, so I do not know how anyone can really feel caught by surprise in the timing of this matter.

It is obvious that there is a good deal of opposition to this amendment. Let us be clear about to what there is opposition. There is opposition to continued study by the Federal Government of the potential of privatizing these power marketing administrations, these Federal agencies.

Senators who have spoken so far, most of them, do not want to even establish the facts. They want to put blinders on the Federal Government, blinders on the Congress, blinders on themselves. They want no study, and that is what the language contained in the committee bill would entail. Let me read it.

I am reading the committee amendment which I seek to strike.

"No funds appropriated or made available under this act or any other act shall be used by the executive branch for soliciting proposals, preparing or receiving studies or drafting proposals to transfer out of Federal ownership," and so on.

Senators can read the rest. It is on page 73 of the bill. And that is forever, not just in 1987 but forever.

Senators are saying that we should leave the committee amendment alone; that this is the end; that there should never be the opportunity to establish the facts in this matter of divestiture of PMA's.

Now, maybe the Senators who have spoken are correct. It is entirely possible that every point they have made is absolutely correct; it is entirely possible that every point they made is absolutely incorrect and probably reality is somewhere in the middle.

But what I am saying and the administration is saying and the American people are saying, I believe, who want to see efficiency in government, is, "Let's look. Let's study. Let's establish the facts. Let's not adopt this medieval approach of saying no, we are not going to study; no, we are not going to establish facts; no, no, no, no nothing, no efficiency ever in government."

That is essentially what Senators are saying who have stood up in opposition to the amendment.

I know the Senator from Oregon has been patient, been very kind. Let me say this in conclusion. The amendment strikes the language prohibiting studies. It goes beyond that and sets up in statute the requirement that the executive come before the Congress twice, not once but twice, to secure the approval of any proposed divestiture. Furthermore, the amendment I have offered states this:

> Nothing in this section shall be construed as indicating the intent of Congress with respect to the visibility or feasibility of divestiture of any Federal PMA.

Nothing will be construed as indicating the intent of Congress. This is not a vote on intent of Congress with respect to proposals or the generic question. It is an attempt to remove this prohibition against study, and further study and attempt to set up the requirement that the executive secure approval from Congress twice on any divestiture proposal.

Mr. President, I do not think we can succeed on a voice vote. Therefore, I would ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

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

Mr. HATFIELD. Mr. President, I am going to move to table the amendment. I was waiting for the Senator, the author of the amendment, to finish speaking.

Mr. HUMPHREY. Fine.

Mr. HATFIELD. Then I was going to seek recognition in order to exercise my prerogative of making a motion to table. I will ask for the yeas and nays to give the Senator a record vote.

Mr. President, I would only make one statement in closing this debate before I make my motion to table, and that is I think it is an interesting, perhaps, reflection on our general culture that we come to believe that the Federal Government is the only place we can go for wisdom, the only place we can go to accomplish any objective.

We are looking here at an argument really that has devolved now upon a simple proposition of making a study.

Does the Senator from New Hampshire really believe the Federal Government is the only capable agency in our society that can make a study? We are not prohibiting studies.

We are just saying that this is not the time for the Federal Government to be expending its own limited resources for this kind of study. Why, I would even suggest Salomon Bros., a great investment banking house—after all, let us bear in mind who is going to benefit from the sale of Federal assets, the investment bankers—now that they have the former director of the Office of Management and Budget, Mr. Stockman, as one of their major partners, who is the authority on cost sharing. At a time we suggested on Federal water projects that the Federal Government had responsibility as a large landowner in the West, we were always told by Mr. Stockman, "Well, let the local people finance the study. Let the local people finance the study. They will be a beneficiary."

Well, for some of us liberals in the party, we get a little concerned about this overdependence upon the Federal Goverment, it being the only source of wisdom. We say let the private sector make the study if they wish. Let those big investment bankers, who have so much capital and who will even benefit more than local little water project districts in the West, finance the study; they are free to do so. The Federal agencies are not the only places of wisdom in the world.

I guess this really gets down to a philosophical point of some of us who would like to see a diffusion of political power rather than the centralization of political power in the hands of the Federal Government to control information gathering and information analysis and studies on such things as divesting our Government of certain assets.

I think that certainly clears the air on whether or not there is a freedom to make studies or not. We are not limiting any freedom at all to make studies as far as the private sector is concerned.

□ 1820

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HATFIELD. My colleague can go to his friends in the banking industry and let them make the study. Why impose upon the Federal Government's restricted funds? Why be one of the big spenders, I say to my friend from New Hampshire, in spending more in times of constriction and constraint?

Mr. HUMPHREY. If the Senator will yield, I would like to answer his question.

Mr. HATFIELD. I yield.

Mr. HUMPHREY. The Senator from Oregon knows that the Senator from New Hampshire is one of those in this body with the least faith in the Federal Government. Inasmuch as it is a Federal property, it is logical for the Federal Government to study its disposition.

I point out, further, that the Senator from Washington stated that he presented some facts to the Secretary of Energy—no, I think to the director

of the OMB—and there was a private study done as a result. The Grace Commission conducted a study.

Why will the Senators permit the Federal Government to conduct a study? Why do Senators insist on putting blinders on the Federal Government with respect to establishing the facts of the feasibility of disposing of these properties? Maybe the facts will say that we should leave things as they are. Let us establish the facts.

Mr. HATFIELD. The Federal Government has already spent $200,000 of unauthorized money in making this study, and they even have established a task force for privatization that has already scheduled itself into activities to go far beyond the matter of just gathering facts. They even now want to build a political base in the public, to support a preconceived position that they are going to divest.

This is one of those typical Government studies that has made up its mind and goes out to gather facts to justify its opinion. That, to me, is already illustrative that they are involved in a certain type of study that, to me, is a foolish expenditure of money.

Again I must say, as a fiscal conservative, one who has tried to bring some control over spending, that I oppose this amendment because I do not want to see this waste of Federal money. We have too many hungry people in the world to waste the funds of the Federal Government on such foolish studies.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield.

Mr. HUMPHREY. The Senator seems to be of a mind that the Federal Government has already made up its mind in this matter, that there is prejudice in this matter. I suggest that those who refuse to let us have a study to establish the facts have, themselves, made up their minds in advance, have themselves exhibited prejudice, and are showing less enlightenment in this matter than is the Federal Government.

I think the Federal Government is "an ass," to borrow an expression applied to the judiciary.

Mr. HATFIELD. Maybe we can move along to other business. We are now at 6:25.

Unless there is something absolutely burning in the hearts of my colleagues, I would like to now make a motion to table the amendment.

Mr. President, I move to table the amendment offered by the Senator from New Hampshire, and I request the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Florida [Mrs. HAWKINS], is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Illinois [Mr. DIXON], is necessarily absent.

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

The result was announced—yeas 73, nays 25, as follows:

[Rollcall Vote No. 113 Leg.]

YEAS—73

Abdnor	Ford	Moynihan
Andrews	Goldwater	Murkowski
Baucus	Gore	Nickles
Bentsen	Gorton	Nunn
Biden	Grassley	Packwood
Bingaman	Harkin	Pell
Boren	Hart	Pressler
Boschwitz	Hatfield	Pryor
Bumpers	Hecht	Quayle
Burdick	Heflin	Riegle
Byrd	Hollings	Rockefeller
Chiles	Inouye	Sarbanes
Cochran	Johnston	Sasser
Cranston	Kassebaum	Simon
D'Amato	Kerry	Specter
Danforth	Laxalt	Stafford
DeConcini	Leahy	Stennis
Denton	Levin	Stevens
Dodd	Long	Symms
Dole	Mathias	Wallop
Domenici	Matsunaga	Warner
Durenberger	Mattingly	Wilson
Eagleton	McClure	Zorinsky
Evans	McConnell	
Exon	Melcher	

NAYS—25

Armstrong	Heinz	Proxmire
Bradley	Helms	Roth
Chafee	Humphrey	Rudman
Cohen	Kasten	Simpson
East	Kennedy	Thurmond
Garn	Lautenberg	Trible
Glenn	Lugar	Weicker
Gramm	Metzenbaum	
Hatch	Mitchell	

NOT VOTING—2

Dixon	Hawkins

So the motion to table the amendment (No. 2010) was agreed to.

□ 1840

The PRESIDING OFFICER. The Senate will be in order.

The question is on the committee amendment.

Mr. HATFIELD. Mr. President, I move the adoption of the committee amendment.

May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will come to order.

The Senator from Oregon.

Mr. HATFIELD. Mr. President, what is the question before the body?

The PRESIDING OFFICER. The question is on the committee amendment.

Mr. HATFIELD. Mr. President, I move the adoption of the committee amendment.

Mr. HUMPHREY. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. HUMPHREY. May we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. HUMPHREY. Mr. President, I make the point of order that the pending committee amendment constitutes legislation on an appropriations bill.

Mr. HATFIELD. Mr. President, on behalf of the committee, I raise the defense of germaneness.

Mr. HUMPHREY. Mr. President, if I understand correctly, the defense of germaneness has been raised. Well, it is germane so I will not contest it.

The PRESIDING OFFICER. Under the precedents of the Senate, the question of germaneness is submitted to the Senate.

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

The PRESIDING OFFICER. Is there a sufficient second?

Mr. GOLDWATER. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. GOLDWATER. There was no order in the Chamber and I could not hear what the point of order was or is. What are we doing?

Mr. STEVENS. Mr. President, I withdraw the request for the yeas and nays. I understand a voice vote will do it.

Mr. HATFIELD. Mr. President, I appreciate the Senator withdrawing his request.

Mr. METZENBAUM. Mr. President, can we be informed as to what occurred with respect to the point of order that was made by the Senator from New Hampshire? I could not hear.

The PRESIDING OFFICER. A point of order was raised that the amendment constituted——

Mr. GOLDWATER. Mr. President, I have not had an answer to my question.

The PRESIDING OFFICER. The Chair is attempting to answer the Senator's question.

Mr. GOLDWATER. I want to know what the point of order was. I did not hear it.

The PRESIDING OFFICER. The Chair is attempting to answer the Senator's question.

Mr. GOLDWATER. Pardon?

The PRESIDING OFFICER. The Chair is attempting to answer the Senator's question.

A point of order was raised that the amendment constituted legislation on an appropriations bill. The defense of germaneness was raised. Under the precedents of the Senate, the question of germaneness is submitted to the Senate.

Those in favor will say "aye." Those opposed, "nay."

The ayes appear to have it. The ayes do have it. The amendment is germane.

EIGHTH EXCEPTED COMMITTEE AMENDMENT (RELATING TO PMA)

Mr. HATFIELD. Mr. President, I move the adoption of the committee amendment.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, let me make a brief evaluation of where we are. We have disposed of two of the seven committee amendments. I am now going to move the adoption of two more, which had originally been objected to in terms of adopting them en bloc because the Senator from Ohio, Mr. METZENBAUM, had objected at that time. There are two such amendments that have now been resolved by way of colloquy between Mr. METZENBAUM, and in one case the Senator from Idaho, Mr. McCLURE. That would free up those two committee amendments to be adopted by a voice vote.

That would leave us, then, four other committee amendments to be disposed of. At that point in time, when we finish those four committee amendments, we will then move to the 35 amendments that have been reported as intended to be offered by Members of the Senate at large. I hope we could continue, therefore, through the evening hours until we could reach a point where any remaining amendments might be agreed by unanimous consent to be taken up on tomorrow and no other amendments—we have done this periodically in the past—if that is possible to get that kind of agreement.

Otherwise, I shall press on throughout the remaining period of this decade, or this day—[Laughter]—in order to try to finish this at some time in order that we might adjourn for the holy days on Friday and Sunday.

□ 1850

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

Mr. HATFIELD. I am happy to yield.

Mr. METZENBAUM. On the two amendments which the manager indicated had been cleared, is one of them the flood control amendment? Is that No. 3 or 4?

Mr. HATFIELD. No. The amendment that has been cleared is the $710,000 rescission of funds for the Office of Surface Mining Reclamation and Enforcement Regulation and Technology, I have so been informed.

Mr. METZENBAUM. That is the one in which we have a colloquy that is to be inserted in connection therewith.

Mr. HATFIELD. I have a copy of the signed colloquy here, signed by the Senator from Ohio.

Is that signature valid?

Mr. METZENBAUM. I hope so. I am not certain about that. But I am willing to accept the statement.

Mr. HATFIELD. I had not attested it. But I assume it is valid.

Mr. METZENBAUM. The second amendment of the Senator?

Mr. HATFIELD. Amendment to section 7 of the Surface Contract Act of 1965 to except aviation services performed entirely in the State of Alaska from the provisions of the act.

Mr. METZENBAUM. I thank the Senator.

Mr. HATFIELD. Am I correct that those two have cleared the Senator's desk?

Mr. METZENBAUM. That is correct.

Mr. HATFIELD. Mr. President, therefore on the basis of those assumptions I now move the adoption of the committee amendment relating to the $710,000 rescission of funds for the Office of Surface Mining Reclamation and Enforcement Regulation and Technology.

The PRESIDING OFFICER. Did the Senator request unanimous consent?

Mr. HATFIELD. Let me identify through the line numbers. The committee amendment beginning with line 3 through line 8, on page 42.

The PRESIDING OFFICER. The question is on the amendment. Is objection heard?

Mr. METZENBAUM. Reserving the right to object—I do not believe I will object—is this the amendment that we were just talking about?

Mr. HATFIELD. Yes. As I said upon affirmation of my question a while ago, if we may now proceed since the Senator from Ohio cleared his desk of these two amendments, I am now proceeding to adopt them officially by the whole body rather than just by the Senator from Ohio.

Mr. METZENBAUM. I appreciate the sarcasm of the Senator from Oregon, but having said that, and the colloquy to be included, I have no objection.

Mr. HATFIELD. I thank the Senator.

FOURTH EXCEPTED COMMITTEE AMENDMENT (RELATING TO SURFACE MINING)

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

The motion was agreed to.

The fourth excepted committee amendment, relating to surface mining, is as follows:

On page 42, strike line 3, through and including line 8;

Mr. METZENBAUM. Mr. President, I am concerned that the committee bill does not act on, or give notice to, the failure of OSM to comply with the clear directives on inspection and enforcement given to it by Congress in the fiscal year 1986 continuing resolution.

At that time, Congress provided funds for an additional 10 FTE's to assist States when their programs falter. A total of six FTE's were to be used in Oklahoma to ensure a smooth transition from Federal primacy to State primacy and then to be used in other States that need attention. The remaining four positions were to be divided between the Eastern and Western field offices to aid States when their programs falter.

OSM has provided the additional six FTE's to work on the Oklahoma program. Unfortunately, in an effort to get the continuing resolution signed by the President a 0.6-percent across-the-board reduction was made in the Interior section. This action eliminated one of the four other troubleshooters.

The Office of Surface Mining did not hire the remaining three troubleshooters because of the constraints put upon them by the sequestration order. Since this function is defined as a "subactivity," rather than a "program, project, or activity," the Office of Surface Mining is operating within the scope of the law by reducing this function by more than 4.3 percent.

I do feel, however, that by not hiring the three troubleshooters as Congress directed, OSM did not fully comply with congressional direction. It is not clear why OSM has not requested additional funds or reprogrammed funds into these critical areas.

Mr. McCLURE. I agree with the thrust of the Senator's comments. It was Congress' intent to provide adequate funds for the troubleshooters. If the sequestration order, or other reductions, did not allow OSM to comply with our original intent, OSM had the opportunity to propose a reprogramming of funds for this purpose. In fact, every agency had the option to request a reprogramming to address the reductions caused by the sequestration order.

I will work with my colleague in drafting report language for the conference which will express Congress' intent that OSM fill all of these positions.

Mr. METZENBAUM. I thank the Senator for his assurances and look forward to working with him on this subject. I am also concerned that OSM has not proposed to fund any of these

positions in fiscal year 1987. However, since it is so close to the end of the fiscal year, and given the time necessary to fill new inspector positions, OSM has effectively flaunted the will of Congress on this issue for this year. Clearly, it is an issue which will also have to be addressed in the fiscal year 1987 appropriations process.

Does the Senator from Idaho intend to give some notice to OSM that similar behavior will not be tolerated in fiscal year 1987, and that Congress expects all of these positions to be filled?

Mr. McCLURE. Yes; it is my intent to do what is necessary to achieve our common purpose.

Mr. METZENBAUM. I thank the Senator for his cooperation on this issue, and look forward to working with him to make sure the positions are secured and filled.

SEVENTH EXCEPTED COMMITTEE AMENDMENT (RELATING TO ALASKA)

Mr. HATFIELD. Now I move the adoption by the entire body of the next committee amendment, lines 14 through 25, on page 71 of the committee amendment, beginning with line 22, on page 70, through line 25, on page 71, and that is identified as the amendment to section 7 of the Service Contract Act of 1965 to exempt aviation services performed entirely in the State of Alaska from the provisions of the act, which had been objected to by the Senator from Ohio, and is now cleared by the Senator from Ohio.

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

The motion was agreed to.

The seventh excepted committee amendment, relating to Alaska, is as follows:

Lines 14 through 25 on page 71 of the reported amendment beginning on line 22, page 70, through line 25 on page 71; as follows:

SEC. 208. Notwithstanding any other provision of law, section 7 of the Service Contract Act of 1965 (41 U.S.C. 356), is amended—

(1) by striking the word "and" at the end of clause (6);

(2) by striking the period at the end of clause (7) and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end thereof the following new clause:

"(8) any contract for aviation services to be furnished entirely within Alaska.".

SECOND EXCEPTED COMMITTEE AMENDMENT RELATING TO DEFENSE APPROPRIATIONS

The PRESIDING OFFICER. The question now recurs on the second committe amendment.

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

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

Mr. HATFIELD. Mr. President, I ask the Chair. What is the pending amendment?

The PRESIDING OFFICER. The question is the second committee amendment, and the clerk will now report that amendment.

The assistant legislative clerk read as follows:

Lines 1 and 2 on page 26 of reported amendment that begins on line 11 of page 20, through line 8 on page 26; as follows:

SEC. 7. Sec. 8109 of Public Law 99-190 (99 Stat. 1222) is repealed.

AMENDMENT NO. 2015

Mr. STEVENS. Mr. President, I send an amendment to the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS] proposes an amendment numbered 2015.

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

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

The amendment is as follows:

On page 26, line 1, delete all following "Sec. 7." through the end of line 2, and insert in lieu thereof.

Notwithstanding Section 8109 of the Department of Defense Appropriations Act, 1986, Public Law 99-190, funds appropriated or otherwise made available by such Act and which were not otherwise authorized by law, are authorized and shall be available to be obligated and expended as provided in such Act immediately upon enactment of this Act: *Provided*, That no funds made available under Section 8103 of the Department of Defense Appropriations Act, 1986, Public Law 99-190 shall be available for the Mariner Fund: *Provided further*, That the paragraph under the head "Aircraft Procurement, Air Force" in title III of the Department of Defense Appropriations Act, 1986, Public Law 99-190, is amended by striking ", of which $200,000,000 shall be available only to initiate the air defense aircraft competition authorized by law".

Mr. STEVENS. Mr. President, at the time the appropriations bill for the fiscal year 1986 dealing with the Department of Defense was before the Senate, we had a long and extended discussion with the Armed Services Committee concerning the amounts that might have to be allocated to unauthorized accounts because of a significant fact that occurred in connection with the Appropriations Committee that was not considered in connection with the authorization bill. The 1986 defense authorization bill was in fact $5.5 billion over the outlay ceiling in the budget resolution. But because of the circumstances that existed at the time of its consideration, the outlay ceilings for the budget resolution were not applied to the defense authorization bill. When the appropriations bill came before the Senate, it was necessary to comply with those restrictions of the budget resolution pertaining to outlay restrictions. And we attempted to do so.

In a long discussion with the Armed Services Committee at that time, the acting ranking majority member, Mr. THURMOND, said on December 10 that:

To that end we have reached an agreement with the Appropriations Committee on the issue of appropriations which exceed authorization. We have agreed that those appropriations accounts which exceed the authorization account levels will be subject to a subsequent authorization.

My good friend was on the floor, the Senator from Georgia, Mr. NUNN, and stated:

At the same time that the agreement invited by this amendment is a statutory provision that subjects appropriations in excess of the authorized levels to a subsequent authorization before the funds in this bill can actually be obligated or expended by DOD, it operates primarily at a traditional budget account level.

Following the enactment of the appropriations bill, the authorization committee examined the bill, and determined that some $6.3 billion of the defense appropriations bill was subject to the requirement for an authorization. It so informed the Department of Defense. And the Department of Defense has held up the expenditure of $6.3 billion in 1986 funds. As a matter of fact, only $1.3 billion exceeded the account level.

□ 1900

I have asked to be placed on the desk of every Member a tabulation that lists the accounts by service and shows where the moneys were in excess of the account level.

We had only $1.3 billion in excess of account level.

The amendment before the Senate now in effect eliminates the $1.3 billion dispute. What is left in dispute, however, is $5 billion worth of funds that were allocated by the Appropriations Committee within the account ceilings in a different manner than the report—and I emphasize that, the report—on the authorization bill allocated the funds.

May I ask the clerk if these have been distributed? I do not see them on the desk of Members.

Well, when the Members receive them, I hope they will examine them.

Let me take, for instance, just the first item on the research and development account of the Army. After substantial inquiry into the situation that the military finds itself regarding AIDS, our committee allocated $40 million for medical research to the Department of the Army in terms of prevention of transmission of AIDS.

The Army has a distinguished record in this area, as I am sure all Members and the world knows, in terms of malaria, yellow fever, and hepatitis. They have preeminent people in this type of research. That is a very small amount, really, for the type of research involved.

We allocate that $40 million to medical research by the Department of the Army for AIDS under the Army research accounts. The total account level was still $285.6 million below the level of authorization. The authorization committee has earmarked this as being $40 million that is unauthorized.

That is the type of dispute which is before the Senate.

(Mr. MATTINGLY assumed the chair.)

Mr. STEVENS. In order to try to pinpoint the issue before the Senate, I have offered a substitute for the committee amendment, which, as I say, deletes the items which are basically in dispute on the $1.3 billion. One of those was the $852 million that were earmarked for the Mariner Fund, subject to authorization action.

We also had $200 million for an aircraft competition that dealt with the F-20. The purpose of this was to make that $200 million available for the program as authorized by law. The amendment would mean that the moneys could be carried over to next year and the competition will now be completed in 1987.

Those are some of the disputes we have had with the Armed Services Committee as far as the appropriations bill is concerned.

Now, the Appropriations Committee faces this dilemma: Having allocated the funds for 1986 in accordance with the budget resolution outlay ceilings, if the $5 billion that remains after these four issues are settled and allocated by the Armed Services Committee without regard to outlay ceilings, those moneys will be spent in fiscal year 1987 and the whole problem repeats itself in 1987 again.

We want these funds released by the Department of Defense. They are moneys within the authorized account levels. They are not subject to authorization now because the account level was authorized.

Mr. President, the difference in the remaining $5 billion is simple. The authorization committee report specified how moneys within account levels should be spent. Our report differed from that primarily because of the impact of outlay restrictions that we had to comply with that the Armed Services Committee did not.

Let me point out another account so that everyone knows what goes on.

In the spring the Armed Services Committee held hearings and brought a bill to the Senate which authorized in the weapons track vehicle account for the Army Divad gun.

The Appropriations Committee held hearings and found that Divad was a defective system. We so notified the Department of Defense. The Department of Defense agreed with us, terminated the program and withdrew the request for Divad.

Under the Divad Program, and mind you the whole amount was authorized, three quarters of a billion roughly became available. Out of that authorized amount we earmarked $150 million for an alternative to Divad. It was under the account of Procurement of Weapons and Track Combat Vehicles, Army. That account level, as I said, was authorized at $5.2 billion and the appropriations was approximately $4.7 billion. We reduced that account. But notwithstanding the reduction, we earmarked $150 million for the Divad follow-on which was requested by the Department of Defense.

The Armed Services Committee says that is not authorized. We take the position that the whole account was authorized and we had the ability as the Appropriations Committee to determine we should not put up the money for a defective system, but that we should listen to the Department of Defense and give them the money to initiate action on a follow-on for that system.

If Members will look at the chart, we can see the problem of the dispute between the two committees. It is a dispute, as I said, which stems primarily from the fact that the authorization bill did not track the outlay ceilings of the budget resolution for 1986. The appropriations bill totally complied with that.

Furthermore, Mr. President, the authorized level for appropriations in 1986 was $302.5 billion. Our committee appropriated $16.5 billion less than that. Let me say that again. $302.5 billion and we appropriated $16.5 billion less than that, after the impact of Gramm-Rudman-Hollings. But the effect of the authorization committee putting a hold on our $6.3 billion is that we are now $22.8 billion below the authorized level for 1986.

I urge Members to look at the list to see what is happening. The impact of this delay is that the moneys that were appropriated for things like the National Guard, the Reserves, for ammunition, for spares—moneys that, again, in this instance were within the authorized account level, were within the restrictions as to outlays—cannot be spent in this fiscal year unless we pass the amendment that we have before the Senate now.

If we delay and want for the authorization bill to be passed and sent to conference and come back, it will be August at least before we finish that process and the moneys can be released for expenditure, probably in September. Those moneys cannot all be spent in 1 month. As I said at the beginning, the impact of the delay will be that they will be carried over into fiscal year 1987. It means that we will again have an outlay ceiling problem in terms of appropriations for defense in 1987. It is a very technical problem.

I see my good friend. We had a conversation earlier. I am referring to the Budget Committee chairman. He will be interested in this debate, I am sure. There is no question in my mind that from now on the authorization bill must be subject to outlay ceilings. It was not in 1986. That is the genesis of this problem.

Mr. President, I have offered this amendment. It was an amendment that was discussed with the Armed Services Committee before the last recess. I do so with great love and affection, literally and figuratively, for my great friend from Arizona, the chairman of the Committee. He knows of my great love and deep affection for him. But I have to say that the Armed Services Committee apparently refuses to recognize the different rules that apply to the two bills. The one that the Senator from Arizona was charged with in 1986, the authorization bill, was not subject to the outlay ceilings, and the bill that I managed on the floor, the 1986 appropriations bill, which was completely subject to budget outlay ceilings.

□ 1910

In closing, Mr. President, if I could make only one plea to the Senate, that is this: The dispute is one over the differences between two reports, one that accompanied the authorization bill for the Department of Defense for 1986 wherein the staff had listed the things that the money that was authorized could be spent for. The second was the report that accompanied the appropriations bill where our staff delineated where the money could be spent following the hearings we held based on the authorization bill.

I do not think anything demonstrates that difference more than Divad. For the members of the Committee on Armed Services who wish to pursue the dispute, I ask just one question: How could we have gotten money to the Department of Defense to look for a substitute for the Divad system, which we proved was inefficient and should not be pursued. One option was to continue to appropriate money for Divad and trust the Department of Defense not spend it for Divad but instead to spend it for a follow-on system.

We chose not to do that. We instructed them that they could only spend the $150 million for a follow-on system from the funds that were authorized for Divad. I say that is what the appropriations process is for, Mr. President. We do not seek this dispute. We seek merely for the authorization

committee now to live up to the agreement that was made in 1984 and 1985. Again, I want to read Senator THURMOND's statement:

We have agreed that those appropriations accounts which exceed the authorization account levels will be subject to subsequent authorization.

There were only four major items which exceeded account levels. There were one or two others in dispute. We have eliminated those and it is my understanding that the Armed Services Committee does not dispute that any longer. The items in dispute between our two committees that were in excess of account levels are covered by this amendment.

Mr. NUNN. Mr. President, will the Senator from Alaska yield for just a brief clarification?

Mr. STEVENS. Yes, I am happy to yield.

Mr. NUNN. The Senator from Alaska made the point on the Divad. The Armed Services Committee agrees with the Senator from Alaska on the Divad, just for the information of those Senators here and who will be participating in the debate. There was no dispute on that. The Senator is exactly right. The dispute comes in the appropriation-authorization process. The amount was appropriated with instructions, as the Senator has said.

The Armed Services Committee came back in the supplemental authorization that is now pending and specifically agreed with the Appropriations Committee on that. So the Senator from Alaska is entirely correct. But that is not in dispute here.

Mr. STEVENS. Let me say to my good friend from Georgia, it is in dispute in that the Armed Services Committee now says an authorization is required for that line. Our position is that the account level was authorized at $5.2 billion. We appropriated almost $4.5 billion. We were below the account level. The statement was made by Senator THURMOND and by the Senator from Georgia (Mr. NUNN) in December indicating we were talking about authorization only for those appropriations accounts which exceeded the authorization account levels.

The $150 million that we provided in the appropriations bill for Divad is subject to the hold letter that the Armed Services Committee sent to the Department of Defense. The $150 million cannot be spent until the authorization bill passes. That is the position, as I understand it, of the Armed Services Committee. So we do still have a dispute on Divad because we believe the $150 million was within the authorized account. The Armed Services Committee has held up the expenditure of $150 million which could have been used since last December to find a follow-on to Divad. The funds cannot be obligated until the authorization bill passes, notwithstanding the fact that our appropriations bill was $526 million under the authorized account level.

I say to my friend, I appreciate the fact that he agreed with us on the principle involved in Divad. I do not think the Armed Services Committee has agreed with us yet on the fact that on the Divad, $150 million was not subject to subsequent authorization.

Mr. NUNN. Mr. President, I think the Senator has stated it correctly. We agree on the substance of Divad. There is no substantive dispute on Divad. Where the Armed Services Committee and the Appropriations Committee do have a dispute is we in the Armed Services Committee make authorization and where the Appropriations Committee sets the authorization levels. We do differ on the jurisdictional issue, not on the substantive issue. That is the point I was trying to make.

Mr. STEVENS. I thank the Senator from Georgia. Again I call to the Senate's attention that last year, we had this dispute on whether or not the appropriations bill was subject to authorization for certain accounts. That agreement was set forth by Senator THURMOND on page 35467 on December 10, 1985. Again I say that the agreement was—and these are Senator THURMOND's words as acting chairman of the Armed Services Committee: "We have agreed that those appropriations accounts which exceed the appropriations account levels will be subject to a subsequent authorization."

The Armed Services Committee now demands the right to authorize $6.3 billion. We concede that there was $1.3 billion subject to authorization. This amendment takes care of that $1.3 billion.

If the Senate is going to tell the Armed Services Committee to live up to the agreement they made with us at the time the appropriations bill came before the Senate in 1985, it will adopt this amendment.

Mr. GOLDWATER. Mr. President, the Senator from Alaska is getting completely away from the point. I would like to put the issue as I see it and as we have been arguing since, I think, the month of February.

This whole business, Mr. President, is a two-step process. The Armed Services Committee, along with every other committee of the Senate, is formed for the purpose of authorizing. Once the authorization bill comes to the floor and is passed, it goes to the Appropriations Committee for their action. What we are complaining about, and not just I am complaining about it as chairman of the Armed Services Committee, but every chairman of every committee that I have visited with on this floor has the same feeling about it: that we are slowly seeing the Appropriations Committee assume the responsibilities of authorization and appropriation.

I have asked to have distributed today a Dear Colleague letter on the subject of the fiscal year 1986 appropriations which were in excess of authorization. That letter was first circulated prior to the Memorial Day recess, so some Members may recognize it. Let me briefly summarize the content of that letter.

It says that in the fiscal year 1986 Defense Appropriations Act nearly $6.5 billion was appropriated in excess of the amount authorized on a program or line-item basis. On an account basis, the excess appropriations amounted to $3.5 billion.

Based on the objections of the Armed Services Committee to this disregard for the authorization processs, the Appropriations Committee agreed to include a provision, section 8109, in the fiscal year 1986 Defense Appropriations Act, which restricts the Department of Defense from obligating or expending funds appropriated in excess of authorization until those funds are properly authorized.

Mr. President, this is really getting at the guts of this whole problem.

The amendment offered by Senator STEVENS—and I am speaking to this original intent—would now repeal section 8109, as would the substitute that either is proposing or will propose. If adopted, this would permit the Department of Defense to spend $5.5 billion on various programs, most of which were never requested. I want to repeat that, Mr. President: Most of which were never requested by the Department of Defense nor authorized by Congress.

□ 1920

Mr. President, I remain steadfastly opposed to this effort to undermine the integrity of the authorization-appropriations process. The Armed Services Committee has reviewed all the programs for which appropriations exceed authorization. Many are meritorious and we reported a supplemental authorization bill, S. 2459, which is on all Senators' desks, or it should be, which includes, I might say, the items for a substitute for DIVAD and other items to which the Senator from Alaska has referred. At the same time our bill specifically prohibits the expenditures of $2.7 billion appropriated for low priority programs which contribute little to our real defense needs. This money, Mr. President, could be better used to offset reductions in much higher priority programs in fiscal year 1987.

Now, we are all concerned about the increasing procedural chaos in this Senate. Many have questioned whether the Senate as an institution is capable of dealing with the unprecedented budget challenges which confront us.

This is no item to jettison one of Congress' primary budgetary review mechanisms, the authorization process. If section 8109 is either repealed or done away with, billions of dollars will be spent on defense in a way that will contribute little to our national security. In today's fiscal climate, we simply cannot afford such a casual approach to spending our defense dollars.

Now, I want to make one point particularly clear, Mr. President, to my colleagues, especially those who serve on the Appropriations Committee. I am not saying that the Appropriations Committee cannot or should not appropriate funds in excess of authorization. In fact, they can and in many cases they should. There are many examples I can point to in which excess appropriations were provided which I thoroughly endorse and so does every member of the committee. What I am saying, however, is that when such excess appropriations are provided, that money should not be spent until there is a concurrence from the authorizing committee, and that, Mr. President, is what this argument has been about. It started, I might say, last February. I have met many times with my good friend from Alaska, he and his committee. His group has met with my group time after time after time to reach some agreement on this so this work on the floor would not be necessary. This is particularly important since we are now routinely providing defense appropriations in the form of a continuing resolution and not in a freestanding defense appropriations act, and as a result there is precious little debate over defense appropriations each years. Consequently, billions of dollars are being added in the appropriations process which are barely scrutinized by the committee of primary jurisdiction or by the Senate as a whole.

Mr. President, this is not the proper way to carry out our responsibilities to the American public. In the interest of preserving the integrity of the authorization-appropriations process and in the interest of ensuring that all our defense expenditures are carefully scrutinized and thoroughly justified, I will oppose either the existing amendment or the amendment which may be substituted. I urge my colleagues to do the same.

Mr. President, in the letter I distributed to my colleagues today, there is a graph showing the history of defense appropriations in excess of authorization since the year 1982. Then it was very small, about a half billion dollars; in 1983, about a half billion dollars; 1984, a little more than half a billion dollars; in 1985, it jumped to $3 billion, and in 1986 it jumped to $6.5 billion.

Now, this is just indicative of the way we are proceeding without having had the value of hearings before our committee.

I might remind my colleagues and the President that the Armed Services Committee is composed of 19 people and a very fine, superb staff whose only interest is the military of this country. I do not think there is a committee except Appropriations that meets more often than the Armed Services Committee. We are constantly studying the needs of our services. We are constantly trying to get the expenditures down and the quality up.

Now, Mr. President, I know that there are members of my committee who would like to address themselves to this matter. I have a few more words I may want to say, but I remind my colleagues and the members of my committee and my good friend from Alaska that we are not talking about dollars and cents. My friend from Alaska has agreed to remove the four items that we objected to: $800 million for ships that nobody ever asked this committee for; $200 million to conduct a flyoff between fighter planes out at Edwards Air Force Base. That has been successfully concluded. They included money for KC-10 tankers that the Navy never asked us for; and the T-46 training airplane which the commanding general of the Air Force has said he does not want to buy.

Now, we have reached——

Mr. STEVENS. Will the Senator yield?

Mr. GOLDWATER. No. I did not bother the Senator, do not bother me. We have reached an agreement on those four items. So they are not debatable anymore. What we are really talking about is this two-process system that this body has so carefully nurtured throughout its 200-year history, authorization and appropriation. Now, if we are going to have the Appropriations Committee acting over and above and around the Military Affairs Committee, all we are asking for is a chance to take a look at what they are doing, so we do not have to go through this process. I do not like to argue with Senator STEVENS. God, I tried to get him to be majority leader of this body. I guess I am not a very good votegetter. I have not gotten any better in 20 years. It might be a blessing, I do not know. But I do not like the idea of arguing with him. So I think I will just be quiet for a while and let my colleagues on the other side of the aisle take him on.

Mr. STEVENS addressed the Chair.

Mr. GOLDWATER. I have not yielded the floor yet.

Mr. STEVENS. I want to ask the Senator a question.

Mr. GOLDWATER. Well, go ahead.

Mr. STEVENS. I want to know how the Armed Services Committee has an argument with the amendment that is pending now. That amendment deletes the Mariner Fund which was subject to authorization, and could not be spent until authorized. It was not in excess of the budget resolution. It had no outlays, Mr. President. It was necessary in order to put our bill within the outlay ceiling to find something that had a no-outlay impact. The Secretary of the Navy specifically asked for it. Now, they did not request it from the Armed Services Committee, I will agree.

The $110 million for tankers was requested from our committee by the Department of Defense. The T-46 was authorized by the Senate Armed Services Committee. It was authorized, Mr. President, but after we appropriated it they then wanted to deauthorize it and object to the fact that we provided the money in accordance with the authorization.

Now, I want to ask my friend, is the Armed Services Committee willing to live up to the agreement that we entered last year, in 1985, as stated by Senator THURMOND in my good friend's absence? This was the agreement on which we met. We had long negotiations with the Senator's committee. He said, "We have agreed that those appropriations accounts which exceed the authorization account levels will be subject to subsequent authorization." If the amendment that is at the desk passes, there are no accounts that exceed authorization levels.

Mr. GOLDWATER. I have admitted that.

Mr. STEVENS. Well, then what is the argument about my amendment?

Mr. GOLDWATER. I am only arguing that we want to know what you are doing up there in Appropriations. You have withdrawn all those funds that we objected to so there is no sense debating them.

Mr. STEVENS. That is the purpose of this amendment. The four accounts that you have objected to——

Mr. GOLDWATER. The argument goes way past that.

Mr. STEVENS. The other amounts now, I say to my good friend from Arizona, are within the area of the dispute where some members of your committee say the agreement that we made last year is not valid. In that regard you want to have the authority to authorize line items which differ between your report and our report, but that are within accounts that are still below the authorization account level.

□ 1930

So I ask my friend, "Why should we have an authorization bill for line items below the authorized account level that we were dealing with, when the bill was passed by the Senate last December?"

Mr. GOLDWATER. I think I have agreed with the Senator. That is no longer in contention. Your amendment still has accounts in excess of au-

thorization, and we will touch on those. But the four items I originally argued with you about, you have very graciously withdrawn, so they are no longer a subject for discussion.

I wonder if any members of the committee would care to address themselves to this.

Mr. STEVENS. Mr. President, I ask recognition, if the Senator is yielding the floor.

Mr. GOLDWATER. I have not yielded the floor. Some of my members would like to speak to this—the Senator from Georgia.

Mr. NUNN. I will seek recognition, if the Senator from Alaska does not wish to speak. I will speak on the issue.

Mr. STEVENS. If the Senator from Arizona wishes the Senator from Georgia to speak before me, I will not make a request to speak.

Mr. NUNN. Mr. President, I am joining Chairman GOLDWATER and the overwhelming majority of the Armed Services Committee—in fact, I think it is virtually unanimous—in opposing the Appropriations Committee recommendation which we are debating now.

We had $500 million in this category in 1984, we had $2.5 billion in this category in 1985, and $6.5 billion in 1986.

The Armed Services Committee objected to this disregard for our authorization process, as I think any authorizing committee would have done.

There was an agreement, after a great deal of work and deliberation, between the Armed Services Committee and the Appropriations Committee to what is now known as section 8109. That amendment is what we are talking about here today.

The effort today by the Stevens amendment, which we are debating, is to basically repeal section 8109, which would unwind what was done last year. It is important for everyone to recognize that has been done. We have worked with the Senator from Alaska and tried to reach an accommodation on this. We have made some progress.

The Armed Services Committee has gone through an authorizing process because the section requires that no funds appropriated last year be expended until further authorized. So we have come in with an appropriation.

We have taken them item by item and agreed with the Appropriations Committee on a number of items. What we have done is that we have agreed on, and approved, $3.8 billion of the total $6.5 billion. The $2.7 billion was originally denied, but we have even made adjustments in that.

In his amendment, the Senator from Alaska has accepted two programs, one $850 million program and one $200 million program. The total of those is $1,050,000,000.

When you boil it down, considering that we are willing to reprogram, the fundamental difference in agreement and substance is $750 million. That $750 million is represented in 24 programs out of the original 174, so we are in agreement, substantively speaking, on 24 programs. We are in agreement, substantively speaking, on all but $750 million.

Where we do have a fundamental disagreement is whether this section 8109 should be repealed in an appropriations bill. What we have proposed, and what we hope the Senator will agree with, is that this amendment not be agreed to, but then we will have a supplemental authorization bill, which is now pending. That bill can be brought up when we can get it agreed to by the leader. We are ready to go with it.

When we pass that, it will have the same effect as the Senator from Alaska is trying to have now, with the exception of $750 million and 24 items. That will be the effect of it. We will then have resolved most—not all—of the substantive issues. We will still not have resolved the procedural issues.

I hope we can continue in good faith to talk to the Senator from Mississippi and the Senator from Alaska, and I think we can avoid these conflicts in the future. The Senator from Alaska has dealt in good faith. We have not reached an agreement.

It appears that at this hour the Senate will have to instruct us in this regard. Whether the Senator from Alaska prevails or we prevail, we still do not solve the long-term relationship between appropriations and authorizations.

While I am on that subject, I must say that the answer to that is not easy. Both committees have plenty to do, and that, to me, is the ultimate paradox. It is not a lack of something to do. We both have more than we can do. But there is a continued duplication of effort, and that duplication of effort, it seems to me, is long overdue in terms of needing correction.

I do not know what the answers are, but it is somewhat of an absurdity for the Armed Services Committee to spend all year on the very same things that the Appropriations Committee is spending all year on. It is an absurdity for us to debate a military authorization bill for 2 or 3 weeks at a time, to spend several weeks in conference, sometimes 7 or 8 weeks, and then have an appropriations bill in the fall and go through the same thing again. That is an absurdity even if we agree on everything.

When we have differences of agreement, it not only makes our own process become tangled; it also, of course, ties up a great deal of time of the executive branch.

We will have to work it out in good faith. I have talked to the Senator from Mississippi and the Senator from Alaska about it and we will continue to talk about it, because it is not a luxury we can continue to afford, as a body that already has more to do than we can do properly.

In summary, Mr. President, the Senate rules and procedures require a separate authorization process. The law of the land requires a separate authorization. Section 8109 in last year's defense appropriations bill recognizes this bedrock principle and required a subsequent authorization for substantial appropriations in excess of authorization.

Our committee has fulfilled its responsibilities to the Senate under section 8109 by reporting a supplemental authorization bill which approves $3.8 billion in programs but denied 44 programs totaling $750 million. It is our expectation that we would use this $750 million if we prevail today in this vote. That money would be used to offset the very large cuts we will have to come up with in fiscal 1987.

So we are talking about a matter of great importance in terms of procedure and jurisdiction, in our view; a matter of some importance in terms of substance; but most of the substantive issues have been resolved.

There are $750 million involved here. Repeal of section 8109, in my view, would be a bad signal for defense programs. It would be a bad signal for the integrity of the authorization process. The Armed Services Committee has an interest here. I think every authorizing committee has an interest here, because all at one time have been—or will inevitably be—faced with this kind of problem.

□ 1940

Mr. STEVENS. Mr. President, I do hope my friend from Georgia will remain because I do wish to ask him a question while I have the floor.

The Senator from Georgia pointed out last year on December 10, and I quote the Senator from Georgia. He said:

> We have been meeting frequently during the past several weeks in both the Armed Services Committee and with representatives of the Appropriations Committee to try to reach a resolution with respect to the problem on unauthorized appropriations.

We entered into an agreement, Mr. President, and I want to ask the Senator from Georgia what is wrong with the agreement we entered into last year? As the Senator from Georgia said specifically at that time, it operates primarily at the traditional budget account levels.

Senator THURMOND said we have agreed that those appropriations accounts which exceed the authorization account levels will be subject to subsequent authorization.

The Armed Services Committee now wants to question 174 items. All but four of them are below authorization levels. But they differ in terms of how

the authorized level is distributed between line items.

I ask my friend what is wrong with the agreement we reached last year after meetings that went on and on and on and on to settle this question between the two committees?

Mr. NUNN. I say to my friend from Alaska there is nothing wrong with that agreement. In fact we are here to defend that. That is the reason we do not want that agreement repealed by a repeal of section 8109.

Mr. STEVENS. With the exception of the accounts we have there on the desk, there are no disputes on accounts that are over authorized account levels.

What the Armed Services Committee now wants to do is to subject 174 lines that are in accounts that are below account authorization levels to line item differences between the two bills, Mr. President.

I want to point out to the Senate that rule XVI says this:

> On a point of order made by any Senator, no amendments shall be received to any general appropriation bill the effect of which will be to increase an appropriation already contained in the bill, or to add a new item of appropriation, unless it be made to carry out the provisions of some existing law, or treaty stipulation, or act or resolution previously passed by the Senate during that session; or unless the same be moved by direction of the Committee on Appropriations or of a committee of the Senate having legislative jurisdiction of the subject matter, or proposed in pursuance of an estimate submitted in accordance with law.

In other words, Mr. President, last year we did not have to make an agreement. We made it in deference to my good friend the Senator from Arizona who discussed the matter with me before he left. Senator THURMOND was acting on his behalf. I met many, many times with members of the Armed Services Committee, and we agreed that in this instance, even though moved by the Senate Appropriations Committee for those items which increased the authorized accounts, they were not subject to a point of order, that they were germane to the bill, and that we would agree that they would have subsequent authorization.

This year when we came back the Armed Services Committee said, "No, no, what we really meant was any line item, not account level, any line item where you disagreed with us needs authorization."

I say to the Senate, it is true this is a signal case, and it is bringing to the floor a dispute between an authorization committee and the Appropriations Committee, basically the Subcommittee on Defense, and it is going to be resolved by the Senate obviously.

If it is resolved, I want to point out that we put money in for the battleship *Wisconsin* that was not authorized. The Armed Services Committee does not disagree with this. It is willing to authorize it now.

That is not an item that is in this discussion because we have agreed they are not going to dispute that.

Guard and Reserve amounts are generally in here. Because again of the outlay problems of the items that were authorized by the Armed Services Committee, which would spend out too fast. So, we put money in the Guard and Reserve, I might say, at the specific suggestion of my good friend from Mississippi who has been a staunch defender of the Guard and Reserve. We believe very much in bringing them the most up-to-date equipment possible. We did. We put money above authorization in the Guard and Reserve because of its lower outlay rate.

There is nothing in this amendment pending before the Senate on that subject because we have no dispute. The Armed Services Committee has notified we have no dispute on that.

But my question to the Senator from Georgia and to anyone else who wants to answer it is why should we wait any further? It is June now. This bill will be to the President before July. The Armed Services Committee bill, if it passes the Senate after we finish the tax bill, will go to conference with the House on an authorization account. They disagree, incidentally, with their colleagues on the Armed Services Committee as to what should be authorized and what should not be, and that is listed on this account sheet, Mr. President.

It specifically shows the difference between the House and Senate with regard to the authorization bill that they now want to pass. That will finally get to the President probably about August and by the time we get back the Department of Defense will be instructed to try and spend this money, $6.3 billion, in 30 days.

It cannot be done. It cannot be done and it will give us outlay problems in 1987 that you cannot believe.

I make this pledge to the Senate: The Senate authorization bill for 1987 will not exceed outlays. Even though those outlays may come from budget authority in previous years, they will not exceed outlays. We are already carrying over $120 billion from previous years' authorization. We will have the worst outlay problem in 1987 that the Department of Defense will ever face.

The net result of my good friend, and he is my good friend, from Arizona, if he refuses to accept this amendment now, will mean that the money cannot be spent until September. At least part of it will spend out in 1987 and to the extent it does, it decreases the amounts that we can make available to continue authorized activities of the Department of Defense in 1987.

We already have severe problems, and, Mr. President, I am trying to smile, but in the most friendly way I can, I want to tell the Armed Services Committee you are shooting yourself in the foot. You authorized last year more money that we could appropriate and you authorized it in a manner that we could not appropriate because we were subject to outlay restrictions that you were not subject to.

Now you say to us wait. Do not do this this way. Do not just solve the problem because we have agreed. Except for those items we were in agreement. The Senator from Arizona said it and I think the Senator from Georgia said it, we are in agreement, but we are arguing about which bill is going to correct the problem, the Armed Services Committee bill or this bill.

I can get this bill to the President before July 1, and we will. Your bill, and I say to the Senator from Georgia, the way you are suggesting going to resolve this dispute is going to harm the defenses of the country and the difficulty is we have no way to deal with it. We have no way to get the money allocated and properly released because it is the letter that the Senator from Georgia and the Senator from Arizona signed that has held up the money, not the law. The law authorized the expenditure. The Department of Defense told us they were going to spend it. You sent them a letter that said do not spend it until we get this resolved and that letter has held up $6.3 billion for 6 months.

That money would have bought ammunition in Louisiana. It would have paid Coast Guard personnel in Alaska. It would have paid for shipbuilding in Mississippi. It would have paid for flying hours in Arizona. Look at the list. Look at the list. I urge you to look at the list. This is not some provincial thing. There is not one pork-barrel item here. There is not one item here the Department of Defense has told us they did not want. They did not ask you for it, but they asked us for them.

I should put that Guard and Reserve account aside there because we moved the money from regular services over to the Guard and Reserve because of the outlay problems, Mr. President. And it is something that the Guard and Reserve wants, I will assure you. But I think we ought to just go through this and look at some of the items.

Secretary Weinberger came to me and asked for Stingers, an increase in Stingers after the Divad termination. We added it. We took the money from the Divad account. It is not much money. It is $14.4 million.

But look at the items. Divad alternative was a request personally of the Secretary.

We had a Senator came to us with regard to $103 million for enhanced ammunition production base. We checked with the Department of Defense. It was needed. We allocated that account.

The level was still $174 million below authorization but we put the money where it was needed now for ammunition, too, and we all know that our war reserves are down. We appropriated $200 million for war reserve ammunition instead. We have letters from many people, including Senators from the Armed Services Committee, pointing out that that reserve is low. We put in just $200 million. We need billions to catch up with war reserves. That is one of the items that is in dispute, Mr. President.

We had a bridge erection boat that was an unauthorized add-on but it had a multiyear contract and because we were able to enter into it we are saving money by putting in the money.

Again, that account level, other procurement Army, was less than the authorization.

□ 1950

Incidentally, that was at the request specifically of a member of the Armed Services Committee that came to me and personally asked for that money. Now the Armed Services Committee is questioning us for doing that.

I think we ought to just put them out in terms of the money and where it is. We funded the funds required by the Authorization Act for the F-110 engine, but it was not done in the way they wanted it because, in order to fund it, we had to add $95 million to get the contract funded.

Now, Mr. President, I think, unless Members of the Senate go through this and look at it, they will not understand the dispute between us. I see no reason for us to have a situation where we made an agreement that any account that exceeded the authorized account level would be subject to authorization and then find 174 items that are in accounts that are below the authorization level that we have to have authorization for because our report differs from their report.

Incidentally, if anyone is looking at this or listening to it, if you want a significant example, look at the Coast Guard account. Fifty-two Senators wrote to our committee and asked that $300 million be added for the Coast Guard. It was not authorized. As a matter of fact, subsequently they came and asked for it to be increased to $375 million. We did that. Some of the Members that asked for it are from the Armed Services Committee. It was not authorized. It is typical of the problem. In an agreement we entered into last year, it was specifically identified as being an item that was over the account level but that was not subject to later authorization.

Those are the things I think the Appropriations Committee must do. There is no question about it.

The T-46 is an interesting example. We appropriated it at the authorized level. Now, in the authorization bill that the Armed Services Committee is bringing out, they deauthorized that account. They deauthorize it. They say we have an argument between us. We do not have any argument. We put up exactly the amount they authorized, but they want to take $206.1 million because of the changed position.

The Armed Services Committee also came to us on the Rapier, under the Air Force missile procurement. They had authorized $3.6 million. The Department told us there was a mistake; they needed $7.6 million. We put up $4 million extra in the appropriations bill. Now, for some reason, the Armed Services Committee wants to authorize only $3.4 million, although it was authorized in a different place in the bill.

Now, Mr. President, I hope that everybody looks at this because the disagreement between the Senate Armed Services Committee and our Appropriations Committee covers accounts for the Guard and Reserve. Basically, the difference is $811 million that we put into the Guard and Reserve equipment. Instead of putting it into the regular Army, the regular Air Force, the regular Navy, we put it into the Guard and Reserve. We did it for the purpose of assuring the equipment would go to the Department of Defense, and that it would at the same time go into an account that does not spend out at the same rate as the active force. Therefore, we complied with the outlay limitations.

I do believe that it is time that the Senate looked at the fact that the argument here is with the authorization committee. We are $16.5 billion below the authorized account levels. It is not a case of our appropriating more money than was authorized. It is a case of our looking at these items and determining, with the advice of the Department of Defense, that some of the money should be allocated in a different manner within the same account, Mr. President. We have not taken money from one account to another. We have not stolen money. We stayed substantially below the budget. We stayed below the budget outlay ceilings.

Mr. President, I will tell you—and again I try to say it with a smiling face—I do not know anything that is going to harm the defense effort more than this continuing bickering between the committees in trying to preserve our national defense.

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

Mr. STEVENS. Yes.

Mr. NUNN. I agree with that point. I think the dispute is disruptive. I think it is counterproductive. I think it ties up the Senate. I think it makes duplicate efforts and I think it is disruptive to the executive branch.

I think what we have here tonight, whether the Senator from Alaska prevails or whether we prevail, we need to continue and intensify our efforts to solve this problem and get some long-range procedure which makes sense for the Senate, which makes sense for the Pentagon, and which makes sense for the country.

If I could just give a brief response to what the Senator said about the expiration of the funds. It is my understanding that each year the Appropriations Committee in your bill provides that the procurement accounts have 3 years to be spent; the R&D accounts, 2 years to be spent; the shipbuilding accounts, 5 years to be spent.

The Senator mentioned if we did not solve this until September 1986, there would only be 30 days to spend the money. That is not my understanding.

Mr. STEVENS. I thank the Senator for pointing that out. I am not talking about the spendout for the total amount. I am talking about the total amount we can spend this year under our schedule cannot be spent if they do not get the release by September. The fiscal year ends September 30 and whatever is spent under the Armed Services Committee approach will be spent in 1987 and not in 1986. So we carry over the outlays to 1987, which then we have the situation that we cannot then use the authorized amounts for 1987.

Ask anybody. Ask the Senator from Louisiana. I know he was on the seat. Ask what it means to munitions. Or ask the people from Arkansas what it means to munitions. it means they cannot buy the ammunition this year; they will buy it in 2 years rather then 3 years.

But the Senator is absolutely correct. If I left any impression that these are 1-year accounts, that is incorrect. They are a series of different accounts and very few of them are annual accounts. Most of them spend out on the average, I would say, in 2 to 3 years. And we are lacking the first year because of this delay.

Mr. NUNN. Will the Senator yield for another observation?

Mr. STEVENS. Yes.

Mr. NUNN. I would like to just speak for a moment about a possible way out of this dilemma that we are in this evening. It would not solve the long-term problem. I talked to the Senator from Arizona about it.

The Senator from Alaska is concerned about the time element here. He is concerned—and the Senator from Louisiana has expressed his concern to me, also—about the problem of having the supplemental authoriza-

tion bill come up later and, therefore, have it delayed.

Now, there is one way to solve this. We have reduced the substance disagreement down to $750 million. That is what the difference is on substance. I know that is not insignificant. I am sure that $750 million is vitally needed in many aspects of the defense budget and we are going to have to use it in 1987.

But one way to solve this dilemma tonight—we talked about the ammunition that the Senator from Louisiana put in. We could take the supplemental authorization bill which has come out of our committee and is pending on the calendar. We could propose all the changes we made in that authorization bill as an amendment to this supplemental appropriation bill. The time problem would be solved. That would take care of almost every point the Senator from Alaska has raised.

What would not be solved is the $750 million which would be denied, but that money will have to be used to apply to the savings we have got to make under the budget resolution. We have to save some $20 billion. We have to save $14.7 billion in outlays in fiscal 1987. We went through these items very carefully in our committee. We determined that, though they have some merit, they would not have the kind of merit of being spent now when we are going to have to cut vitally needed programs, programs that are essentially in the future. So we can solve this time problem right here tonight in the next 30 minutes by simply taking the supplemental authorization and putting it on as an amendment.

Mr. STEVENS. Mr. President, I would be more than willing to put this aside temporarily and look at the subject. But I want the Senator to know, from my point of view, that is not quite correct what he just said. We had a series of negotiations, not only last year, but this year, with members of your committee and your staff. And the amendment that I have is an amendment that was prepared once and was agreed to once. Your committee agreed to this. Then they sent us a formal agreement—and I have a copy of that here—that they wanted me to sign with regard to future procedures between the Appropriations Committee and the Armed Services Committee.

□ 2000

The Senator will recall this. I said I would sign it but I am not chairman of the Appropriations Committee, and the chairman said, I think wisely, that it sets a very bad precedent. If the Senator wants to enter into that agreement with Senator STENNIS, of the Armed Services Committee, go ahead and do it. I am not going to sign that as chairman of the Appropriations Subcommittee since that fell through as far as the agreement is concerned, although I am still willing to live up to it and so is Senator STENNIS.

Furthermore, let me tell the Senator that the Senator and his authorization bill did not authorize the liquid synthetic fuel for the Defense Department as far as the Department of Energy program. That is a North Dakota item that is very, very important to the Senator from North Dakota. The Senator did not authorize the precision tactical approach guidance system, new tactical landing system accelerated that is very important to the Senators from Nevada.

Mr. JOHNSTON. Will the Senator yield for an observation at this point?

Mr. STEVENS. Yes. I do not want to point them all out. But I do want to accept the suggestion of the Senator from Georgia, if we can, and get off the floor to see if we can work it out.

My problem is the Senator is really asking for us to in effect give up some of the amendments that the Senate approved last year. The Senate approved these amendments to make the moneys available last year at the time under the understanding that they were not subject to authorization because they did not exceed account levels.

Now the Senate Armed Services Committee wants us to give those up.

Mr. GOLDWATER. Will the Senator yield?

Mr. STEVENS. Yes.

Mr. GOLDWATER. The bill never came to the floor last year. We continued it by resolution.

Mr. STEVENS. It was a continuing resolution I am talking about. I managed the defense portion of the continuing resolution.

Mr. GOLDWATER. It never came before our subcommittee and never came before the floor for a vote. It was a continuing resolution. It was passed. We are talking about the wrong things.

Mr. STEVENS. No; I am talking about the appropriations bill, and the appropriations bill was on this floor. And it did pass, and we did accept some amendments. We accepted them after the agreement that I have mentioned, and time and time again, they were entered into with due respect to the Senator. These items were brought forward by individual Senators. I have a list of those who brought them forward, and we accepted them here on the floor after that agreement was entered into. We tabulated it. We tabulated it as to whether they were over the account.

I yield to my good friend.

Mr. JOHNSTON. For an observation, if the Senator will yield.

Mr. President, I would like really to argue this principle but I think nothing is worse for good policy than arguments about principle. I might just say I was reading about the Civil War last week. Right here in this very Chamber there was some great and thunderous speeches about the question of States' rights on the one hand, and the question of slavery on the other hand. And the questions and the answers went right across one another. If anybody thinks that the Senate is being instructed and taught about these questions by this debate, they are dead wrong. Nobody has the foggiest—I say nobody other than those on the floor, and maybe one or two—notion of what is going on.

Mr. President, it seems to me that the Senator from Georgia has a good start on the agreement here. It seems to me also reasonably obvious one other step is the authorization, and maybe we can resolve the whole thing; and, that is, take the suggestion of the Senator from Georgia, put the authorization bill on this, adopt that, and then the other items that are not encompassed within that, some $700 million. Put that aside, and go on to another amendment. And I will bet we could work out those individual items, the liquified fuels, whatever it is, and I do not think those are great items of moment.

Mr. NUNN. Will the Senator yield?

Mr. JOHNSTON. If I may make one further point: Sort of leave these great items of principle about what is authorized and what is necessary to be authorized to a cooler and more relaxed atmosphere where, frankly, we need more time to deal with that question. There are equities on both sides that ought to be resolved, and I think can be resolved. But as far as these items in dispute, there is really no problem. I think the Senator from Arizona, the Senator from Georgia, and our leader on the Appropriations Committee can get together in a room somewhere and resolve those items quickly. If I may suggest to my distinguished committee chairman, if we could suggest that we adopt that House authorization amendment, get that much settled, which is most of it, and then go off in a room somewhere, I will bet we could do those other items pretty quickly.

Mr. STEVENS. I am willing to go off the floor and negotiate again. I do not think I have negotiated anything in my life as much as I have negotiated on this. I will bet 1,000 hours in the chair on this one. In my days in the Air Force, that would be a lot of seat time. I see the Senator from Ohio here. He understands what I mean. That is a lot of time to sit and listen to someone else—about 1,000 hours since 1 year ago last January over this question of what we are going to do between these two committees.

I am willing to explore it. I am unwilling to now give up amendments that we accepted in good faith within

the authorized account levels from Members of the Senate for specific items in terms of saying, OK, they all have to be authorized. But I am willing to negotiate it in terms of some of the specific general accounts. For instance the Guard and Reserve, I ask that my good friend from Mississippi be present at such a negotiation as I know how strong he feels about that Guard and Reserve accounts.

If the Senator from Georgia is suggesting that we call the chairman of the full committee and ask him to make the request, and the Senator, our good friend from Arizona, that we temporarily set aside the amendment and my amendment to the amendment and go on to something else and give us 45 minutes, 1 hour at the most, I am more than willing to try again.

Mr. NUNN and Mr. STENNIS addressed the Chair.

The PRESIDING OFFICER (Mr. GRAMM). The Senator from Georgia.

Mr. NUNN. Mr. President, I would be delighted to make that a 1,001 hours with the Senator from Alaska in this process of negotiation. I would be delighted to discuss it with the Senator from Arizona, the Senator from Mississippi, the Senator from Alaska, the Senator from Louisiana, and others who would be interested.

But I must say I do not have the optimism that we are going to be able to resolve those other items the Senator from Louisiana has because these are items we have been through in great detail in our committee. We have deliberated them. We concluded they are not priority items. I have a list here. We are happy to go right now, and do a lot of serious cutting in the fiscal year 1987 budget.

So we are looking at these items versus the items we are having to delete—about $20 billion worth.

Let me just finish this. I have gone through this list here. I have the list of those items. Of the 27 items that we would not be approving if we went this route, 17 of them have never been requested by the Department of Defense. The liquid synthetic fuel that the Senator from Alaska just mentioned, there were zero requests for that last year. I am not saying because there was a zero request it could not have some merit. It could be meritorious. But the Senator from Alaska mentioned all of these things have been requested, and the one exception. Of the list we have deleted 17 out of 27, and there was no request from the DOD. I would not want anyone to pull down their amendment under the false impression that we were going to be able to first of all take all the items that we have gone through carefully and put back in through the supplemental appropriation, put it on amendment and go out and negotiate on everything we have left out.

Mr. JOHNSTON. Will the Senator from Georgia yield at that point? What I am suggesting is we agree on what we can agree on, which is all of those items in the defense authorization bill, we have no dispute, and if we can agree on those, then go off and try to work on these other items. If we can agree, fine; if we cannot, fine. But at least then we have those very important items that encompassed within the defense authorization bill agreed to. I mean we do not want to get some very good programs trampled underfoot that involve a lot of jobs, a lot of people and a lot of accounts that are important.

Mr. NUNN. And hopefully a little bit of defense.

Mr. JOHNSTON. Darned well a lot of defense. Why not agree on what we can agree on now, and if we can agree that we ought to try on these other items, if we cannot, well, we cannot. But at least let us not lose that which we can agree upon.

Mr. STENNIS addressed the Chair.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

□ 2010

Mr. STENNIS. Mr. President, I shall be brief. This is not something I want to talk about, but it is something I think I should talk about some. I see men here on this floor who for a good number of years have been together wrestling with these problems. I see Senator THURMOND over there. He and I have been here together with others, too. I think I am pretty hard to get excited. But as long as I have been dealing with this, I am actually getting somewhat excited here tonight to realize that we can be very close to something very, very serious. I mean by that something we are not meeting, we are not solving, and we are not coming up with something better.

We have already hit the bottom on this thing. Everyone has been acting in good faith. There has not been one scintilla of rascality, misrepresentation, or anything like that from anyone. I am referring to the last 2 years that we have been going over these things.

In this calendar year we went to the majority leader and talked over this problem with him. We talked next with Senator GOLDWATER, as I remember. He could not be here the first day but he was here the second day. Anyway, he was next.

Then we talked to all the ones who were more directly involved, including the Senator from Georgia, I remember at one point, and the Senator from Alaska, as well as the Senator from Oregon. These are men who do know something about this subject.

We have been back and have repeated. I am not complaining, as I have not contributed much, but they have been trying hard this year, these men, the tops of these two committees. They have been trying to get an agreement on something that would work and which would be a solution for some time anyway to this legislative problem as well as defense problem.

They have not gotten far enough. I do not say it has been a total failure, of course it has not been and some headway has been made.

But we have run out of rope. We are down to the end of the row, and we are advertising in this debate that we are not functioning at our best in this endeavor.

What are the people we represent going to think about that? What about our adversaries, wherever they may be in any place in the world—what will they think?

We are at the point where we have to get down to the job of determining something in the neighborhood of at least what the Senator from Georgia has recommended and the Senator from Louisiana. We have to do it right away. If we cannot make any headway that way, and this is my thinking, we have to come in here in a special session of some kind and create additional effort on this legislation, some special committee for a special purpose to be spelled out because results have to be obtained here and now. That is not just for convenience, but to resolve this situation.

I think we have used up too much time. A mere repetition of what we have been doing will probably not be effective.

There is nothing to be afraid of in this. We have been putting some authorization legislation in appropriations bills for a good many years. During the war in Vietnam we got into such a problem with time that we filled in there more than once.

Some who were here can remember very distinctly it was not just once or twice but many times. Well, there was no harm done. But I will tell you right now we have to make this thing work. That is my word of caution.

Frankly, I have done about all I can do. I am not seeking further recognition on this matter, but it must be brought to a head at some point. We have the intelligence here and I hope we can move forward and do it.

I yield the floor.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President, I have a few brief remarks. I think the critical item here, and this is what concerns us on the Senate Armed Services Committee, is that if the action of the Appropriations Committee is to continue in this direction and at the same increasing pace throughout the coming years, then why do we have authorizing committees? That is basically it.

Why do we not all just join the Appropriations Committee and we will do it all there and that is that? That is the reason we feel very strongly about this issue.

This section 8109 that has been referred to here is a stop gap measure. It does not solve the long-term problem. Nobody claims that it does. It applies to fiscal year 1986 only. That is that.

The reason that I think we want to push this, and we would like to get an answer to it, is so that we are not back here year after year after year doing the same thing.

Those of us on the authorizing committee for military matters in the Senate feel that for at least the last 2 years we got rolled, to put it in street terms. We worked very long hours trying to get the authorization bill out of committee.

Last year, I remember Chairman Goldwater indicated to us that he wanted us to have our authorizing bill completed by Easter, and we did. We worked nights, early mornings, through the day. We sometimes had subcommittee and full committee hearings going on at the same time, but we got it done.

Then instead of that being accepted, we wound up with this graph which has been referred to a couple of times and we see what happened. Instead of the low levels of appropriations exceeding authorized levels in 1982 and 1983, all at once in 1984 it went up some. In 1985 it really popped up and in 1986 it goes up to $6.5 billion. It is no longer a small amount taking care of minor differences. That is the thing we are very concerned about.

Let me add this: This is not a turf fight between two committees. It is a matter of very fundamental procedures of the Senate of the United States, in which every authorizing committee has a key interest.

Senate procedures recognize separate authorizing and appropriating functions, and the authorizing committees are supposed to set the long-term trends, they are supposed to take the multiyear look, the long-term look, of what the trends are and what the programs are that need to be beefed up, need to be started, or even terminated. Those are turned over to the Appropriations Committee and they in turn try to put the whole budget together then and approve an appropriations bill that does not exceed all the other limits we have put on. So they are the coordinating function that has the final say on this.

If we are to say that the Appropriations Committee can continue, in effect, to authorize and appropriate as they see fit, that means we are of no use on the authorizing committee. We might as well fold our tents and go away because we are not doing anything that is constructive here at all. We are just turning everything over to the Appropriations Committee.

That is basically what we are talking about here tonight.

I am all in favor of this 45-minute session that was referred to where we can perhaps work our way out of this year's problem. Section 8109 that is referred to here is exactly that. It is this year's solution to it. It does not solve it for the 1987 budget that we are starting to mark up in committee now. We will start on that this coming week.

I would hope, Mr. President, we could stay with this thing and whatever time it takes so that we do not find ourselves getting rolled again next year. We do not want to go through all this again.

The basic question to me is if the Appropriations Committee is to continue in the direction they have gone for the last few years, then why have authorizing committees?

That is the heart of this issue. That also affects the other authorizing committees besides Armed Services. It is something that the whole Senate must face. As far as I am concerned, if we need to get a change in the Senate rules or whatever, so be it. Let us not go through this authorizing process and find out once again next year that we are back here with another stop gap 8110 or whatever it will be next year. We are not solving the basic problem with 8109 here. We are dealing with something that will just get us by this year. Unfortunately, we will have to deal with the basic problem.

The PRESIDING OFFICER. The Senator from Arizona, the distinguished chairman of the Armed Services Committee, is recognized.

□ 2020

Mr. GOLDWATER. Mr. President, a fine suggestion has been made and it might work out to the benefit of all of us and the defense of our country if we would just ask for a quorum call and repair to the Office of the President pro tempore to see if we can work out something. The Senator from Georgia has suggested that the Senator from Alaska should accept the Armed Services supplemental bill. I think that is a fine suggestion. The Senator from Alaska has pointed out that there are some omissions that he might want to offer in the way of fill-in. I see nothing wrong with that.

I ask my friend from Georgia, does he see anything wrong with temporarily stepping into an office to see if we can beat this thing out?

Mr. NUNN. I say to my friend from Arizona that I think it would be a constructive step.

Mr. GOLDWATER. We have the cochairman of the committee. Would he like to bring something else up while we are doing that?

Mr. JOHNSTON. Mr. President, I think that would be a very good discussion. I think the floor manager of the bill, the distinguished Senator from Oregon (Mr. HATFIELD) would like to move to another amendment while those discussions are going on.

As far as time to work it out, from my standpoint, that would be an excellent suggestion.

Mr. GOLDWATER. Let me discuss it with the chairman of the Committee on Appropriations.

Mr. President, it has been suggested that a solution to this might be the Senator from Alaska taking our supplemental bill as a substitute for his proposed amendment. To accomplish this, it would require our repairing to an office and discussing it, during which time, the Senator from Oregon could bring up something else, just providing he does not find one that might last 4 hours.

Mr. HATFIELD. If this Senator may respond to the question, it is now about 8:20. Would the Senator from Arizona and the Senator from Alaska indicate the kind of timeframe that this would require?

Mr. GOLDWATER. I shall ask my friend from Georgia to listen; I would say 45 minutes, maybe an hour.

Mr. HATFIELD. May I then suggest that I propound a unanimous-consent request that we temporarily lay aside committee amendment No. 2, which is presently under discussion, until 10 p.m. at the latest, or at the earliest, whichever the case may be, as it might relate to the interim amendments that we will now consider by temporarily laying it aside? I would like to put some kind of outside limit on that that there would be a report back to the body by, say, 10 p.m.

Mr. GOLDWATER. I think that is a fair suggestion, 10 o'clock. Would my friend from Georgia agree?

Mr. NUNN. I agree, Mr. President.

Mr. GOLDWATER. I would suggest that those members of the Appropriations Committee who are here, others on the Armed Services Committee, the staff, that we report to the President pro tempore's room, around the corner. So let us do that and get over there right now and get to work.

Mr. HATFIELD. Mr. President, based upon the colloquy we have just completed, I now ask unanimous consent that committee amendment No. 2, the pending amendment, be temporarily set aside until not later than the hour of 10 p.m.

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

THIRD EXCEPTED COMMITTEE AMENDMENT
(RELATING TO FLOOD CONTROL)

Mr. HATFIELD. Mr. President, I ask that the clerk state the next amendment.

The PRESIDING OFFICER. The clerk will state the next excepted committee amendment.

The assistant legislative clerk read as follows:

On page 27, strike lines 1 through 5.

Mr. HATFIELD. Mr. President, this is an amendment dealing with a $25-million appropriation for flood control and coastal emergencies. I believe the Senator from Ohio has an amendment to this.

AMENDMENT NO. 2016

(Purpose: To provide for an emergency contingency plan to prevent or control flooding along the Great Lakes)

Mr. METZENBAUM. Mr. President, I send an amendment to the desk on behalf of myself, Senator Kasten, and Senator Glenn. I ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM], for himself, Mr. KASTEN, and Mr. GLENN, proposes an amendment numbered 2016.

In lieu of the language proposed to be stricken, insert the following:

Using available funds authorized by section 5 of the Flood Control Act approved August 18, 1941, as amended, the Secretary of the Army shall, in consultation with State officials of the Great Lakes region, develop emergency contingency plans to prevent or control near term flooding along the Great Lakes. The Secretary shall report to Congress within sixty days after the date of enactment of this Act on the contingency plans. The Secretary is authorized to spend up to $1 million for the purposes of this provision.

Mr. METZENBAUM. Mr. President, this amendment directs the Secretary of the Army to consult with officials from the Great Lakes States in order to develop contingency plans to prevent widespread flooding in the Great Lakes region.

The amendment is very straightforward. It simply directs the Corps of Engineers to work with and to assist the States in developing new contingency plans. It also directs the Corps to inform Congress of its progress in this regard.

Today, the Great Lakes water levels are at record highs. According to the Army Corps of Engineers they will likely stay extremely high throughout the decade. The water has already caused extensive damage to shoreline property, and the potential for a real disaster is imminent.

Sudden storms or merely strong winds cause the entire surface of the Great Lakes to tilt, piling the water up on one side, and flooding communities along the shore. Because it is so shallow, the most extreme examples of this phenomenon occur on Lake Erie.

Sustained high winds cause the water level on one end of Lake Erie to rise dramatically while the level falls at the other end. At times, the difference in water elevation between Buffalo, NY, and Toledo, OH, may reach 15 feet. In these situations, the community on the high end gets flooded.

Earlier this week, on June 2, strong winds blew Lake Erie into downtown Port Clinton, OH, flooding city streets and damaging public and private property.

And this was not even a storm.

Fortunately, the water receded the next day. A sustained storm would have left the entire city of Port Clinton under water for days.

The fact is, Mr. President, the water level situation on the Great Lakes is a disaster waiting to happen. The Great Lakes States know it, the Army Corps of Engineers knows it, and the people living in the shoreline communities certainly know it.

My own State of Ohio, the State of Michigan, New York, and most recently Wisconsin have attempted to prevent a disaster from occurring by requesting emergency flood prevention assistance from the Corps of Engineers.

Under the Public Law 84-99 Emergency Flood Program, upon the request of the Governor of a State, the Army Corps of Engineers may provide assistance to construct emergency flood prevention works when there is imminent threat of flooding.

At the beginning of fiscal year 1986, the corps had approximately $52 million for this program. According to the corps, and Appropriations Committee staff, the program account now contains about $28 million in unobligated funds. Of the $24 million spent thus far, very little has been spent in the Great Lakes region.

The Governor of Ohio has asked the corps to consider 50 separate sites for possible flood prevention assistance. The Governor of Michigan has requested help for approximately 60 sites.

The corps subsequently determined that only 7 of the Ohio sites and 25 of the Michigan sites warranted any assistance whatsoever.

According to the corps, flood control measures in the other areas were not economically justified.

Apparently, public safety was not a major consideration.

Mr. President, the purpose of this program is to help communities prepare for imminent flood emergencies. I, for one, do not believe we can put a price on public safety.

The average cost of one of these emergency projects is about $250,000. That is not much when we are talking about an advance opportunity to protect businesses, public property, and lives.

It is also not much when we consider the enormous cost of providing these communities disaster assistance after the fact—after the storm has flooded out the town.

Again, this amendment is very straightforward. It simply directs the corps to take another look at the requests for assistance submitted by the States, to develop contingency plans to prevent flooding, and to report back to Congress.

The lakes are going to be abnormally high for at least another 5 years, and we are going to reach a very critical period when the storm season begins in the fall.

We should make every effort to minimize the threat to life and property. I believe this is a good amendment, and I urge my colleagues to support it.

Mr. President, my amendment, cosponsored by Senators KASTEN and GLENN, simply directs the Secretary of the Army to work with officials from the Great Lakes to develop emergency plans to develop near-term flooding along the Lakes. Its passage can help us prepare for and avoid disastrous flooding along the Great Lakes.

I am pleased to say to my colleagues that my amendment does not provide for the expenditure of any new funds but will provide that the Corps of Engineers expends such funds as have to be expanded from those that have, heretofore, been appropriated.

It is my understanding the amendment is acceptable both to the manager of the bill and the ranking minority members. I have cleared it also with the Environmental Affairs Committee.

Mr. HATFIELD. Mr. President, the amendment offered by the Senator from Ohio has been cleared on both sides of the aisle. We are happy to accept it.

Mr. CHAFEE. Mr. President, I would like to ask a question, if I may, of the manager of the bill.

As he knows, we put a lot of effort into these Corps of Engineer studies. Our great concern is that studies are rather casually ordered. The consequences of the studies frequently are very substantial expenditures which the towns and cities or States involved have no intention of meeting.

In other words, every self-respecting mayor or Governor—and I have participated in this myself—when there is a natural disaster of a flooding nature, appeals to the Corps of Engineers to make a study. What that does is hold off the objectors. It indicates some action is taking place. The study frequently comes in recommending the expenditure of millions of dollars which the town or city or State has no intention of ever funding. But at least it has the matter off the agenda, the citizens are pleased that the study is taking place.

Therefore, in the Environment and Public Works Committee, we have provided—and this has been accepted—that the Corps of Engineers, when they embark on studies, require the local community to pay x percent—25 percent, 30 percent, whatever it is—some serious up-front money so the

community will not just blithely ask for a study without ever intending to make a substantial commitment of their own sums.

My question is this: Is the city involved or the State or the locality, as opposed to the Federal Government, going to pay any portion of this study?

Mr. HATFIELD. Let me, first, say to the Senator from Rhode Island that I know of his longstanding concern on this matter of the accumulation of studies that have occurred over the years, where, if any serious intent to carry the study through to a project existed, it certainly was not a very strong one because there was little action in many of these studies that ever followed the study leading to such a project.

□ 2030

I have that same concern. This is a different situation. Under Public Law 99 I believe is the law, we have a generic authorization extended to the Corps of Engineers to undertake an evaluation—and I use the term "evaluation" very carefully here—of emergency problems such as the Senator from Ohio has described. That means simply that there is a preliminary kind of assessment made as to what might be preventive in terms of a diversion, a project of some kind that may be required after this preliminary study. If then that followed a major feasibility study for a project, that is a separate situation. And then that would lead to the possibility of a project that would require some local cost sharing. But what the Senator from Ohio is attempting to do is to get an engineering assessment of this current flooding situation and the problems that these communities have had because, frankly, no one knows the answer at this moment. So under Public Law 99, the generic authority is vested in the Corps to undertake this within current available funds, so the Senator's amendment does not have any impact upon the budgetary problems that we are facing but is within the available funds and is to do what we might—and I am using a certain kind of nomenclature here that I am making up of my own—but just in my language is to make a preliminary kind of assessment, evaluation which may lead to a major feasibility study leading to a project and that we would take that issue up separately. But this issue today does not involve the kind of problems the Senator has described in the past and which I joined him in that concern.

Mr. CHAFEE. I appreciate that because I know the Senator from Oregon and I have discussed this many times. If I understand this correctly, what we are undertaking here is a rather rapid study, not an in-depth study, but to get a feel of the situation. Then if it should move into something of a more major substance, call it a feasibility study, then there will be cost-sharing. That is all I want, some assurance that when the next step is taken there will be some cost-sharing. Then we will get into the seriousness of this town or city or the State.

Mr. METZENBAUM. Will the Senator yield?

Mr. CHAFEE. I will be glad to yield.

Mr. METZENBAUM. As the Senator from Rhode Island knows, I have been a strong advocate of cost-sharing when there are those kinds of services being provided by the Federal Government in projects throughout the country. I have not varied in connection with this particular matter. The Senator from Oregon has described the matter entirely accurately. If the Corps of Engineers comes up and says this project is necessary or that project, I would anticipate that it would be done in accordance with the usual rules and the communities affected would bear a share of the cost.

What we have in this instance is a situation where the Great Lakes are higher than they have ever been, through no fault of those who live in the cities bordering the Great Lakes. Those bordering the Great Lakes are terror stricken. They do not know what the answer is. They are asking the Corps of Engineers to help them provide some overview as to what should be done. I hope that the Senator from Rhode Island, who I know has been a strong advocate of the whole concept of revenue sharing in connection with specific projects, would see fit to not object to this amendment being accepted.

Mr. CHAFEE. I thank the Senator very much. I have no objection.

Mr. METZENBAUM. I thank the Senator.

Mr. HATFIELD. Mr. President, I move the adoption of the amendment.

Mr. METZENBAUM. Mr. President, before doing that——

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. METZENBAUM [continuing]. The Senator from Ohio asks unanimous consent to add the name of Senator PROXMIRE as a cosponsor.

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

The question is on agreeing to the amendment of the Senator from Ohio.

The amendment (No. 2016) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. METZENBAUM. I thank the Senator from Oregon.

Mr. HATFIELD. Mr. President, is the committee amendment as amended by the amendment of the Senator from Ohio now subject to action?

The PRESIDING OFFICER. The committee amendment to strike falls when a substitute is adopted.

Mr. HATFIELD. So we have then disposed of this particular committee amendment?

The PRESIDING OFFICER. That is correct.

FIFTH EXCEPTED COMMITTEE AMENDMENT
(RELATING TO CAPITOL SECURITY)

Mr. HATFIELD. Mr. President, would the Chair report the next committee amendment.

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

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

The amendment is as follows:

On page 58, after line 16, insert the following:

CAPITOL POLICE

CAPITOL POLICE BOARD

For an additional amount for the "Capitol Police Board", $13,000,000, to remain available until expended, to implement an improved security plan for the United States Capitol, after such plan shall have been approved by the Senate Committee on Rules and Administration, the Senate Committee on Appropriations, the House Committee on Appropriations, the House Committee on Public Works, and the House Committee on Administration: *Provided*, That such Board is authorized to transfer to the Architect of the Capitol so much of such funds as may be necessary to enable the Architect of the Capitol to carry out appropriate projects to implement such plan, and the Architect of the Capitol is authorized to obligate and expend the funds so transferred to him to carry out contracts entered into without regard to section 3709 of the Revised Statutes, as amended.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. BUMPERS. Mr. President, I had fully intended this evening to resist this committee amendment. I am troubled by it. But I have been prevailed upon by the assistant majority leader and the assistant minority leader to withdraw my objection with the understanding that I would have an opportunity to make a few comments about my concerns.

My concerns are these. We are talking in this amendment now, for the benefit of our colleagues, about $13 million to build a fence around this Capitol complex. We are not talking about a fence that goes around the office buildings but one that simply goes around the Capitol complex, and the fence would be almost identical to the fence around the White House.

Now, I recognize the threat that we are all under due to the spread of terrorism across the world. No. 1, I hate to cave in to terrorism and see the greatest, freest Nation on Earth have to make its Capitol complex a literal

armed camp. But the times are changing and perhaps it is absolutely necessary that we do this for our own safety and the safety of this magnificent building in which we are housed. But there are some concerns I have.

Now, everybody should understand that the committee amendment appropriates about $14.5 million. Incidentally, $1 million of that goes for the Capitol police, and I am not questioning that. They need the money. I think their case has been made. But my concerns go further than just whether or not we ought to spend the money. This amendment appropriates the money subject to the authorizing committees, of which there are five, and to my knowledge none of them have held hearings on this subject. I do not question the feelings of anybody involved in this whole negotiation, whether they think it is a good plan or a bad plan. But about 95 percent of the Members of the Senate have not yet seen the plan. We normally do not appropriate money until it has been authorized by the appropriate committees.

Now, one of the things that I want is for the Legislative Affairs Subcommittee on Appropriations to hold hearings on this.

Now, this is the appropriating process in which we are involved tonight, but Senator D'AMATO, who is the chairman of the Legislative Affairs Committee, and I, as ranking member, want to hold hearings on it. I was hoping he would be here, so I could get that commitment from him. I have no objection to these hearings being held in closed session. Indeed, all of these authorizing committees probably should discuss this matter and hold hearings, let the Capitol Police Board come in and make their case, and it should be done in a closed session.

But the Members of the Senate should be apprised of two or three things. First, for example, there is a retaining wall around this Capitol complex, which you may have never noticed, designed by Frederick Law Olmsted, one of the great American architects, long since dead. I want to know, for example, from pure esthetic standpoint, is this fence we are going to build going to require the destruction and removal of that retaining wall. It is a magnificent 30-inch wall. My own personal preference at this point would be that this new fence be moved in sufficiently so that those retaining walls can be left intact. They have great architectural value and great historical significance.

Second, will any automobiles be allowed in the Capitol complex once this fence has been built? It is my understanding that once this 10-foot high wrought iron fence is constructed, there will be three entry points to the Capitol for pedestrian traffic.

□ 2040

There is one thing about this, I might say at this point, that I like. Tourists coming here to tour this building are constantly hassled from the minute they enter—metal detectors everywhere. You cannot go here; you cannot go there. There is one thing to be said about this plan that I do like, and that is that once pedestrians walk through one of those perimeter entrances, they will be free in this building to go wherever they want to go.

However, there will be no parking. There are about 200 cars parked in the east part of the complex, and I think most of that is taken up by staffers and by press. There will be no parking permitted there in the future. That will be architecturally landscaped.

The Senator from California has been deeply involved in this, and I would like him to feel free to correct anything I say here as to the plan, as it is defined at this point. If I am misstating the case, I want to be corrected, because I certainly am not an authority about it. I am just concerned about it.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. BUMPERS. I yield.

Mr. CRANSTON. I do not think the Senator has made any misstatement. Let me just give a brief history that led to my involvement in this matter and the involvement of ALAN SIMPSON, the Republican whip.

The majority leader, Mr. DOLE, and the minority leader, Mr. BYRD, asked the two of us to take on the assignment of exploring Capitol security—the present situation and any needs. We undertook that task and involved the House whips—TRENT LOTT, for the Republicans; TOM FOLEY, for the Democrats—recognizing that security would have to involve the House as well as the Senate.

We have been working on this for a good many months. We brought in a number of outside consultants—experts on security matters. We worked with Chief Carvino, with the House Sergeant at Arms, the Senate Sergeant at Arms, the Capitol Architect, who compromised the police board.

We got professional advise from a man recommended to me by Peter Uebberoth, who was in charge of security at the Olympics, where a magnificent job was done. His name is Ed Best—a former FBI official.

We consulted with a highly professional firm—Stanford Technology Corp.—which gives advice to corporations, Government agencies, and other institutions on security.

They made many recommendations after a lot of study. We also took into account Secret Service recommendations made in 1981 and 1983.

There were a large amount of recommendations. Many were rejected because they were too sweeping, and we felt they would have interfered in important ways with the freedom we want around the Capitol.

The end result is a quite modest plan that does require, as the Senator from Arkansas suggests, a fence around the Capitol grounds. The purpose there is to extend the perimeter out, to have earlier control, before people approach the Capitol itself, and to provide greater freedom, as the Senator has recognized, once people are inside the perimeter. We will have more freedom for our visitors under this plan—not less.

The design for the fence has not yet been finished in any way. It need not in any way, so far as I understand it, interfere with the beautiful Olmstead retaining wall. It can be built inside of that, or whatever else the experts in this matter would recommend.

So, first of all, I recognize the Senator's desire to protect that aspect of the beauty of the Capitol, and I think we can find ways to protect it.

The other question the Senator asked was about autos on the plaza: Would any autos be allowed in?

The recommendation we are making is that there be no more parking in the plaza, for security reasons; that the only cars allowed to come in would be official, chauffeured limousines of the congressional leaders. They would come in, drop people off—like the President pro tempore, the majority leader, and the minority leader, the only three Senators who have such vehicles with chauffeurs—and then the car would go outside the gate over toward Constitution Avenue—where the entrance portal is now. They would be available on call. If somebody who has one of those cars wants to leave, the car could be here by radio call by the time the Senator wanted the car, so there would be no inconvenience for them.

There would be inconvenience for those who park in the Capitol plaza at the present time. ALAN SIMPSON and I would lose parking spaces, lose that direct access to the Capitol. Those employees who work at the Capitol and those members of the press who presently park on the Capitol plaza, would lose these particular parking privileges, but we are working on developing a very substantial number of new parking spaces to offset those lost spaces.

Mr. BUMPERS. Mr. President, will the Senator yield?

Mr. CRANSTON. I yield.

Mr. BUMPERS. There would be two vehicle entrances into the Capitol complex, one on the Senate side and one on the House side?

Mr. CRANSTON. Yes. There would be those two entrances which would be the principal ones for vehicles—

there would also be a special gate for delivery vehicles.

Mr. BUMPERS. Would they have those hydraulic lifts that come out of the pavement, as at the White House?

Mr. CRANSTON. That is part of the plan. That is to make it very difficult for anyone to come barreling in with a car bomb, as was experienced in Lebanon, with the catastrophe that occurred there, with the loss of many lives and the destruction of a building.

Mr. BUMPERS. Is any of this money to be spent on improving security in any of the Senate and House office buildings?

Mr. CRANSTON. Yes. There has to be some improved security in the House and Senate office buildings. There is inadequate security now. There is inadequate security particularly at the Hart garage and some other places.

Once people are admitted to those office buildings, they would be free—as they are now—to come to the Capitol, except that there might be another magnetometer check at the Capitol end of the subway. But that matter is still under discussion.

People would not have to have appointments over here in order to come. Once they got into a Senate or House office building, they would be free to move over to the Capitol.

Press and lobbyists would not be inconvenienced. There would be special entrances for them, if they wish to come to the Capitol. The general public would come in through three entrances: one at the corner of Constitution and First Street, one at the corner of East Capitol and First Street, one at the corner of Independence Avenue and First Street—all on the east side.

There would be protection offered, obviously, not just for Senators, not just for Representatives, not just for the employees, but also for the press and others who work here and for the millions of visitors who come to the Capitol each year.

There are a huge number of people in the Capitol many days, running into the thousands, many of them children. They are just as exposed to danger as those working here. We are taking that into account, as well as the symbolism of the Capitol.

There would have to be a new arrangement for deliveries. The trucks that now come in do not go through any inspection before they arrive, and that, too, would be dealt with.

Let me say with regard to the question of hearings on this matter that there was a hearing before the Rules Committee on May 8; there was also a hearing before the House Public Works Committee's Subcommittee on Public Buildings and this plan is currently under active consideration by the Subcommittee on Personnel and Police of the House Administration Committee. Furthermore, the chairman and ranking minority member of the House Appropriations Committee's Legislative Appropriations Subcommittee have been fully briefed on the outline of the plan by the House Whips.

Following a conversation Senator D'AMATO had with me earlier today, along with ALAN SIMPSON, the Republican whip, Senator D'AMATO of New York, who is chairman of the Legislative Appropriations Subcommittee, authorized me to state, or he would state on the floor if necessary, that he will be very glad to hold hearings in the subcommittee, of which the Senator from Arkansas [Mr. BUMPERS] is the ranking minority member; and it would be understood that this appropriation, if made, would be subject to further approval by the Appropriations Committee acting upon the recommendation of that subcommittee and that no action would occur until there was a full hearing and then action by the Appropriations Committee, as well as the four other committees named in the provisions of the bill itself.

□ 2050

Mr. BUMPERS. Is there any timeframe within which it is hoped that these authorizing committees will complete their hearings, markup, and recommendations on this?

Mr. CRANSTON. I am not aware of any precise timeframe.

Mr. BUMPERS. The Senator does hope this will be done before we adjourn in October?

Mr. CRANSTON. We hope it will be done expeditiously and a decision made finally as far as the Senate is concerned before this session of Congress adjourns.

We have a similar hope for action on the House side but, of course, that is in their hands.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. BUMPERS. I am happy to yield.

Mr. HATFIELD. I might add one bit of information to the body, and that is I have just been in communication with the subcommittee chairman of the Appropriations Committee of which the Senator from Arkansas is the ranking minority member, Senator D'AMATO, of the Legislative Subcommittee. He indicated he would hold a hearing very soon on this matter as that subcommittee has this jurisdiction.

Therefore, the Senator from Alaska would have an opportunity to have a full hearing and discussion on this subject.

Mr. BUMPERS. I thank the Senator very much.

That is the primary thing I am concerned about and I am going to withdraw my objection I would otherwise make on this.

I thank all the Senators for their help for this but I want the record to be very clear that I am reserving my judgment as to whether or not I intend to vote for this.

I like to think perhaps we can recoup some of this $13 million, maybe by reduction of the Capitol police force. Maybe we would not need nearly as many Capitol police if we have this fence built.

I would hope we could save some money somewhere on this.

But I am not going to pursue this any further tonight and I want to thank the distinguished Senator from Oregon and the Senator from California for their assistance in answering my questions.

Mr. CRANSTON. I thank the Senator from Arkansas very much for his understanding and for his attention to a very important matter. I share his concerns about the whole matter that we are now considering.

Now, Mr. President, I would like to provide a more detailed description of this matter for the information of all of my colleagues.

LEADERSHIP PROPOSAL TO ENHANCE CAPITOL SECURITY

Mr. President, chapter IX of the urgent supplemental appropriations measure reported by the Appropriations Committee contains a $13 million item—called for by the joint Senate leadership and proposed to the committee by our distinguished minority leader [Mr. BYRD]—to enhance the security of the Capitol. We are very grateful to the Appropriations Committee for their close cooperation.

BACKGROUND

The Capitol of the United States is a preeminent symbol of our democracy. It is recognized all over the world as representing America. And, as is our open and free society, it is open and accessible to all, and we must keep it that way.

On an average day, from 25,000 to 30,000 people visit this Capitol—on some days, as many as 55,000. At any given moment, more than 3,000 people may be in the building—and more than half of them are probably school children. All told, an estimated 7-to-10 million people from all over the United States and from all parts of the world visit our Capitol every year. That means about 4 to 6 million school children visiting the Capitol each year.

Many hundreds of thousands of those visitors come from across the continent, from my home State of California. A great many come from each Senator's State. Those visitors put all of us under a special obligation, especially in these days of unceratinty: We have a duty to do all we reasonable can to protect the lives and safety of those millions of people as well as the

lives and safety of the people who work here, Members and staff alike.

And we also have a special responsibility to preserve and protect this symbol of our democracy.

To do that and still preserve the openness and freedom of movement that is a tradition of the Capitol and our democracy is the aim of the proposal that the whips developed and the joint Senate leadership has endorsed.

Let me stress that under the proposal we have made there would be no reduction in anyone's access to the Capitol—not the public's, not the press', not lobbyists'. Visitors to the Capitol would merely enter and be screened at a point further away from where they presently enter the building.

Under this plan, once an individual was inside the grounds of the Capitol, there would be a reduction—I stress a reduction—of present intrusive security devices and procedures now employed in the Capitol Building. The atmosphere in the Capitol would be freer. Some areas of the Capitol that have been closed down may be able to be opened up. The only remaining screening in the Capitol Building itself would be magnetometers immediately before entering the House and Senate Galleries.

SUMMARY

Our proposal as adopted by the Appropriations Committee is for $14,250,000 to enhance security in the Capitol and the Congressional Office Buildings. It was sponsored by Senator BYRD, our minority leader, on behalf of the joint Senate leadership. The proposal has two parts. The first part, which has four components, is for $13 million to enhance Capitol security and $250,000 for detailed design and cost estimating work. The security enhancement proposal has four components. They are to:

First, establish a perimeter around the Capitol; second, establish a delivery center; third, enhance office building security; and fourth, enhance bomb detection.

The second part of our proposal is for $1 million to rectify immediate shortages in the police force.

The joint leadership proposal on Capitol security was developed by an ad hoc working group of the Congressional leadership—composed of the four whips. It was developed in close consultation with the Capitol Police Board and after consideration of advice from the Secret Service, several outside security experts, and the Capitol Police security team.

All these experts have recommended more than we are proposing, up to a cost of about $100 million.

Our proposal is far more modest. We believe it constitutes the appropriate security steps we can and should take consistent with our free and democratic ways.

This proposal should be compared to the Reagan administration's $4.2 billion program for U.S. embassy security overseas. This year's first installment of $700 million was passed by the House in this bill, and $660.5 million was included in this bill by our Appropriations Committee for overseas security for our embassies and consulates. The budget resolution passed by the Senate carries $1.6 billion in budget authority for that plan for the next 3 years.

Now, a brief outline of our $13 million proposal:

SECURITY PERIMETER

Every expert we've consulted has urged us to extend the perimeter outward from the Capitol. Some have advocated a far wider perimeter: one that would encircle the House and Senate Office Buildings and several blocks beyond. That would entail closing down parts of Constitution and Independence Avenues—and we have rejected that, just as similar proposals to shut off Pennsylvania Avenue in front of the White House have been rejected.

What we do propose is a wrought iron fence around the Capitol grounds. It can be designed attractively—like the White House fence. As with the White House fence, it would have reinforced barrier gates and a secondary ring of infrared and seismic sensors and closed circuit TV cameras

As I understand it, this proposal for a fence is the principal feature to which the Senator from Arkansas [Mr. BUMPERS] objects.

The proposed fence would include three entrances for general visitors on the east front on First Street—one on Constitution, one at East Capitol, and one at Independence. Each would have a kiosk large enough to hold up to 4 police, screening machinery, and several visitors. There would be five other entrances with smaller kiosks; for main regular use, there would be one at each of the two present entrances to the Capitol plaza for staff, press, lobbyists, and other regular Capitol Building users with passes, as well as for people with scheduled appointments in the Capitol; and there would be one gate for deliveries at New Jersey and Constitution Avenues.

All of these categories of people as well as visitors could also enter the Capitol underground after being screened at an office building entrance. No one, except a Member, could enter the Capitol from outside or underground without passing through a magnetometer and radiation sensor and having packages inspected or x-rayed.

As I stressed before, the fence would not take away anyone's access to the Capitol. It would merely move the point of screening and entry back so as to create a desirable standoff distance. The perimeter would be a block away rather than, as at present, right inside the entrances to the Capitol Building.

PARKING

Under the plan, all daily parking would be removed from the plaza and Capitol drives. Official cars with drivers could still drive in and drop off the leader, for example. They would then drive out and be on immediate call 100 yards away outside the gate. Visiting dignitaries would be handled similarly with their vehicles carefully screened—upon entry or before—by the Secret Service and then parked outside the fence.

A less desirable alternative would allow the parking of about 45 "official cars" in assigned spaces on the plaza.

Either alternative would displace about 850 cars and require sustantial reallocation of parking spaces at nearby lots and garages. We have been pressing the search for more Senate parking spaces in order to alleviate the reallocation process. We believe that 250 to 350 new parking spaces—maybe more—can be created on the Senate side. Similar parking surveys are going forward on the House side.

We are convinced that this parking change is essential—the present risk of planted explosives is just too great to continue to run this risk. We are talking about explosives being hidden, unbeknown to the driver, in the trunk or underneath a car parked near the Capitol—a staff person's or even a Member's innocent car. The fact is that no one's car is kept fully secure at all times.

DELIVERY CENTER

We also propose establishing a delivery center away from the Capitol to screen—and perhaps unload for inspection and separate transport to the Capitol—all deliveries intended for the Capitol Building. We feel that the threat of a delivery truck being used to secrete large amounts of explosives is a very great one. At least initially—to gain experience before any major expenditures are made—the screening of these deliveries could be effectively carried out immediately outside or just inside the tunnel leading into the Hart loading dock area—which is several hundred feet away from the building itself.

OFFICE BUILDING SECURITY

Security in the office buildings would also be improved on the Senate side, but continued parking in garages and on adjacent streets would still leave the buildings less secure than the Capitol. We do not feel that, as a practical matter, we can remove parking in the office building garages or adjacent to the buildings, although security experts have recommended that course.

To improve security, however, garage entrances would have electronic delta barriers that would be raised during nonpeak hours. All individuals,

except Members but including all staff, entering the buildings from the garages would be screened. Vehicles parked in the garages and on adjacent streets would be periodically screened for explosives by canine teams. A very promising, new explosive screening device now under development may be available in the next year or so to replace the use of the dogs.

RECTIFY IMMEDIATE POLICE SHORTAGES

The other key element of the plan is $1 million to rectify present police shortages.

Because of staffing reductions and the eliminations of overtime funding due to the Gramm-Rudman-Hollings sequestration order, Capitol security is less today, according to the Chief of Police, than it was when he came a year ago. Given the nature of the threat today, this seems difficult to justify.

CONCLUSION

Finally, Mr. President, I want to stress that the plan we have proposed and for which the Appropriations Committee has provided $13 million is tentative at this point. The bill expressly provides, as we recommended, that no expenditure would be made for the plan until it is approved by the five congressional committees involved—the two appropriations committees, the Senate Rules and House Administration Committees, and the House Public Works Committee. So there is plenty of opportunity for further scrutiny of the particulars and the justification for each component of the plan, including, of course, moving the security perimeter for the Capitol Building outward by use of a fence.

But I do most strongly urge my colleagues to let us maintain the momentum we have gained for doing something measurable to improve the security of the Capitol Building and the office buildings and to protect the safety of the tens of thousands of persons who visit and work in these buildings every day. Simple prudence requires that we take reasonable and prudent steps to achieve enhanced security while maintaining—indeed even improving—full and open access to the Capitol.

Mr. President, I ask unanimous consent that there be printed in the RECORD at his point a detailed description of the proposal and a breakdown of our rough cost estimate for it, as originally submitted in testimony before the Rules Committee on May 8.

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

DESCRIPTION OF SENATE AND HOUSE WHIPS' CAPITOL-COMPLEX SECURITY ENHANCEMENT PROPOSAL

A. Summary: During Senate Appropriations Committee markup, Senator Byrd, on behalf of the Joint Senate Leadership, intends to offer the following two-part amendment to add a $15,457,000 appropriation for the Capitol Police (probably through another entity such as the Police Board or the Sergeants at Arms) as follows:

$2,435,000 to rectify immediate Police shortages by restoring funding for salaries and overtime for police/security-related functions of the Police cut in the FY 1986 budget and GRH sequester and eliminate non-essential, service functions currently performed by Police. This is necessary to maintain the 1,227 authorized strength by filling 61 vacancies ($600,000), avoiding layoffs (furloughs) of 90 to 100 officers immediately ($854,000), and restoring urgently-needed overtime funds which have been exhausted ($981,000), while eliminating at least 25 positions currently diverted to non-essential service functions.

$13,022,000 to remain available until expended to implement a Capitol-Complex Security Enhancement plan (under the direction of the Police Board and the Senate Rules and House Administration Committees as well as the two Appropriations Committees and the Bipartisan Joint Congressional Leadership), including: (1) establishment of a secured perimeter around the Capitol building ($9,321,000); (2) establishment of a delivery center ($1,638,000); (3) enhancement of office building and garage security ($1,643,000); and (4) enhancement of bomb-detection capacity ($420,000). In total, the plan would entail $10.9 million in non-recurring construction and equipment costs and $2.1 million in recurring personnel-related costs for 87 more positions. This $13 million would be available for expenditure only pursuant to a plan approved by the Senate Rules and House Administration Committees, the two Appropriations Committees, and the Joint Leadership of Congress.

B. Background: This proposal has the endorsement of Capitol Police Chief James Carvino and Senate Sergeant at Arms Ernest Garcia. It was developed by the Senate and House Whips (Messrs. Simpson, Cranston, Foley, and Lott) over a six-month period pursuant to a request by the Joint Congressional Leadership. At an April 11, 1986, meeting between the Whips, it was generally agreed to proceed with a proposal along the lines described below with the final details to be worked out subsequently. Some of the parking garage and office building security enhancement proposed is, partly or wholly, only for the Senate side, essentially because information is not yet available as to whether this approach is feasible or desired on the House side. It is, however, feasible to take these steps only on the Senate side.

The proposal has two basic parts: Rectifying immediate police shortages and security enhancement; the second part has four components. The proposal is outlined in the attached Summary and Rough Cost Estimate (the specific estimates there included are approximations; many components are based on the Police Board's cost estimates from its January 23, 1986, recommendations; others are hybrids of those recommendations or others made previously and are costed very roughly).

The four components of the security enhancement proposal are: I. Establish Perimeter Around Capitol; II. Establish Delivery Center; III. Enhance Office Building Security; IV. Enhance Bomb Detection. Components I and III would entail major changes in the daily operation of the Capitol complex for visitors, tradesmen, and staff and, in some respects, for Members.

C. Cost: The total cost for FY 87 would be approximately $13 million of which about $2.1 million would be a recurring cost for about 87 more police personnel and $10.9 million would be essentially a one-time cost. The result would be to provide security for the Capitol building approximating that provided for the White House and for the office buildings (at least on the Senate side) similar to that at the Pentagon and State Department.

This cost should be viewed in the context of the $4.2 billion 5-year proposal for U.S. embassy security for which the House has already passed the Administration-requested authorization bill (H.R.4151) and for which the House Appropriations Committee has already approved (in the FY 86 Supplemental Appropriations bill pending in the House) the full $702 million requested by the Administration, which includes 595 additional personnel positions. The Senate Budget Committee's Budget Resolution included an assumption of an additional $1.6 billion for FY's 87, 88, and 89 for this embassy security program.

D. The Whips' Proposal: The basic plan is to provide strong protection of the Capitol building and immediate environs (from Constitution to Independence and First S.E./N.E. to First N.W./S.W.) against truck and car bombs, personal assault (from metal weapons and radiation), and terrorist attack and medium protection of the office buildings against the same threats (except for radiation), while *not* disrupting the basic work and traffic flow necessary to doing the business of the Congress and the people or creating any undue intrusions into liberty or privacy. In fact, the first component would dramatically reduce the intrusion of any security devices in the Capitol building itself, leaving there only magnetometer screening immediately before entry to the gallery.

I. Capitol Perimeter: Fence—Every security study done of the Capitol complex has recommended moving the line of defense outwards (Secret Service, Stanford Technology Corp. Security Draft Proposal, Ed Best). The only way to do this effectively is with a fence with reinforced barrier gates and a secondary ring of infrared and seismic sensors and CCTV cameras. This is the system that the White House uses, and this proposal envisions a fence, gates, kiosks, and sensors as used at the White House.

Visitors' Entrances—The proposal provides for 3 visitors' entrances on First Street along the fence line—one at Constitution Avenue, one at East Capitol Street, and one at Independence Avenue. Each visitors' entrance would have a kiosk large enough to hold 2 to 4 police, the screening machinery (2 magnetometers, 1 x-ray machine, and 2 radiation sensors), and several visitors. These 3 visitors' entrances would replace the 3 doors currently available to the public on the East front of the Capitol and would be open during the same public hours. The cost per visitors' kiosk would be approximately $250,000.

Five smaller kiosks (costing $120,000 apiece) would be located at the other drives around the complex (at Constitution and Independence on the plaza, at New Jersey on Constitution, and at the 2 drives (N.W. and S.W. Drives) on First Street on the West side). Three (other than those at N.W. and S.W. drives, which would function only on special occasions) would be used for admitting during working hours staff, press, lobbyists, and other regular Capitol building users with passes; deliveries; and persons with scheduled appointments in the Capitol

building. These persons could, of course, also enter the Capitol underground after being screened at an office building entrance. No one (except a Member) could enter the Capitol from underground without passing through a magnetometer and radiation sensor and having packages inspected or X-rayed.

Parking—Alternative 1: All daily parking would be removed from the plaza and drives (leadership Members' vehicles with drivers could still drive in and drop off the Member and drive out and then cars would be on immediate call 100 yards away outside the gate; visiting dignitaries would be handled similarly, with their vehicles carefully screened upon entry or previously by the Secret Service).

Alternative 2: Same except prescribed parking places would be assigned to "official cars" (those owned by the Government and assigned to officers of the Congress [1] Either alternative would displace about 850 cars and require substantial reallocation of parking spaces at the other available lots and garages—a bumping process would occur (there are about 250 additional spaces that could be made available on the Senate side and an unknown number on the House side to ameliorate the bumping). During evening sessions, in order to facilitate voting when Members are attending events away from the Hill, Members could drive up to the plaza entrances on Constitution and Independence Avenues and park their cars on those streets temporarily with police present to facilitate this process; another, not very practical alternative might be to permit such temporary night-time parking at the First Street ends of the plaza drives (inside the gate), but this would be far less effective for rushing Members since they would have to pass through security at the gates first.

With 850 vehicles coming and going in the plaza area daily, the current opportunity for planted explosives is enormous. All security experts agree that parking and vehicular traffic in this area is an enormous security gap.

II. Delivery Center; The present thinking is to try to obtain space at the nearby GSA Navy Yard Annex where contents of each delivery vehicle (for the Capitol Building) would be examined and the vehicle sealed and directed by appointment to its destination within the complex; efforts would be made to have most large deliveries done during non-business hours. A recent estimate showed an average of about 750 deliveries each to the Senate, House, and Capitol buildings per week, but most of these are not thought to be very large deliveries. Initially, screening would be restricted to Capitol building deliveries (consideration could be given later to expansion to House and Senate office building deliveries if the process was working smoothly). This delivery center approach should vastly reduce the possibility of a major explosion (especially at the Capitol building) produced by a vehicle laden with heavy explosives.

A new alternative, now also being studied, would be to use the area outside or at the end of the underground tunnel into the Hart building loading dock for the purpose of screening Capitol deliveries. This has a number of advantages: (1) it would be considerably cheaper since the structure is already there (could save perhaps $1.4 million); (2) it would permit experience to be gained with this screening without investing capital resources; (3) by increasing the number of officers in the loading dock area, the lax personnel security there (see below) would be improved; (4) it would save time for all concerned and allow more effective deployment of police personnel; (5) because of its proximity to the Capitol connected by tunnel, substantial deliveries could be unloaded in Hart and the number of delivery vehicles having to cross the Capitol building perimeter could thereby be minimized; and (6) it would not appreciably increase the bomb risk already present in the Hart garage/loading dock area.

III. Office Building Security: Garages—The concept here is to improve security although the result would be far less security than the Capitol itself because parking would remain in the garages and adjacent streets. Garage entrances would all have electronic delta barriers that would be raised during non-peak hours. Pedestrians would not be permitted to enter through driveways. All persons (including staff) except for Members entering the buildings from the Senate garages would have to pass through magnetometers and have packages X-rayed or inspected.

It should be noted that the Senate Hart building loading dock poses a major problem for personnel entering the office buildings from the dock. The current plan would be for there to be 2 screening points with magnetometers and one x-ray machine for all persons entering through the loading dock, for a plan to be developed for most deliveries (except perishables) to be left at the dock for entry by Senate employees, and for perishables and catering materials to be moved into the building by non-Senate personnel after passing through magnetometers.

All admissions to the loading dock should be pursuant to advance notice from the destination office, and name lists and I.D.'s should be used to screen delivery and catering personnel before initial entry to the locating dock area. Small delivery vehicles (such as press vans) could generally be redirected to the Russell loading dock to reduce the number of persons entering the buildings through the loading dock area. This troublesome security area needs considerably more attention in the final plan, but the problem of lack of personnel security could be alleviated if the alternative plan, (discussed under component II) for Capitol deliveries was instituted so they were screened at the Hart loading dock.

Building Entry—Staff entering Senate buildings would be subject to the same magnetometer screening as the public; the separate staff entrances would be maintained. Staff magnetometer screening if proposed for 4 reasons: (1) there is no security check for Congressional employees—background investigations cost $2,000 a piece and are of questionable value in screening out "security risks" and take 6-9 months to complete, and, in any event, there is no centralized authority to make a "security" decision; (2) staff passes are easily counterfeited; (3) a greater overall security awareness among staff, in itself, will contribute to enhanced security; and (4) packages, bags, and purses carried by staff are already opened and inspected upon entry.

IV. Bomb Detection: Enhanced bomb detection is needed as part of components II and III. In component II, delivery vehicles will be screened for explosives at the Delivery Center and, perhaps, at loading docks in the House and Senate office buildings. In component III, periodic screening of vehicles parked in the garage and on adjacent streets will be carried out selectively.

At present there are 12 canine teams (dog and handler). The proposal is to double the capacity. It should be noted that a new bomb detection device is under development by a Waltham, Mass., firm, Thermedics, Inc., which is working with the FAA and State Department. A demonstration was held for the Police and selected Congressional staff on April 15 (see the attached article), and the potential utility of the device is enormous. It is still at least a year away from initial production, however. Although no less expensive than the canine teams at least at first, this device could be far more effective.

V. Rectify Immediate Police Shortages: The Capitol Police with authorized strength of 1,227 (plus 30 security aides) currently have about 61 GRH post-sequester vacancies that cannot be filled and a shortfall of 34 officers due to added mandated posts not accounted for in the authorized strength (this factor is discussed below). In addition, according to the Chief, to meet the GRH sequester, he must furlough 90 officers and all overtime funds are exhausted for FY 86. (Overtime has always been the way that the Police force has been able to adapt to Congress' unpredictable schedule and unforeseen security problems raised by demonstrations, etc. No such flexibility or capacity exists now, a situation aggravated by the 95 "vacancies".) According to the Chief, Capitol security is less today than it was when he came a year ago. Given the nature of the threat today, this seems difficult to justify.

Hence, it is proposed to restore FY 86 funding ($2,435,000) for the Capitol Police functions related to police and security activities (not for service work). This breaks down as follows: Of the $2,435,000 ($1,431,660 for Senate personnel and $1,003,757 for House personnel), $854,000 is for salaries to continue the current level (avoiding the 90 furloughs), $600,000 is to fill the 61 current vacancies, and $981,000 is for projected overtime pay (based on historical data). (The enhanced personnel levels in the security enhancement proposal above assume that this staffing and overtime funding will be restored.)

The $2.4-million restoration assumes eliminating the following service functions currently carried out by the police (at least 25 staff years) that are not viewed by the Chief as needed from a security or police point of view:

Guarding the Senate Credit Union and House bank (2.4 staff years)—these facilities could reimburse the police out of their revenue for the full cost of maintaining this service if they wish to do so;

Guarding Cafeteria lines (.5 staff years)—let the Cafeteria provide this service;

Making computer tape runs and selective guarding of House stationery store (.3 staff years);

Guarding parking lots (except House Lot 6) other than during evening hours (9 staff years);

Escorting money runs internally (1 staff year);

Guarding House Information Systems Center (5 staff years);

Guarding child care center (1 staff year);

Watching Hart fire alarms (5 staff years)—asign to Superintendent's Office;

Providing non-security-related transport to Members (1 staff year);

Guarding committee hearings with more than one officer (staff years still being calculated).

[1] There are 45 such vehicles.

Rather than reduce the authorized police strength by 25 (to 1,202), it is proposed that these "non-essential functions" be eliminated and that they be offset against the 34 staff-year shortfall reported by the police due to added assignments. This shortfall is the result of years of accumulation of newly-mandated posts being supported by overtime pay without the authorized strength being increased. The Chief feels strongly that the 1,227 level is not adequate for current duties and that inside building patrols have been reduced unwisely in order to staff newly mandated posts.

The restoration of the $2,435,000 must be made as part of the FY 86 Supplemental Appropriations bill (which is now pending House action).

E. Process: This Capitol-Complex Security Enhancement proposal has been agreed to by Senator Dole and Senator Byrd and is under consideration by the House Joint Leadership. It has been discussed with the Chairmen and ranking minority members of the two Appropriations Committees and their Legislative Appropriations Subcommittees and with the Chairmen and ranking minority members of the Senate Rules and House Administration Committees (and the latter's Subcommittee on Personnel and Police) and with the Chairmen and ranking minority members of the House Public Works Committee's Subcommittee on Public Buildings and Grounds.

On behalf of himself, Senator Dole, Senator Cranston, and Senator Simpson, Senator Byrd will offer an amendment to the FY 86 Supplemental Appropriations Act during Senate Committee markup to add $13,022,000 to implement the security enhancement proposal (expenditure of these funds would be made contingent on the approval of a detailed plan by the Appropriations and the Rules and Administration Committees (and other Committees if necessary) and the funds would explicitly be made available for obligation until expended) and $2,435,000 to rectify immediate Police shortages by restoring funding for salaries and overtime for police/security-related functions of the Police cut in the FY 1986 budget and GRH sequester and to eliminate non-essential, service functions currently performed by the Police.

SUMMARY AND ROUGH COST ESTIMATE FOR CAPITOL-COMPLEX SECURITY ENHANCEMENT PROPOSAL

A. Capitol-complex security enhancement:	
I. Establish perimeter around Capitol—surrounding property from Independence to Constitution Aves. and First Street, SE./NE., to First Street, NW./SW.: [1]	
A. White-House-type [WHT] fence on top of exsting low wall [2]	$510,000 to $1,700,000
B. WHT hydraulic barrier gates (7 @ $350,000; 1 @ $750,000)	3,200,000
C. Visitor entrances (3 @ $250,000)	750,000
D. WHT police kiosks (5 @ $120,000)	600,000
E. Delta barriers (16 @ $20,000)	320,000
F. CCTV cameras (12 @ $10,000)	120,000
G. Infrared and seismic sensors	1,250,000
H. X-ray machines (8 @ $35,000)	280,000
I. Additional magnetometers (7 @ $4,000) (one to be used at Capitol Senate subway exit)	28,000
J. Radiation sensors (17 @ $9,000) (one to be used at Capitol Senate subway exit; one each at House subway and walkway entrances)	153,000
K. Recurring cost—additional personnel (40 @ $23,000)	920,000
L. Removed all regular parking from Capitol Plaza and drives (or, alternatively, permit parking for Government-owned vehicles of congressional officers); Member temporary parking permitted for evening sessions on Constitution and Independence Avenues or on 1st St. ends of drives (means displacing approximately 850 vehicles on both sides of Capitol) [1]	(4)
Subtotal for I	9,321,000
II. Establish Delivery Center—away from Capitol complex (costs very rough); current idea is to use GSA Navy Yard Annex 5 blocks away with appointment scheduling and most deliveries made in non-working hours. Best current workload estimate is roughly 750 deliveries each to House, Senate, and Capitol per week for a total of 2,250, but most of these are not large trucks; delivery center would start with Capitol deliveries only. Alternative of using Hart loading dock would save almost all of this cost. (Cost includes some construction of rudimentary structure and loading docks and 2 x-ray machines.)	1,500,000
Recurring cost—additional personnel (6 @ $23,000)	138,000
Subtotal for II	1,638,000
III. Enhance office building security:	
A. Delta Barriers (24 @ $20,000) for garage entrances—to be in down position during peak hours	480,000
B. Mylar film on all windows (explosion resistant)	373,000
C. Senate side only—Secure all exterior staff entrances to the Office Buildings with Magnetometers—all personnel except Members pass through magnetometers; persons with packages will be referred to x-ray machine-equipped entrances (9 magnetometers @ $4,000)	36,000
D. Senate side only—Secure all interior entrances from garages and Hart loading dock by eliminating some and limiting access hours of some—Hart-Dirksen garage would have two 24-hour pedestrian entrances; Russell would have one; Hart loading dock would have two magnetometers and one x-ray machine. Rough estimates follow:	
Magnetometers (7 @ $4,000)	28,000
X-ray machines (3 @ $35,000)	105,000
Recurring cost—personnel (27 @ $23,000)	621,000
Subtotal for III	1,643,000
IV. Enhance bomb detection:	
Recurring cost [3]—Twelve more canine teams (14 units @ $30,000 per unit; 12 officers, 12 dogs, one trainer, one sergeant). This component would be used in conjunction with components II and III	420,000
Subtotal for IV	420,000
Grand total	13,022,000
Breakdown for components I through IV:	
Non-recurring cost—construction and equipment	(10,923,000)
Recurring cost—personnel (87)	(2,099,000)

SUMMARY AND ROUGH COST ESTIMATE FOR CAPITOL-COMPLEX SECURITY ENHANCEMENT PROPOSAL—CONTINUED

B. Rectify immediate police shortages:

Restore funding for salaries and overtime for police/security-related functions of Capitol police cut in fiscal year 1986 budget and GRH sequester and eliminate nonessential functions currently performed by police 2,435,000

[1] The establishment of a Capitol perimeter may not be consistent with the Architect's $725,000 Capitol plaza proposal; that proposal, which is principally aesthetic with some enhanced security, should be put on hold until the future direction of this proposal is determined.

[2] Estimates have been provided of a cost ranging from $75 to $250 per linear foot, depending on a detailed survey of the existing low wall to determine necessary additional masonry work.

[3] Somewhat less recurring cost. Note.—At some point use of dogs may be able to be replaced with new bomb detectors now being developed for FAA and State Department, but they are likely to be no less expensive to procure and operate.

[4] Absorb administrative cost.

Mr. SIMPSON. Mr. President, may I just add for the benefit of the Senator from Arkansas that Senator CRANSTON and I were appointed by the leadership, by Senator BYRD and Senator DOLE, to pursue this. We have visited with the Senator from Arkansas as to what our duties have been, where we have developed the idea and how we come through with it. I want to say very swiftly we will have the necessary hearings.

It is a very puzzling concept for some. It was for Senator CRANSTON and me as we thought of a perimeter fence, and yet it would be eminently better than what we have now where the perimeter is the Capitol Building. It would free the Capitol Building for citizens and lobbyists and those who want to have access to us and should have access to us.

I just want the Senator to know I say I will work hard to schedule the appropriate hearings and share some executive committee hearings with our colleagues in the Senate as to the existing threats that continue to take place. I think they will startle some of our colleagues as to how prevalent they are.

I thank the Senator from Arkansas.

Mr. BUMPERS. I thank the Senator from Wyoming.

The PRESIDING OFFICER. The distinguished minority leader.

Mr. HATFIELD. Mr. President, will the Democratic leader yield for just a moment?

Mr. BYRD. Yes.

Mr. HATFIELD. Mr. President, now that the Senator from Arkansas has withdrawn that objection, that completes that committee amendment. Is that correct?

The PRESIDING OFFICER. The question is on agreeing on the fifth excepted committee amendment.

The amendment was agreed to.

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

Mr. CRANSTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, I ask unanimous consent to temporarily lay aside the next committee amendment so that the Democratic leader might be privileged then to offer an additional amendment.

The PRESIDING OFFICER. The Democratic leader is recognized.

Mr. METZENBAUM. I have no objection. We did not hear what the manager said. I could not hear him. He wants to lay aside?

Mr. HATFIELD. I asked unanimous consent to lay aside the next committee amendment regarding IRS regulations temporarily in order that the Democratic leader might be in a position to offer an amendment.

Mr. METZENBAUM. I have no objection.

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

The Democratic leader is recognized.

Mr. BYRD. Mr. President, I thank the Chair and I thank the distinguished Senator from Oregon [Mr. HATFIELD] and I also thank the distinguished Senator from Ohio [Mr. METZENBAUM].

AMENDMENT NO. 2017

(Purpose: To require the acceptance of an application from Preston County Board of Education, West Virginia, for disaster assistance under section 16 of the Act of September 23, 1950)

Mr. BYRD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD] proposes an amendment numbered 2017.

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

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

The amendment is as follows:

On page 74, after line 25, insert the following:

SEC. . Notwithstanding the notice relating to applications for pinpoint disaster assistance (43 Federal Register 57194 (1978)) or any other provision of Federal law or regulation, the Secretary of Education shall accept an application from Preston County Board of Education, West Virginia, under section 16 of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress) filed after the date of enactment of this Act.

Mr. BYRD. Mr. President, there are various items in this appropriations bill that will assist counties in West Virginia that were severely devastated in last November's flood.

Mr. President, I temporarily withdraw this amendment in the interest of getting it cleared with Senators.

The PRESIDING OFFICER. The amendment is withdrawn.

AMENDMENT NO. 2018

(Purpose: Relating to Library of Congress)

Mr. BYRD. Mr. President, I send another amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD], proposes amendment numered 2018.

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:

On page 59, line 23, strike out "$2,683,000" and insert in lieu thereof "$3,683,000".

On page 60, between lines 3 and 4, insert the following:

LIBRARY OF CONGRESS

SALARIES AND EXPENSES

For an additional amount for salaries and expenses under the headings "OTHER AGENCIES" and "LIBRARY OF CONGRESS", $1,000,000: *Provided*, That of such amount, $500,000 shall remain available until expended for the acquisition of books, periodicals, newspapers, and all other materials (including subscriptions for bibliographic services for the library).

Mr. BYRD. Mr. President, on March 24 of this year I spoke in this Chamber regarding the adverse effects of recent Gramm-Rudman budgetary cuts at the Library of Congress. I reported that for the first time since October 1898, the Library of Congress reading rooms are closed most evenings, forcing the largest library in the world to do what two world wars and the Great Depression could not—namely, to close its doors to a large segment of the public. I also noted the drastic reductions in services the Library was forced to make in other areas of its operations which impact on local libraries around the country, including those in the State of West Virginia.

The latter cuts have a direct impact on library services in all 50 States. Libraries have become increasingly dependent upon the Library of Congress for cataloging and other bibliographic information. In my own State of West

Virginia, 233 libraries subscribe to the bibliographic products issued by the Library. Over 20,000 other libraries in the United States suscribe to this service. The millions and millions of dollars saved by local libraries that use bibliographic information from the Library of Congress have made these funds available for other vital local library services.

In a recent letter I received from West Virginia Librarian, Frederic J. Glazer, he stated:

> I would hope that the Congress will not blindly follow recommendations which undermine the ability of the Library of Congress to be our national focal point for information, books, and, in essence, the finest library collection not only in the Nation but in the world as well.

Mr. President, if the Library of Congress does not have funds to purchase books, it cannot catalog them. As a result, the cataloging burden will then be shifted back on the libraries in the States.

The amendment I am offering would provide $1 million for the library of Congress to partially restore the cuts as follows: $500,000 for acquisition of books, periodicals, and newspapers; $160,000 for cataloging services; and $340,000 to allow the library of Congress to reopen the general reading rooms during evenings and on Sundays.

This latter provision is especially important to the many Americans who work 9 to 5 in jobs not related to their interests in the Library—and are finding it more and more difficult to utilize the vast depository of knowledge which contains over 81 million items on 535 miles of shelves.

Mr. President, on March 24, on the Senate floor, I expressed my hope that the Congress would have the vision to recognize what we have done, and to make the decisions and judgments necessary to enable the Library of Congress to renew the services it was providing until it and we collided with Gramm-Rudman. Now we have that chance.

Mr. President, when I addressed this body last March about the Library of Congress, I quoted Thomas Jefferson, who 200 years ago wrote: "The most important bill in our whole life code is that for the diffusion of knowledge among the people. No other sure foundation can be devised for the preservation of freedom and happiness."

This Nation, especially the Congress of the United States, has built a library in which Jefferson would have gloried. The Library of Congress has for over 186 years been a symbol of this Nation's commitment to the diffusion of knowledge and the right of its people to freely have access to the printed word. We, as the representatives of the people, can reassure the citizenry of our commitment to knowledge and learning by approving this amendment. In a small measure, we are telling the American people that we will not allow our Library to be diminished and we will continue to provide for this "sure foundation * * * for the preservation of freedom and happiness."

The amendment I offer includes an offset of $1 million in savings so that it is revenue neutral.

The offset comes from the rescission in funds that have previously been appropriated for the west front of the Capitol. The Architect of the Capitol has indicated that the funds that were appropriated are in excess of those that are needed and, therefore, I am offering to utilize $1 million of the west front funds for the Library of Congress to partially restore the cuts.

As I say, there is as follows: $500,000 for acquisition of books, periodicals, and newspapers; $160,000 for cataloging services; and $340,000 to allow the Library of Congress to reopen the general reading rooms during evenings and on Sundays. This latter provision is, as I have stated, especially important to the many Americans who work from 9 to 5 in jobs not related to their interest in the Library and they are finding it more and more difficult to utilize the vast depository of knowledge which contains over 81 million items on 535 miles of shelf.

Mr. President, I have discussed this amendment with the distinguished chairman of the Appropriations Committee and the distinguished chairman of the Appropriations Subcommittee that has jurisdiction and I hope that they will be in a position with the ranking member on this side of the aisle, Mr. JOHNSTON, to accept the amendment.

(Mr. TRIBLE assumed the chair.)

Mr. HATFIELD. Mr. President, if the Senator will yield, I affirm the Senator's description of our response to his proposed amendment and that it is acceptable to the manager of the bill on this side of the aisle and to the subcommittee chairman who has jurisdiction in this matter.

□ 2100

Mr. JOHNSTON. Mr. President, we very enthusiastically accept this amendment. It solves a really difficult problem, an unnecessary problem, I think. I congratulate the distinguished Democratic leader.

Mr. BYRD. I thank both managers, Mr. President.

The PRESIDING OFFICER. Is there further debate?

Mr. GRAMM. Mr. President, I do not want to try to beat a dead horse here, so I am not going to ask for a vote on this amendment. But I would like to make one simple point, and that is, under the Gramm-Rudman-Hollings Act, we had an across-the-board cut. The Library of Congress was not asked to take any more or any less of a cut than anybody else. They have ongoing projects going on all over the world.

But what they were able to do was to be very clever in their use of their publicity that related to the cut and to deny services by shutting down the Library early. As a result, they generated tremendous publicity and we are, in turn, applying the oil where the squeak is coming from on the wheel.

The truth is, there are probably hundreds of accounts of the Federal Government that are more deserving of restoration than this one. But this one is getting restored because they were very clever in focusing the pain of the cut so that it impacted in a very public manner.

So I am not going to object to the money. It obviously has been done in a correct way. We are making a rescission from funds to restore the west front of the Capitol. I am assuming we can do that without leaving these cranes out here any longer than we have to.

But I think I would be remiss if I did not remark that the problem here is not with the Budget Act, which has been perfectly complied with. But here we are rewarding an agency of the Government that has been very vocal in its criticism of our effort to bring spending under control and has managed to be sure that there was a loud squeak.

And I would say that, while I use the Library of Congress and my children use the Library of Congress, it is probably true that the people reading in the reading rooms of the Library of Congress have an average per capita income three or four times the national average. I just simply could not let this amendment pass without pointing out that there are probably many other areas of Government more deserving that have not had the genius in using the publicity that the Director of Library has, and I congratulate him on it.

Mr. BYRD. Mr. President, I certainly would not attempt to defend the Director of the Library of Congress in having selected this particular area of operations. I think the distinguished Senator from Texas makes a good point. The fact is, however, the Director did make this selection and it was not a wise selection in my judgment or in the distinguished Senator's judgment. But those who are suffering the cuts had nothing to do with the selection.

We have provided, as the distinguished Senator from Texas has indicated, the proper offset so that the amendment is revenue-neutral. At least it will rectify the wrongs that have been perpetrated on the innocent people who have to depend on the Library services there and also throughout the country in various other li-

braries that are connected with the Library of Congress and make their subscriptions to it for services.

I thank the distinguished Senator from Texas for not opposing the amendment. I appreciate what he has said, and I hope that the Senate will adopt the amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from West Virginia [Mr. BYRD].

The amendment (No. 2018) was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2017

Mr. BYRD. Mr. President, if I might call up again my previous amendment, which was stated by the clerk.

I ask unanimous consent that the pending committee amendment continue to be laid aside so that I might have this amendment considered by the Senate.

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

Mr. BYRD. Mr. President, last November, West Virginia was hard hit by floods. Twenty-nine of West Virginia's 55 counties were declared disaster areas. One of those counties was Preston County.

The Rowlesburg School in Preston County was destroyed by those flood waters. County school officials have been working to acquire temporary facilities, and to replace books and equipment, and assistance has been received from the Department of Education for this purpose. Unfortunately, the 90-day time period set by U.S. Department of Education regulation for the submission of an application for disaster assistance for permanent facilities has expired.

My amendment will allow the Preston County Board of Education to submit an application to the Department of Education for disaster assistance without regard to the deadline.

There is no question but that Preston County is entitled to disaster moneys from the Department of Education nor is there any question as to the need for the replacement of the school that was lost. This was well-documented in November when the Federal Emergency Management Agency responded to the disaster in West Virginia, and the eligibility of Preston County schools is not questioned by the U.S. Department of Education. Further, my amendment has the support of the Department of Education.

I hope that the managers of the bill will accept my amendment.

Mr. WEICKER. Mr. President, I urge adoption of the amendment. It is meritorious. There is no cost. What is involved here is correct.

Mr. JOHNSTON. Mr. President, the amendment has been cleared on this side. It is a special circumstance and it is an appropriate amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from West Virginia [Mr. BYRD].

The amendment (No. 2017) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I thank the distinguished chairman of the committee and the distinguished ranking member, and I also thank Mr. WEICKER, the chairman of the subcommittee.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, we are waiting the return of the conferees on committee amendment No. 2. We have completed all the other committee amendments with the exception of one relating to IRS regulations. The author of that amendment has been sent for and, as soon as he arrives on the floor, we will proceed with that. In the meantime, if there are any other amendments to be offered by Members, I could temporarily lay aside the committee amendment and move to other amendments for consideration.

Mr. President, I ask unanimous consent to temporarily lay aside the next committee amendment in order that the Senator from Wisconsin may offer an amendment.

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

The Senator from Wisconsin.

AMENDMENT NO. 2019

(Purpose: To restore the honoraria limit to 30 percent)

Mr. PROXIMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. PROXIMIRE] proposes an amendment numbered 2019.

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

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

The amendment reads as follows:

At the appropriate place add the following:

SEC. . Notwithstanding any other provision of this Act, effective on and after January 1, 1987, section 908(b) of the Act entitled "An Act making supplemental appropriations for the fiscal year ending September 30, 1983, and for other purposes" (97 Stat. 337; 2 U.S.C. 31-1), is amended by striking out "40 percent" each place it appears in paragraphs (1) and (2) and inserting in lieu thereof "30 percent".

Mr. HATFIELD. Mr. President, I raise a point of order that the amendment constitutes legislation on an appropriations bill.

Mr. PROXIMIRE. Mr. President, may I speak on that point of order?

The PRESIDING OFFICER. That is not debatable. There being no House legislative language to which the amendment could be germane, the Chair rules the amendment is legislation on an appropriations bill and, therefore, the point of order is sustained.

Mr. PROXMIRE. Mr. President, I appeal the ruling of the Chair and I am going to ask for a rollcall vote when we get more Senators on the floor. Meanwhile, I understand I have a right to speak on my appeal.

The PRESIDING OFFICER. That is correct.

Mr. JOHNSTON. Mr. President, I move to lay the appeal on the table.

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

Mr. PROXMIRE. Mr. President, would my good friend, the acting minority leader, at least let me speak on this amendment? Does that nod indicate he will?

The PRESIDING OFFICER. The Senator from Wisconsin does have the floor.

Mr. JOHNSTON. Mr. President, I do not believe I was recognized. In any event, I will withhold.

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

Mr. PROXMIRE. Mr. President, I appreciate the statement of my good friend from Louisiana.

Mr. President, what this amendment does is to bring the cap on honoraria and similar outside compensation paid to Senators back to the 30 percent of the Senate salary of $75,100 that was in effect prior to this year.

My amendment would limit total Senate salary and honoraria to about $97,500 annually. Get that—$97,500 Senators would be allowed to earn. Without my amendment, this compensation would go to $105,000.

This amendment would not reimpose the 30-percent limitation until January 1, 1987. The limit on outside income for Senators in this year—1986—would remain at 40 percent.

Mr. President, there are two reasons why this Senator is offering this amendment and intends to ask for a rollcall vote on it. First, the Senate increased this opportunity for Senators to earn more outside honorarium

income last year in the confusing rush of the closing days of the session. This Senator tried to secure an opportunity for the Members of the Senate to vote on this compensation cap when the appropriations bill containing it came to the floor. I was told by the Senate parliamentarian that there was no way I could do it. This is the first logical opportunity for Senators to decide whether this increase in outside compensation is right or wrong.

Mr. President, why is it wrong for the Senate to increase its outside compensation from $22,530 per year to $30,040 per year? It is wrong because this honorarium income frequently comes from groups that have a specific pecuniary interest in matters that are within the authority of the Senator who receives the honoraria.

Senators typically receive $1,000 or $1,500 or $2,000 for a single appearance, to speak before such a group. A Senator—and this happens quite often—may simply have a brief breakfast or lunch with a small group and depart with $2,000 of personal income. The lower limit—that is, the limit of 30 percent instead of 40 percent—is important for another reason. The higher the limit on the amount Senators are allowed to earn in such income the more likely it will be for the Senator to accept speeches and compensation from groups that have in appearance or reality an obvious interest in securing the support of the Senator for their own gain. The lower limit will require the Senator to pick and choose the group before which he will appear for compensation. The Senator knows he must report and identify the groups that compensate him. If he is more closely limited in the amount he can receive he will be more likely to pass up the groups whose legislative interest is most conspicuous.

Mr. President, of all the branches of our Government only Congress permits its top policymakers to earn outside honoraria. In the executive branch, no top policymaker is permitted to receive outside compensation from persons with a financial interest in the policies an executive policymaker administers. Suppose the Attorney General accepted an honorarium from a firm that had an interest in the enforcement of the antitrust laws, or suppose the Secretary of Housing and Urban Development earned thousands of dollars from speeches to Housing Trade Associations. Cabinet officers who received such compensation would find themselves hailed before congressional committees and, of course, they should be. The scandals would be front page and TV prime time news.

In the judicial branch of our Government, judges are explicitly proscribed from earning any honoraria by speaking to outside groups. For them to earn thousands of dollars by speeches to groups that may have cases pending before them in court would be blatant corruption, and we would all recognize it.

So how about Members of the Congress? Many of us earn thousands of dollars a year in these speeches before groups that have a direct interest in the legislation we act on. Our compensation for these outside speeches has one saving grace. At least we limit the amount any Member of Congress can earn in the course of a year and the amount of compensation that a Member can earn from each speech. We limit the amount to a fraction of the salary we receive as Members of the Congress.

Mr. President, that is a significant limitation. Until last year we provided that outside interests could not hire us for such purposes as speeches and in aggregate pay more than 30 percent of the compensation we receive from the taxpayers for performing our duty as public servants.

What happened recently when the House of Representatives tried to increase its limit on honoraria to match that of the Senate? On April 22, the House quietly passed a resolution raising the percentage of honoraria which Members could retain from 30 to 40 percent. It passed without a vote on the House floor. But how long did this increase last? Exactly 1 day. On April 23, the House reversed itself and voted 333-68 to reimpose the 30-percent limit. That is a vote of better than 4 to 1.

So of our three branches of Government only the Congress permits its top policymaking officials to regularly accept pay from groups that have a special interest in public policies under its power and jurisdiction. And in the Congress the Senate stands alone, getting the biggest grab of special interest money of all.

The House has promptly and overwhelmingly rejected the 40 percent limit. It has returned to the 30 percent cap. My amendment would bring the Senate back into conformance with the House as well as back to the limitation established for the Senate before late last year.

How did the increase in honoraria get passed into law in the first place? It found its way into this continuing resolution last year. How it did so is a story in itself.

Hidden away in the Senate bill was a little provision which limited the types of outside income House Members could accept. This little provision, adopted without a vote, turned out to be a ticking time bomb.

After the Senate passed its bill, conferees met with the House to resolve the differences between the two bills. Some of the conferees met and transformed this little provision—which put a limit on House members—into something entirely different.

It became an increase in honoraria for Senators. The House got a provision which removed a constitutional glitch from Federal pay laws and which will make it easier to pass a future pay raise for Members of Congress.

When word of this deal leaked out, the House defeated the conference report on the spending bill. In part, they did so in a revolt against this very provision.

So the House and Senate met in conference once again. This time I raised the issue in the conference but lost by a vote of 7 to 5. The conference committee was careful to tie up all loose ends so the Senate as a whole could not vote on this issue. We never have voted on this increase. The only way to get at it would have been to defeat the entire bill, and risk shutting down most of the Federal Government.

Talk about a case study of twisted legislative procedure. Some aspiring political scientist could write a good thesis on this one provision. Voters, especially, would find it interesting.

Finally, the most forlorn and empty plea we get from Senators who want to lift the cap to bring in additional $7,510 for each Senator per year by going from the $22,530 limit to the $30,040 limit is that they cannot get along without the additional money.

Just this afternoon and this evening a number of Senators have talked to me and said, "Prox, there is no way we can make it without getting that extra honoraria."

Mr. President I challenge any Senator who feels this way to explain that to his constituents. Senators earn $75,100 annually in salary. They can earn an additional $22,530 with the old 30 percent cap in honoraria income. That comes out to a handsome $97,630 annual compensation. When we raise the cap to $30,040 (or 40 percent of our Senate salary), we bring total compensation above six figures to $105,140. Mr. President is $97,630 a reasonable level of income for a Senator? Can we get along on that? Do we really need that extra $7,510? How does this level of compensation compared with the income of the taxpayers who pay our salaries? The answer is that we are an elite, not just a power elite, or a prestige elite. We are an economic elite. We make more in compensation including $22,500 for honorarium rewarded speeches at $97,500—the old cap—than 98 percent of the taxpayers who pay our salaries and all the expenses that go with our salaries. We earn almost twice as much as the average lawyer. In fact, with the exception of medical doctors there is no profession, no matter how high the skill required or how protracted the training period that pays

anything near $97,500. Experienced senior private attorneys in the major corporations average $88,000, senior engineers with supervisory responsibility average $76,000; the highest category of economists earn $52,000; the top 10 percent of systems analysts make $45,000; the average systems analyst salary is $35,000. The 10 percent in the highest category of physicists make $43,000 annually.

Mr. President all of us know the nonmonetary rewards in this business of being a United States Senator greatly exceed the monetary compensation. But at $75,000 in basic salary plus $22,500 in potential honorarium for a total of $97,500 income we are doing just fine economically.

□ 2120

Do we really need another $7,500? With lobbying groups paying up to 40 percent of our salary would the acrid odor of corruption emanating from those special interest appearances begin to dim the integrity of the Senate? The House obviously thought so. They swiftly repudiated the Senate postion for themselves. The Senate can do likewise by voting for this amendment.

Mr. President, why am I offering this amendment on an appropriations bill? Because the Senate has traditionally dealt with the honoraria issue on appropriations bills.

In 1983, our late colleague, Senator Henry Jackson offered an amendment to another supplemental appropriations bill which established the 30 percent limit on honoraria. This amendment passed the Senate and ultimately became the law of the land.

Then, last year, when considering the conference report on a continuing resolution appropriations bill, we amended Senator Jackson's limit to increase it from 30 to 40 percent. Once again, we acted on an appropriations bill. But this time the Senate as a whole was denied a vote on this issue as I have explained.

Under these circumstances, it is appropriate for the Senate to deal with this issue, once again, on a supplemental appropriations bill. Let us be consistent on this issue.

Mr. President, as I say, I intend to ask for a rollcall whether there is a motion to table my amendment or whether we have an up or down vote on it. I yield the floor.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, did I understand the Chair to rule that the amendment of the Senator from Wisconsin is not germane?

The PRESIDING OFFICER. The Chair ruled that the amendment is legislation on an appropriations bill.

Mr. STEVENS. Mr. President, everything that the Senator has said is, in my judgment, not germane to this bill. The Senator's amendment would effectively change the rules of the Senate, as I understand it, and this is an appropriations bill. I move to table the Senator's appeal of the ruling of the Chair and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the appeal of the ruling of the Chair by the Senator from Wisconsin. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Florida [Mrs. HAWKINS] is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Illinois [Mr. DIXON] is necessarily absent.

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

The result was announced—yeas 68, nays 30, as follows:

[Rollcall Vote No. 114 Leg.]

YEAS—68

Abdnor	Goldwater	Mitchell
Armstrong	Gore	Moynihan
Baucus	Gorton	Murkowski
Bentsen	Gramm	Nunn
Biden	Hart	Packwood
Boschwitz	Hatch	Quayle
Byrd	Hatfield	Rockefeller
Chafee	Hecht	Roth
Chiles	Heinz	Rudman
Cochran	Hollings	Sasser
Cohen	Humphrey	Simon
Cranston	Inouye	Simpson
D'Amato	Johnston	Stafford
Danforth	Kennedy	Stennis
Denton	Kerry	Stevens
Dodd	Laxalt	Symms
Dole	Long	Thurmond
Domenici	Lugar	Trible
Durenberger	Mathias	Wallop
Eagleton	Matsunaga	Warner
Evans	McClure	Weicker
Garn	McConnell	Wilson
Glenn	Melcher	

NAYS—30

Andrews	Grassley	Metzenbaum
Bingaman	Harkin	Nickles
Boren	Heflin	Pell
Bradley	Helms	Pressler
Bumpers	Kassebaum	Proxmire
Burdick	Kasten	Pryor
DeConcini	Lautenberg	Riegle
East	Leahy	Sarbanes
Exon	Levin	Specter
Ford	Mattingly	Zorinsky

NOT VOTING—2

Dixon	Hawkins

So the motion to lay on the table was agreed to.

□ 2140

Mr. JOHNSTON. Mr. President, I move to reconsider the vote by which the motion was agreed to.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Democratic leader.

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

The PRESIDING OFFICER. The Senate is not in order. Senators are asked to take their seats.

The Democratic leader.

Mr. BYRD. Mr. President, I have sought recognition at this time to inquire of the distinguished majority leader and/or the distinguished chairman of the Appropriations Committee and the ranking manager as to what the program is for the rest of the evening and tomorrow.

Mr. DOLE. Mr. President, if the distinguished minority leader will yield, I am advised by the chairman of the Appropriations Committee, Senator HATFIELD, that he would like to continue for another couple of hours and during that time ask Members who are pondering amendments to indicate if they intend to offer their amendments so that we might have a list, hopefully by 11 o'clock, on each side and then see if we can reach some agreement at about that time that no other amendments would be in order on tomorrow.

So we are hoping that Members on each side, if they feel compelled to offer amendments, will let us know how many amendments and what the amendments do. Then as I understand the chairman and distinguished Senator from Louisiana [Mr. JOHNSTON] could maybe propound a unanimous-consent request later in the evening.

Do I properly reflect that?

Mr. HATFIELD. If the Senator will yield, that is correct. That is our expectation. Following the patterns of previous years, we have found that frequently in the later hours of the evening Senators seem less enthusiastic about offering amendments. As we indicated earlier, we are hopeful that will begin to happen soon and that perhaps by 1 or 2 o'clock we will have completed the entire bill because half the 35 amendments that are now indicated to us as amendments expected to be offered will not be offered.

But I do want to say this to the body, that we are running out of money by the day in various and sundry agencies. We now have about five agencies of Government that are in desperate need of funds. We still have to go to conference with the House. So that those moneys continue to expire in these programs. I know that the Senators are anxious to get out for the weekend and I am very hopeful we would finish this bill tonight. If not, it may go to 2, 3, 4, 5 o'clock in the afternoon tomorrow. But we have to finish it either late tonight or tomorrow in order to get to conference next week to expedite the finalization of this supplemental appropriation.

Mr. BYRD addressed the Chair.

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

Mr. BYRD. Would the distinguished majority leader indicate, or perhaps the managers of the bill could indicate, what the status of the dispute is between the Armed Services Committee and the Appropriations Committee as of now?

Mr. DOLE. As I understand, it is very neatly resolved.

Mr. HATFIELD. Mr. President, the majority leader is correct. We have two committee amendments left. The amendment dealing with the Armed Services Committee and the Appropriations Subcommittee on Defense are within a moment or two of reaching an agreement. Once that agreement is reached, then we will act upon that committee amendment. We are going to take up the next committee amendment being offered by the Senator from Ohio [Mr. METZENBAUM]. That should be handled quickly, hopefully, and then we will move to the 35 independent amendments. And there are a number of those we will take, a number of those we will reject, and a number I hope will be brought down so that maybe that 35 can shrink rather rapidly.

□ 2150

Mr. BYRD. If I could impose upon the patience of the Senator a moment longer, I ask the distinguished majority leader what would be the program for tomorrow in the event the supplemental appropriations bill were disposed of this evening. Would there be rollcall votes on tomorrow?

Mr. DOLE. Let me suggest that if we complete action on this matter in the next couple of hours, we would not have a session tomorrow.

Mr. BYRD. Did I hear——

Mr. DOLE. We would not be in session on Friday. We would want everybody to study the tax bill tomorrow. [Laughter.]

Mr. BYRD. If I correctly understand the distinguished manager of the bill, he is indicating that he would like to have an understanding as to what amendments remain to be called up this evening, and he would like to know this from both sides within the next 30 minutes or hour. Am I correct?

Mr. HATFIELD. The Senator is correct.

Mr. BYRD. I thank the majority leader and the Senator from Oregon.

(The following occurred later:)

Mr. HATFIELD. Mr. President, will the Senator yield for a moment in order to comply with the unanimous-consent agreement that was made on the timeframe for the committee to report back to the floor by 10 o'clock that we might take their matter without the Senator losing his right to the floor?

Mr. METZENBAUM. I certainly will.

Mr. HATFIELD. I thank the Senator from Ohio.

I wonder if the Senator from Alaska is in position to make a report to the floor as to the situation relating to the amendment that was to be reported back to the floor by 10 o'clock?

Mr. STEVENS. Mr. President, I might reply to our distinguished chairman by stating that the members of the Armed Services Committee are in a conference now reviewing a compromise proposal which does have the approval of the Appropriations Committee with one exception. We have told them we will not accept one portion of that proposal and we are waiting their response.

I urge the chairman to give the Armed Services Committee about another 30 minutes.

Mr. HATFIELD. I thank the Senator from Alaska.

Mr. President, I do now then propound the unanimous-consent request that the Committee on Armed Services and the Subcommittee on Defense of the Appropriations Committee be given an additional one-half hour to reach a compromise on committee amendment No. 2.

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

I suggest, Mr. President, that this appear at the end of his speech so as not to interrupt in the RECORD.

Mr. METZENBAUM. I thank the Senator.

(Conclusion of late proceedings.)

SIXTH EXCEPTED COMMITTEE AMENDMENT (RELATING TO IRS)

Mr. HATFIELD. Mr. President, I ask that the Chair lay before the Senate the next committee amendment.

The PRESIDING OFFICER. The amendment will be stated.

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

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

The committee amendment is as follows:

Lines 1 through 5 on page 65 of the reported amendment beginning on page 64, after line 21, though line 20 on page 65, are excepted, as follows:

SECTION 4. None of the funds appropriated by this Act or any other Act shall be used to implement Temporary Internal Revenue Service Regulation section 1.274-5T or section 1.274-6T or any other regulation issued reaching the same result as, or a result to, such temporary regulations.

Mr. GOLDWATER. Mr. President, may we have order?

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

The PRESIDING OFFICER. The Senator will suspend. The Senate is not in order.

Mr. ABDNOR. Mr. President, will the Senator yield?

Mr. HATFIELD. Mr. President, in requesting that reading of the amendment be dispensed with, may I state that the committee amendment bars temporary IRS regulations dealing with recordkeeping requirements. The Senator from Ohio will speak on that.

Mr. ABDNOR. Mr. President, I cannot hear. What is he requesting?

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. METZENBAUM. Mr. President, I would like the attention of my colleagues on this amendment, because what we have before us this evening is a committee amendment that is a sleeper. But I am frank to say that it is not a sleeper intended by the managers. It is in the bill, and no one is certain how it got there, although it is now my understanding that the Senator from South Dakota claims the authorship.

It is an amendment that costs $1.1 billion. That figure is supported by the Joint Committee on Taxation, and I will be happy to report the details of that in a moment.

As a matter of fact, I will say to my colleagues at this point that there is no question that this amendment, the committee amendment, is subject to section 311, as amended by Gramm-Rudman, a point of order. But before we get into that issue, let me explain what it is all about.

In 1984, we attempted to prevent abuses by doctors, lawyers, and business executives writing off their use of cars as a business expense. But there was an uproar from many businessmen who legitimately use their cars for business, so we compromised, and we partially repealed the law.

The amendment before us would cost $1.1 billion—$1.1 billion—because it would provide a failure to have the necessary compliance.

The Joint Committee on Taxation wrote as follows:

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON TAXATION,
Washington, DC, June 5, 1986.

Hon. HOWARD M. METZENBAUM,
United States Senate,
Washington, DC.

DEAR SENATOR METZENBAUM: This is in further response to your request dated May 20, 1986. The request relates to the provision of the urgent supplemental appropriations bill that would apply section 274(d) of the Internal Revenue Code (relating to automobile recordkeeping) without regard to temporary regulations sections 1.274-5T or 1.274-6T.

It is our understanding that the intent of this provision is to prohibit the IRS from enforcing the provisions of the 1985 Act that require that specified information be maintained by taxpayers and supplied on tax returns. It is estimated that this provision would reduce revenues by $1.1 billion over the fiscal years 1986 through 1991. There is a definite revenue reduction in fiscal year 1986 of less than $50 million; the revenue reduction for fiscal years 1987 through 1991 is $0.2 billion per year.

Please contact me if I can be of further assistance.

Sincerely,

DAVID H. BROCKWAY.

Let me explain how we got to the point we are at.

In the Deficit Reduction Act of 1984, Congress imposed a new recordkeeping requirement on taxpayers as part of an approved compliance measure. It required taxpayers to maintain adequate contemporaneous records to substantiate deductions for business use of automobiles, computers, and other equipment. In May 1985, Congress repealed this requirement in H.R. 1869.

The conference report accompanying that measure clearly stated that it was the intention of Congress that the IRS amend its regulations to delete any requirement for contemporaneous recordkeeping. At the same time, the conferees stated that different types of evidence carry different degrees of probitive value.

In addition, the conferees adopted a provision that requires taxpayers to supply information with their returns so that the IRS can make a preliminary determination of the appropriateness of the claimed deduction. These principles are clearly contained in the existing IRS regulations which were published on November 6, 1985, nearly 7 months ago.

Congress did not intend that this measure would increase the budget deficit. To pay for the nearly $900 million price tag of that bill, we loosened up the compliance provisions. Congress imposed the limitations on deductions and credits available for businesses that use luxury cars. This provision was intended to make up for the loss in revenue.

However, Mr. President, the bill before us prohibits the IRS from using any funds from this or any other act to implement this new regulation. These regulations include special favorable treatment for farmers and special safe harbor rules for vehicles that are never used for personal purposes. They exempt police and fire vehicles, ambulances, cherry pickers, dump trucks, fork lifts, school buses, moving vans, and many other vehicles.

What does the committee amendment do to these exemptions? Since they did not exist in the regulations that were in effect prior to 1984, they are overruled.

The exemptions for farmers—and I must say to my colleague from South Dakota that I have great difficulty in understanding how you can propose to prohibit the imposition of regulations that will help farmers, that will help with respect to police vehicles and with respect to ambulances, but in this committee amendment you are doing exactly that.

□ 2200

Perhaps that is not what the authors of this amendment intended, but that is what the committee amendment does.

What about the principle that repealing the contemporaneous recordkeeping requirement should not increase the budget?

What about the principle that repealing the contemporaneous recordkeeping requirement should not increase the budget deficit?

As I have already stated, this committee amendment will cost the Treasury $1.1 billion.

What an absurdity it is for us to be putting through an amendment to tell the Treasury that their regulations cannot be enforced. What kind of a body are we?

What earthly reason could there be for us to do that?

Mr. JOHNSTON. Mr. President, will the Senator yield for a question?

Mr. METZENBAUM. I certainly do.

Mr. JOHNSTON. Do I remember this correctly that we had this matter up, compromised it a couple of years ago, and provided that you cannot in effect write off the luxury cars, the Rolls-Royces, but it does not affect the Chevrolets and the other automobiles; am I right?

Mr. METZENBAUM. The Senator is 100 percent correct. As a matter of fact, the Senator from Ohio is prepared to admit that on this issue my position was not sustained and the Senate worked its will and came to the conclusion that they wanted to just zero in on the luxury cars. They did zero in on the luxury cars. Then the IRS issued the regulations and now what this amendment does is it vitiates, it eliminates those regulations.

Mr. JOHNSTON. Does the Senator remember how a luxury car is defined?

Mr. METZENBAUM. I am not certain that I do. But I am certain that we can find that information before the session this evening ends.

Mr. JOHNSTON. Do I remember that this does not cover even the super Oldsmobile and the big Buick and it does not cover those? It just covers the Rolls-Royce and the Mercedes Benz 380 or 500, or whatever it is, and maybe the Jaguar and some of those? Do I remember that correctly?

Mr. METZENBAUM. The Senator is, to the best of my understanding, correct.

If I have further information before the debate ends on this, I will respond to him. But he is correct in the thrust of his query, and that is that the Senate determined a few years ago only to zero in on the luxury cars and not to affect the average driver who uses his car for business as a Ford or Chevrolet and Buick or whatever.

Mr. JOHNSTON. So as a practical matter, if we approve the amendment of the Senator from Ohio, the chances are that not anybody who is worth less than a million dollars a year or probably $5 million a year, is going to have to pay a cent more. This is really an amendment, which the Senator is correct we did not know anything about in the Appropriations Committee, for the richest of the rich, the creme de la creme, the superwealthy, the Rolls-Royce owners of this world. Am I correct on that?

Mr. METZENBAUM. Yes, and a little bit no.

There were two issues. One had to do with recordkeeping. The other had to do with the use of business cars for individual purposes. The issue about which we are speaking this evening has more to do with the latter than the former.

The Senator from Louisiana is correct. We had that issue on the floor. I think it was considered at a separate point from this amendment, but this amendment has to do with the corporations, the business cars that are used for personal purposes, and there is a requirement that the IRS has that they somehow separate that use.

We in the Senate concluded that that was the thing that they should do now by this regulation. By this proposal we would knock out the regulations that they have put into effect to implement it and in doing so we would also knock out the regulations that would protect the farmers of this country so that they would not be bothered with this type of recordkeeping. We would knock out the regulations with respect to police vehicles so they would not be bothered. We would knock out the regulations with respect to the ambulances and they would not be covered. And as a consequence the farmers and those who use police vehicles partially for personal purposes and partially for official business and those who use ambulances in the same manner would be hurt if the committee amendment is adopted.

Mr. ABDNOR. Mr. President, if the Senator will yield, I would like to set the record straight before we go too far with this, if I might.

Mr. METZENBAUM. Certainly.

Mr. ABDNOR. I had an amendment drafted by the legislative counsel. I specifically told them I only wanted to eliminate the recordkeeping. I did not touch depreciation. I did not touch investment tax credits or any other provisions.

Obviously, one of us must be wrong and maybe the Senator overlooked my amendment because the record clearly shows in the report language that I am only addressing vehicle recordkeeping.

Mr. METZENBAUM. The Senator from South Dakota and I are not in disagreement on that. He is correct that it has to do with the recordkeeping and we are not addressing ourselves to the issue of depreciation.

I was responding to the question of the Senator from Louisiana.

Mr. President, if I may conclude, there is not any logical reason for us

to be on the floor this evening accepting a committee amendment that is going to cost $1.1 billion.

Since it is subject to the point of order, I will at an appropriate time and after my colleague from South Dakota has an opportunity to be heard, hopefully the chairman of the Budget Committee has an opportunity to be heard, the managers of the bill and anyone else who wishes to be heard, at a proper time I will raise a point of order under section 311, as amended by the Gramm-Rudman Act.

The PRESIDING OFFICER. Is there further debate?

The Senator from South Dakota.

Mr. ABDNOR. Mr. President, my amendment that the Senator from Ohio was referring to simply reinstates the regulations which were in effect prior to the enactment of the Tax Reform Act of 1984.

The report language pertaining to this amendment makes it clear that logbooks are to become a thing of the past. However, taxpayers will still be required to substantiate the deductions they claim. That has always been the law.

But we should make it clear that instead of having to keep a detailed logbook in the precise manner dictated by the IRS, taxpayers should be able to do what is most reasonable for them, given their individual circumstances.

Maybe I have more trust in people than the Senator from Ohio. I used to do income tax and I know people. Maybe it is different in South Dakota than it is in Ohio.

But I think if you want to cheat you can cheat just as easily under the new IRS regulations as the old ones which I'm attempting to reinstate simply by misreporting what you did or juggling your logbook.

If any of you have ever tried to keep your own expenses while traveling on the road during your congressional work back home, you know how easy it is to slip up. And what do you do if your wife gets in the car and buys some groceries when you go downtown? Can you only count half the miles as business use instead of all the miles?

□ 2210

That is the kind of thing we are talking about. Is that what you want to burden the taxpayer with?

I am going to tell you something. You can give me five pencils and by the end of the month I could put enough fake figures down in my logbook that neither you nor anyone else could prove that I was cheating. I happen to know enough about people that if you put them to the task, and make these rules difficult enough, they will only make darn sure that they cheat you with no conscience whatsoever.

So I think it is pretty ridiculous that apparently some congressional staff people have decided that by forcing American taxpayers to keep these very detailed records on the vehicles they use in their businesses or on their farms or other places that we are going to turn a nation of tax cheats into honest American taxpayers. In fact, the committee staff has told my office that they assume, on average, a typical American is overstating vehicle deductions by 22 percent. In other words, that the typical American cheats by 22 percent.

Well, I have news for those that think we are a nation of cheats. I just don't think we are. And I am just as interested in seeing that we collect tax dollars as anyone else in this Senate.

Maybe the Senator from Ohio will recall last year, in the closing days, when I brought my appropriations subcommittee bill to the Senate floor. I included $370 million in that bill to add IRS agents to the payroll so we could do a better job of collecting revenues rightfully owed to the Federal Government. But if this is all we have to worry about in terms of uncollected tax dollars, then I think we are very fortunate. But you know that is not the truth and so do I.

This is a drop in the bucket compared to what is going uncollected today because we are not adequately funding the IRS. Yet the Treasury appropriations bill was vetoed but they went and hired the people anyway. I guess I was gracious enough to put the money back in after the administration made us look like a bunch of big spenders last year for putting the money into the IRS to see to it that they have additional people.

But I just cannot believe this is any way to go about trying to collect extra dollars. I do not know who the experts are down there in the Joint Tax Committee, but they had better go out among the human beings in this country and see what they are really like. People are willing to pay their taxes and honestly estimate their mileage. But it is a big nuisance to try to write something down every time you get in your car and go down the road.

I contend that taxpayers will be just as honest if they are simply required to attest on their tax forms that they are providing an honest estimation of the proportion of business use associated with a vehicle. So I just have a very difficult time accepting the senseless recordkeeping burden the IRS is seeking to impose.

Now, we established the fact between the two of us that when my amendment was placed in the bill we did not change depreciation and we did not change the investment tax credit. All we are asking is that we carry out the intent of the recordkeeping repeal bill passed by the Senate last year.

Let me remind the Senator from Ohio, it was just 1 year ago that the Senate thought we had cleared up the recordkeeping mess and repealed the whole thing by a 92-to-1 vote. I do not know whether the Senator from Ohio was that one vote or not. But one Senator disagreed with doing just what I am trying to do now. And, of course, the House, by the time they got through with it, had changed it considerably and left the gate wide open for the IRS to come back with a whole new set of paperwork requirements. Then we went to conference. And while the Senate tightened it up the best we could, it still left a loophole for the dear old IRS to step in once again and try to put the same kind of regulations into effect.

On March 3, I took the trouble to appear before an IRS hearing. I personally told the agency officials that if they did not promptly revise their regulations and come up with something reasonable, I would push ahead with legislation to repeal those regulations. And I did push ahead with that. But it's now 3 months later and the IRS has not given the slightest indication that they are willing to try to modify their regulations and work something out with me.

So I believe it is time that we send a clear signal to the agency that we will not tolerate nitpicking rules that impose massive paperwork burdens on millions of honest taxpayers. I simply cannot agree to putting this issue on hold while millions of businessmen, farmers, and ranchers continue spending their time filling out reports. That is ridiculous. I think we should put an end to it right now.

If you are concerned about dollars, Members of the Senate, let me give you a figure. I held some hearings on this in my Treasury Appropriations Subcommittee. In testimony we were told it would take 79 million manhours a year to keep those logs. Did you ever try to multiply that by the kind of money you pay these people who are doing the work? That makes the revenue involved here look like nothing. And I certainly don't think that anything like $1.1 billion is at stake here over 5 years. I absolutely do not.

Again, I guess I have more faith in people. But I also happen to think that if you push people far enough, they will rebel, they will cheat, and they will enjoy doing it.

So I think it is a ridiculous argument. I do not want to go home and tell my people that I voted to make them keep all those little notes, recording all those miles, and tell them they are a bunch of cheats, and this is the only way we can get you to pay your fair taxes. I just do not think this is the way to go. I hope there are enough Members in this body that will

agree with me, and you can bet at the appropriate time I am going to make the motion to put this to a vote.

The PRESIDING OFFICER. Is there further debate on the amendment?

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

Mr. HATFIELD. Will the Senator withhold?

Mr. STEVENS. I withhold.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. If there is no further debate, Mr. President, I would move the adoption of the committee amendment. The committee amendment is now either to be adopted or amended.

Mr. METZENBAUM. It is my understanding that the chairman of the Budget Committee may wish to be heard in connection with this matter.

Mr. DOMENICI. Mr. President, I do not desire to be heard, except to say that the Budget Act requires that the Budget Committee makes estimates of compliance with spending and revenue totals. The Budget Committee makes its estimates based on information from CBO and the Joint Committee on Taxation.

I have given to the Senator from Ohio a statement saying that according to the Joint Committee's estimates there is up to a $50 million loss in fiscal year 1986 if this amendment is adopted. I cannot do anything but report the facts. These are the facts as I am required to give them. I do not know if that is right or wrong, but those are the numbers that they gave us.

If that is what the Senator is alluding to, then those are the facts. That is what we normally use around here, those kinds of facts.

Mr. METZENBAUM. I thank the chairman of the Budget Committee. A $50 million loss for the first year is the same figure that the Joint Tax Committee has advised me would be lost. Thereafter, there would be $200 million a year lost in each of the subsequent years. Under those circumstances, Mr. President——

Mr. STEVENS addressed the Chair.

Mr. METZENBAUM. I thought I had the floor.

Mr. STEVENS. I beg your pardon. I thought you were going to yield the floor.

Mr. METZENBAUM. Under those circumstances, Mr. President, I make the point of order that this amendment violates section 311, as amended by Gramm-Rudman.

Mr. ABDNOR addressed the Chair.

Mr. METZENBAUM. Mr. President, is it not a fact that this is not a debatable question and that the Senator from Ohio is entitled to have a ruling?

The PRESIDING OFFICER. The Senator is correct. The point of order is not debatable.

Mr. ABDNOR. Can I not even move pursuant to section 271? Am I shut out from doing that?

The PRESIDING OFFICER. The Senator is not.

Mr. METZENBAUM. Am I not entitled to a ruling first?

Mr. ABDNOR. Mr. President, I move, pursuant to section 271 of the Balanced Budget and Emergency Deficit Control Act of 1985, to waive section 311 of the Budget Act with respect to this amendment. In doing so, I would like to point out one thing. I am well aware I could have challenged the ruling of the Chair which would only require 50 votes. But I do not like to go that way because I like to do things the way we are supposed to, and this is the way to go.

Before I sit down, I want to point out that while you are talking about $1.1 billion over 5 years—an estimate I seriously question—I am talking about 79 million man-hours a year that people have to spend keeping these records.

Mr. METZENBAUM. Will the Senator from South Dakota yield for a question?

Mr. ABDNOR. Yes.

Mr. METZENBAUM. What did the Senator from South Dakota say with reference to the number of votes required? I did not understand him.

Mr. ABDNOR. I said under section 311 I am well aware it will take 60 votes for me to succeed. I could have gone the other way to try to overrule the Chair and that would take only a simple majority. But I am willing to go this route. I know what I am doing here. But I think this is the right thing to do. I am not trying to break the budget. I am trying to let people have a right to vote, and do it the way we should do it according to the Budget Act. At the same time I want people to know we are talking about 79 million man-hours a year going into needless paperwork. That is almost like tax dollars, too.

Mr. METZENBAUM. Mr. President, is this a debatable motion?

The PRESIDING OFFICER. This is a debatable motion.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I think the Senator from South Dakota has taken the proper approach. But I have to tell the Senate—I will not talk very long—that for the life of me I cannot understand that finding of a $50 million and $200 million loss. The liability of the taxpayer is the same. What our committee did was do away with these onerous recordkeepings for all the people who do not have any challenge by the IRS as to their deductions.

Those regulations require everybody to keep those regulations whether they are accused of cheating or not. If the committee wants to come in and say if you are accused of cheating from there on you have to keep these records, I have no objection to that. But I think this concept of requiring these minute records from everybody that uses these vehicles in order to try to catch the few people who cheat is just absolutely ridiculous. I think that estimate is ridiculous in terms of the loss because the taxpayer is still responsible for defending the deductions that he lists on his tax return in terms of this kind of deduction. He just would not have the records to back up his deductions if he does not keep these records.

If he is accused of cheating and cannot prove his deductions by some normal course of events of just habit, type of use of vehicle, or whatever he can use to justify it, that deduction is going to be disallowed by the IRS. I do not believe it is a fair analysis that we are going to automatically lose money because everybody does not keep these blasted things.

I think the Senator from South Dakota ought to be sustained. I congratulate him for taking the hard road.

The PRESIDING OFFICER. Is there further debate?

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, let us recognize what we are talking about. Let us not kid ourselves about what the facts are. A couple of years ago we changed the law to make it more convenient for these records to be kept. It used to be that you had to keep them on a daily basis. We changed that. We said that the taxpayer could submit his own percentage, and that would be submitted. Then the IRS had to issue some regulations because we enacted the law.

All I am saying here this evening is that the law we enacted a year ago should be good enough tonight, and we should not be coming in this back door way. That is what it is. It is a back door way. This issue belongs before the Finance Committee. It does not belong in a supplemental appropriations bill. The Finance Committee, if they do not think that the IRS regulations are right, has a right to have hearings on it and bring the matter before this body. When I raised this issue with the managers of the bill, they were not aware it was even in the bill. I am not criticizing them. I understand the legislative process. But what I am saying is that it is not right. It is not right to come here and have an amendment that is going to cost $200 million a year. We come out here for the programs that have to do with people in this country where $200 million would mean so much for milk,

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food stamps, WIC programs. We fight for $50 or $75 or $100 million. It would mean so much as far as the protection of the Federal Aviation Administration. It would mean so much to the Coast Guard. But in one fell swoop without any logic, without any reason, without any hearings we are suggesting eliminating $200 million a year.

There ought to be some reason. Maybe that is justified. But there is nothing in the records to indicate it is justified. It showed up in the bill. It is there.

Now we are saying that we should waive the rule. What did we make those Gramm-Rudman rules for if all we do is come out here and change them?

Mr. President, I urge my colleagues not to permit this waiver to occur, not to give away $200 million a year, and to confirm the action that we ourselves took only last year with respect to this legislation.

Mr. ABDNOR addressed the Chair.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. ABDNOR. Mr. President, just before we vote, just a few short words here. I certainly did not pull any great surprises here or pull something out of my hat. Yet everyone would have to have a short memory if they forget the bill that came out of the Finance Committee only a year ago. It passed this body 92 to 1. I think they knew what they were doing when they voted 92 to 1 in favor of the very thing I am suggesting here. I guess my difference with the Senator from Ohio is I believe people are a lot more honest than he does. And I think that making them keep detailed logbooks won't do the first thing to prevent cheating. You won't be able to prove a darned thing.

I wonder if the genius who writes up these proposed estimations really knows mankind and people. I think I know them a lot better. They ought to go out and spend day after day with people and get to know what is on their minds. If we want to get tax cheats we do not go about it by trying to collect miles on their car. There are plenty of more worthwhile opportunities. Hopefully by hiring the kind of people we are hiring, if you can go along with supporting the appropriations we put in this bill to put some extra people on IRS payrolls so we can go out and collect the dollars from people who are truly cheating, then we are raising some money.

I just want to say that by voting to override the point of order, the Senate is technically voting to override Gramm-Rudman. But I would suggest that letting some technical revenue estimate conducted by some committee staffer around here, an estimate which has little if any basis in reality, stand in the way of getting the Federal Government off the backs of millions of honest taxpayers would be the height of irresponsibility.

Mr. METZENBAUM. Is the Senator from South Dakota suggesting that I was the one who voted against it in the 92 to 1 vote?

Mr. ABDNOR. No. If I remember right, I think it was Senator PROXMIRE, the Senator from Wisconsin. It was my bill. I think he voted no.

Mr. METZENBAUM. I voted for it.

Mr. ABDNOR. Yes. Either that or the Senator was not here. I do not recall.

Mr. NICKLES. Mr. President, I rise in strong support of the amendment included in the committee bill which prohibits the IRS from enforcing the recordkeeping requirements that have been repealed by the Congress.

Even though the Congress has repealed this burdensome requirement, the IRS has continued to issue regulations calling for automobile logs. What this amendment would do is simply return the regulations back to the way they were prior to 1985 when the rules went into effect.

The automobile logs represent one of the worst intrusions into the lives of the citizens of this country. I will not stop short of total repeal of this ridiculous logging requirement, I urge my colleagues to approve the amendment.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, the hour of 10:30 is very close upon us. We are about ready to go to a rollcall vote. I would at this time ask unanimous consent that we extend the time required for the Appropriations Subcommittee on Defense and the Armed Services Committee another half hour to report back to the body by the hour of 11 o'clock.

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

Is there further debate on the motion? If not, the question is on agreeing to the motion of the Senator from South Dakota. On this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Florida [Mrs. HAWKINS] is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Mississippi [Mr. STENNIS] is necessarily absent.

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

The result was announced—yeas 65, nays 33, as follows:

[Rollcall Vote No. 115 Leg.]

YEAS—65

Abdnor	Ford	Murkowski
Andrews	Garn	Nickles
Armstrong	Glenn	Nunn
Baucus	Goldwater	Packwood
Boren	Gore	Pressler
Boschwitz	Gorton	Pryor
Bumpers	Grassley	Quayle
Burdick	Hatch	Roth
Byrd	Hatfield	Rudman
Chafee	Hecht	Sasser
Chiles	Heflin	Simpson
Cochran	Heinz	Specter
Cohen	Hollings	Stevens
D'Amato	Humphrey	Symms
DeConcini	Kassebaum	Thurmond
Denton	Kasten	Trible
Dodd	Laxalt	Wallop
Dole	Lugar	Warner
Durenberger	Mattingly	Weicker
East	McClure	Wilson
Evans	McConnell	Zorinsky
Exon	Melcher	

NAYS—33

Bentsen	Hart	Matsunaga
Biden	Helms	Metzenbaum
Bingaman	Inouye	Mitchell
Bradley	Johnston	Moynihan
Cranston	Kennedy	Pell
Danforth	Kerry	Proxmire
Dixon	Lautenberg	Riegle
Domenici	Leahy	Rockefeller
Eagleton	Levin	Sarbanes
Gramm	Long	Simon
Harkin	Mathias	Stafford

NOT VOTING—2

Hawkins	Stennis

□ 2240

The PRESIDING OFFICER. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion to waive section 311 for consideration of excepted committee amendment No. 6 is agreed to.

The question before us——

Messrs. METZENBAUM and HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, the section now having been waived by this vote, the question before the body is now the committee amendment?

The PRESIDING OFFICER. Excepted committee amendment No. 6, that is correct.

Mr. HATFIELD. I move adoption of the excepted committee amendment.

Mr. METZENBAUM. Mr. President, I understand that the body has determined to waive the provisions of the Budget Act going back better than 10 years, section 311. That was then amended by Gramm-Rudman. We went back home and we told all of our constitutents about how we were going to balance the budget and tonight, we gave away over a billion dollars. That is hardly a way to balance the budget.

□ 2250

That is hardly a way to balance the budget. But I think my colleagues ought to understand that they did something else. What you did tonight was a disservice to the farmers of this

country, and many of you consider yourselves to be farm State spokespersons. You claim that you come here and you are looking out for the farmers. But I want you to understand what you did and what you will be doing if you accept the committee amendment is you will be eliminating a regulation with respect to recordkeeping that provided that farmers did not have to keep those records. And now as I understand that law—Mr. President, may we have order?

The PRESIDING OFFICER. The Senate is not in order. The Senator from Ohio has a right to be heard. The Senate is not in order.

The Senator from Ohio.

Mr. METZENBAUM. Let each of you go home and explain to your constituents why you voted to knock out a regulation of the Internal Revenue Service that exempted farmers from having to keep records on their auto use. You did it. You took care of the farmers. You stuck it right in them. Instead of having the exemption, there will no longer be an exemption. And the IRS was trying to give an exemption to the farmers for whom you claim to speak. But if you adopt the Abdnor amendment—and I urge upon you, go up and read the language, read the language of the bill if you do not think I am telling you the truth—you made it possible—no, I will not say you made it possible. You made it mandatory that farmers are going to have to keep records with respect to their automobile use. And when the local police department or fire department uses personal cars, they are going to have to keep records because there was an exemption for them, as well. And when there was an ambulance used for personal use as well as for ambulance use in a community, they are going to have to keep records, as well, because there was an exemption for them. But you are so anxious to see to it that we cut back revenue of this Government $200 million a year, so anxious, because some one corporate executive may have called you and asked you to vote for it, so anxious to have no records kept. Do you really believe that we ought to run this country without having any records at all kept about anything? Should business people just file their tax returns and say what they made, pay taxes on that basis alone?

The PRESIDING OFFICER. The Senator will suspend. The Senate is not in order. Those Senators engaged in conversation are invited to leave the Chamber.

The Senator from Ohio.

Mr. METZENBAUM. You can waive the Budget Act if you have the votes, but that does not make it right. But you cannot explain your vote with respect to requiring farmers and those who have police vehicles and ambulances to keep records. When you pass the committee amendment, you are requiring farmers to keep those records, police vehicles and ambulances, as well. And that I think you will have some difficulty in explaining.

Mr. President, I yield the floor.

Mr. STEVENS. Mr. President, does the Senator want any answer?

Mr. METZENBAUM. If the Senator as a Member of the body is prepared to answer, he may. I do not care whether he answers or not.

Mr. STEVENS. Mr. President, I think postmortem action that restores the law that has existed prior to 1984 is wasting the Senate's time, but I will tell the Senator I am perfectly willing to go home and tell the people who have pickup trucks that they do not have to keep those blasted trip tickets anymore. All they have to do is defend what they want to do when they fill out the tax returns. I really think there comes a time when the Senator from Ohio ought to accept the judgment of the Senate.

Mr. HATFIELD. Mr. President, I move the adoption——

Mr. METZENBAUM. Mr. President, I did not hear what the Senator from Alaska stated.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. STEVENS. I will be happy to repeat it. There comes a time when the Senator from Ohio ought to accept——

Mr. HATFIELD. Who has the floor?

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

Mr. HATFIELD. Mr. President, I believe the motion before the body is to adopt the committee amendment.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The question in on agreeing to the amendment.

Mr. METZENBAUM. addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

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

The PRESIDING OFFICER. Is there a sufficient second?

Is there a sufficient second?

Is there a sufficient second?

There is now a sufficient second. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Florida [Mrs. HAWKINS] is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Mississippi [Mr. STENNIS] is necessarily absent.

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

The result was announced—yeas 81, nays 17, as follows:

[Rollcall Vote No. 116 Leg.]

YEAS—81

Abdnor	Ford	McClure
Andrews	Garn	McConnell
Armstrong	Glenn	Melcher
Baucus	Goldwater	Murkowski
Bentsen	Gore	Nickles
Bingaman	Gorton	Nunn
Boren	Gramm	Packwood
Boschwitz	Grassley	Pressler
Bumpers	Hatch	Pryor
Burdick	Hatfield	Quayle
Byrd	Hecht	Riegle
Chafee	Heflin	Rockefeller
Chiles	Heinz	Roth
Cochran	Helms	Rudman
Cohen	Hollings	Sasser
D'Amato	Humphrey	Simon
Danforth	Inouye	Simpson
DeConcini	Johnston	Specter
Denton	Kassebaum	Stafford
Dixon	Kasten	Stevens
Dodd	Kerry	Symms
Dole	Laxalt	Thurmond
Domenici	Leahy	Trible
Durenberger	Levin	Wallop
East	Long	Warner
Evans	Lugar	Wilson
Exon	Mattingly	Zorinsky

NAYS—17

Biden	Kennedy	Moynihan
Bradley	Lautenberg	Pell
Cranston	Mathias	Proxmire
Eagleton	Matsunaga	Sarbanes
Harkin	Metzenbaum	Weicker
Hart	Mitchell	

NOT VOTING—2

Hawkins	Stennis

So excepted committee amendment No. 6 was agreed to.

□ 2310

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

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, we have one final committee amendment that I do not believe will necessitate a rollcall. The Armed Services Committee and the Subcommittee on Defense have been working on an agreement that they are ready now to offer as I believe a substitute amendment for the committee amendment and then may I say that we have now found that there are about six amendments that have been withdrawn from the other general list. We are down now to about 25 or so. So I believe we have a good chance to finish this hopefully by 2 or 3, maybe earlier.

SECOND EXCEPTED COMMITTEE AMENDMENT

Mr. HATFIELD. Mr. President, I do at this time though ask the Chair to lay before the Senate the final committee amendment.

The PRESIDING OFFICER. The clerk will report the pending amendment.

The legislative clerk proceeded to read the second excepted committee amendment.

Mr. HATFIELD. Mr. President, I ask unanimous consent that it not be read.

Mr. NUNN. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will report.

Mr. NUNN. I have not seen it.

The legislative clerk read as follows:

Lines 1 and 2 on page 26 of the committee amendment beginning with line 11 on page 20 through line 8 on page 26.

Mr. STEVENS. Mr. President, I say to my good friend from Georgia, the clerk was reading the committee amendment. The committee amendment has been called up, not the substitute amendment that the Senator and I are talking about.

Mr. NUNN. I withdraw the objection.

I thank the Senator.

Mr. HATFIELD. Mr. President, I wish to withdraw the amendment to that amendment that I have filed and I ask unanimous consent that I be permitted to withdraw that amendment.

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

Mr. STEVENS. Mr. President, I am happy to state to the chairman and to the Senate that, as soon as it is prepared, we do have an amendment that will be offered when he is ready by the Senator from Arizona. It will be the Armed Services Committee amendment in the form that they have presented it which we have agreed to.

Mr. HATFIELD. Mr. President, if the parties are not ready to offer the amendment at this time——

Mr. GOLDWATER. I apologize. My staff does not have the material ready. As soon as it is ready, I will introduce the amendment.

Mr. HATFIELD. I am very happy to accommodate the Senator. My understanding was the Senator a while ago was ready to offer it.

Mr. GOLDWATER. It takes a little paperwork.

Mr. HATFIELD. Mr. President, then there is a withdrawal of the committee amendment. So now the floor is ready to receive other amendments without the necessity of having to lay aside any committee amendment.

AMENDMENT NO. 2020

(Purpose: To make technical corrections in the bill, as reported)

Mr. HATFIELD. Before we do that, Mr. President, I do have a list of technical, I emphasize technical, amendments that have been cleared on both sides relating to changing of language and punctuation. I would like to offer these technical amendments at this time.

The Senator from Louisiana I believe has seen these amendments?

The PRESIDING OFFICER. The committee amendment is not yet withdrawn. Only the amendment (No. 2015) of the Senator from Alaska [Mr. STEVENS] has been withdrawn thus far.

Mr. HATFIELD. Mr. President, I ask unanimous consent then to set aside the committee amendment in order to take up the technical amendments.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Oregon.

Mr. HATFIELD. Now, Mr. President, I do move the adoption of these technical amendments to the committee bill.

The PRESIDING OFFICER. The clerk should first report the amendment.

The legislative clerk read as follows:

The Senator from Oregon [Mr. HATFIELD] proposes an amendment numbered 2020.

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

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

The amendment is as follows:

On page 8, line 1, after the word "or", strike "1444-1(c)(1))" and insert in lieu thereof "1441-1(c)(1))".

On page 8, line 3, strike "preventing" and insert in lieu thereof "prevented".

On page 8, line 13, strike "5152" and insert in lieu thereof "5121".

On page 8, strike lines 16 and 17 and insert in lieu thereof "(1) 40 percent of the projected payment rate; by".

On page 19, line 25, after "reserve" insert ", or which would have been placed in reserve,".

On page 20, line 1, strike all after "Liberty" through "adjustments" on line 2.

On page 21, strike "(RESCISSION)" at the end of line 23 and insert "(RESCISSION)" between lines 23 and 24.

On page 49, line 19, strike "530,000" and insert in lieu thereof "1,530,000".

On page 55, strike line 21 up to and including line 10 on page 57, and insert in lieu thereof the following:

SEC. 2. (a) Subsection (a) of section 110 of Public Law 97-12 (2 U.S.C. 58b(a)) is amended by—

(1) inserting "(1)" after "(a)"; and

(2) striking out the last three sentences of such subsection and inserting in lieu thereof the following:

"(2)(A) Each Senator, at his election, may, during any fiscal year (but not earlier than July 1 thereof) transfer from such Senator's clerk hire allowance to his Official Office Expense Account such amounts as the Senator shall determine, but not in excess of the balance as of the end of the month which precedes the month in which the transfer is made. Any amount so transferred to a Senator's Official Office Expense Account shall be available for expenses incurred during the calendar year in which occurred the close of the fiscal year in which the transfer is made. Each Senator electing to make such a transfer shall advise the Senate Disbursing Office in writing, not later than January 15 of the calendar year immediately following the calendar year in which occurs the close of the fiscal year in which the transfer is to be made, and such transfer shall be made on such date (but not earlier than July 1, nor later than December 31, of the calendar year in which the close of such fiscal year occurs) as may be specified by the Senator.

"(B) Each Senator, at his election, may, during any calendar year (but not earlier than July 1 thereof) transfer from such Senator's Official Office Expense Account to his clerk hire allowance such amounts as the Senator shall determine, but not in excess of the balance as of the end of the month which precedes the month in which the transfer is made. Any amount so transferred to a Senator's clerk hire allowance during any calendar year shall be available for expenses incurred during the fiscal year which ends during the calendar year in which the transfer is made. Each Senator electing to make such a transfer shall advise the Senate Disbursing Office in writing, not later than September 30 of the calendar year in which the transfer is made. Each Senator electing to make such a transfer shall advise the Senate Disbursing Office in writing, not later than September 30 of the calendar year in which the transfer is to be made, and such transfer shall be made on such date (but not earlier than July 1 of such calendar year) as may be specified by the Senator.".

(b) Subsection (b) of section 110 of Public Law 97-12 is amended to read as follows:

"(b) Transfer of funds by a Senator under subsection (a) of this section shall be made between (1) the allowance of such Senator in the account (which is within the appropriation account under the headings 'SENATE' and 'Salaries, Officers and Employees') for 'Administrative, Clerical, and Legislative Assistance to Senators', and (2) such Senator's Senatorial Official Office Expense Account within the appropriation account for 'Miscellaneous Items' under the heading 'SENATE'.".

(c) The amendments made by subsection (a) shall be effective in the case of elections made with respect to transfers of funds to be available for expenses incurred after December 31, 1984.".

On page 64, line 12, strike "Section" and insert in lieu thereof "SECTION".

On page 64, line 18, strike "Section" and insert in lieu thereof "SEC.".

Mr. JOHNSTON. Mr. President, we have carefully checked these amendments. They are entirely technical in nature, involving such things as punctuation and capitalization, and we have no objection to the amendment.

Mr. HATFIELD. Mr. President, I move the adoption of the technical amendments.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon.

The amendment (No. 2020) was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the technical amendments were agreed to.

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

The motion to lay on the table was agreed to.

Mr. DANFORTH. Mr. President, I ask unanimous consent that the committee amendment be laid aside for the purpose of taking up another amendment.

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

The Senator from Missouri.

AMENDMENT NO. 2021

(Purpose: To strike out language directing the allocation of research and development funds to certain educational institutions)

Mr. DANFORTH. Mr. President, I send an amendment to the desk and ask that it be reported.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Missouri [Mr. DANFORTH] for himself, Mr. BINGAMAN, Mr. PROXMIRE, Mr. QUAYLE, Mr. ARMSTRONG, Mr. BENTSEN, Mr. BRADLEY, Mr. DIXON, Mr. EAGLETON, Mr. EVANS, Mr. GOLDWATER, Mr. LEVIN, Mr. LUGAR, Mr. WILSON, Mr. LAUTENBERG, Mr. MELCHER, Mr. ROTH, Mr. NUNN, Mr. PRYOR, Mr. GLENN, Mr. SASSER, and Mr. WALLOP proposes an amendment numbered 2021.

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

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

The amendment is as follows:

On page 25, strike out lines 1 through 7 and lines 12 through 15.

On pages 25 and 26, renumber sections 4, 6, 7, and 8 as sections 3, 4, 5, and 6, respectively.

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

The PRESIDING OFFICER. The Senate will be in order so that we may hear the Senator from Missouri.

The Senator from Missouri.

Mr. DANFORTH. Mr. President, this amendment is offered by 22 cosponsors. They are in addition to myself, Senators BINGAMAN, QUAYLE, PROXMIRE, ARMSTRONG, BENTSEN, BRADLEY, DIXON, EAGLETON, EVANS, GLENN, GOLDWATER, LAUTENBERG, LEVIN, LUGAR, MELCHER, NUNN, PRYOR, ROTH, SASSER, WALLOP, and WILSON.

It is particularly interesting that this list of 22 cosponsors includes the chairman of the Armed Services Committee and the ranking member of the Armed Services Committee.

The issue raised by the amendment is whether the Appropriations Committee should earmark research money to certain specified universities.

The bill before us earmarks $80.6 million in research spending to 10 universities.

The issue before us is not whether that $80.6 million should be spent for research. I do not know whether it should be or not.

That kind of question is within the expertise of the Armed Services Committee and the Appropriations Committee, not the Senator from Missouri.

I assume that substantial amounts of money must be spent for research for armed services, but that is not the issue before us.

□ 2320

The issue before the Senate right now is whether research money to be spent for university research should be earmarked by the Appropriations Committee or, rather, whether that money should be spent according to a competition process whereby scientists, either within governmental agencies, in this case the Department of Defense, or scientists who are in some sort of review committee make that decision on the basis of merit.

The issue really is one of merit and competition for the spending of research dollars or instead whether research dollars should be spent by the Appropriations Committee frankly on the basis of political logrolling. It is important to realize that of these 10 universities, three of the projects that are represented in these earmarked appropriations, three of the projects were never submitted to the Department of Defense. There were never any proposals for 3 of the 10 projects.

In the case of four projects, the Department of Defense, after analyzing the proposals, found that the universities in question were without the research capabilities to justify fundings at the levels specified in this emergency appropriation. And in the case of four of the projects, some of these are overlapping I might say, but in the case of four of the projects, they were for construction for general purpose research buildings. The Department of Defense has a policy, Mr. President, against spending such research money for general purpose construction.

This process of earmarking research money in appropriations bills is strongly opposed both by the administration and by the academic and scientific community.

Mr. President, I ask unanimous consent that letters from Mr. John McTague, acting science adviser to the President, dated May 23, 1986, to myself, and by Secretary Weinberger to Senator DOLE, dated May 7, 1986 be printed in the RECORD at this point.

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

THE WHITE HOUSE,
Washington, May 23, 1986.

Hon. JOHN C. DANFORTH,
U.S. Senate, Washington, DC.

DEAR SENATOR DANFORTH: I strongly support the effort you and your colleagues are making to preserve the quality of Federally supported research, which is an essential underpinning of our national security, economic competitiveness, and the quality of life of all our citizens. The reason our reseach enterprise is the envy of the world is that careful review by experts ensures that support goes to our very best scientists and engineers.

As technological competition becomes ever more international and ever more intense, we must ensure that each research dollar we spend is used even more efficiently. Set-asides from carefully crafted research programs to address other goals, however desirable, hobble use in this competition and create a climate of cynicism among our best scientists and engineers.

I urge you and all your fellow Senators and Congressmen to support our system of expert review by eliminating all Congressional set-asides for specific research conduct and facilities from the budgets of Department Defense, Department of Energy, and other agencies.

Sincerely,

JOHN P. MCTAGUE,
Acting Science Advisor to the President.

THE SECRETARY OF DEFENSE,
Washington, DC, May 7, 1986.

Hon. ROBERT DOLE,
Majority Leader, U.S. Senate, Washington, DC.

DEAR BOB: Thank you for your letter of February 19, 1986, regarding R&D support earmarked for ten universities in the Conference Report accompanying the Defense Department Appropriations Act, 1986 (Joint Resolution, Public Law 99-190).

As you are aware, university research provides the Department with science and technology critical to the development of future defense systems. In addition, universities are the source of scientists, engineers, and expert advice essential to our nation's future.

The Department funds research, including that conducted at colleges and universities, that is in support of our defense mission. Except when otherwise authorized by statute, individual projects are competitively selected for funding after taking account of all relevant considerations with particular emphasis on the research needs of the Department and the technical merit of the research proposed. The competitive process, which has been supported by Congress, has contributed to the preeminence that our nation's universities enjoy. The Conferees' earmarking of research funds for specific universities, without merit competition, establishes a precedent that could jeopardize this preeminence.

We will continue to work with you and look forward to your support for a strong university base for our research needs.

Sincerely,

CAP.

Mr. DANFORTH. Mr. President, in addition to the White House and the Defense Department, the earmarking of funds for research is opposed by the Association of American Universities and the National Association of State Universities and Land Grant Colleges. I ask unanimous consent that a letter dated May 13, 1986—this letter was written to Senator HARKIN by the presidents of those two organizations—be printed in the RECORD.

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

MAY 13, 1986.

Hon. THOMAS A. HARKIN,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR HARKIN: When the Senate Committee on Appropriations meets later this week to consider H.R. 4515, the Urgent Supplemental Appropriations for FY 1986, we urge you to reject the earmarks totaling $24.6 million for Northeastern University and the Rochester Institute of Technology in the Department of Defense appropriations proposed by the House, and to resist adding any other similar projects. Neither

of these two projects is requested by the Department; neither has been reviewed on its scientific and technical merits in competition with meritorious proposals from other institutions. We also urge you to reject any attempts to add the remaining eight earmarked projects for academic institutions that were recommended in House Report 99-450 accompanying House Joint Resolution 465, the Continuing Resolution for FY 1986 (P.L. 99-190).

If any of these ten projects, or others that may be proposed, is funded, pressures on other institutions to seek direct funding for research and research facilities projects will grow, and increasing numbers of capable and deserving institutions will begin to seek direct funding for projects. They will do so because across the country unprecedented research and training opportunities are being severely hampered by inadequate facilities. It is precisely because national research opportunities and national resource needs both are great that Federal funds for research and research facilities must be awarded competitively based on considerations of scientific and technical merit. If the present merit-based system of resource allocation is allowed to be eroded by the actions of a few, we fear that the willingness and the ability of the Department, and other agencies, to strengthen investments in university research and facilities programs will be compromised.

We ask you, therefore, to reaffirm the principles of merit-based allocation of funds for university programs by rejecting all earmarked funds for university research and research facilities construction projects from H.R. 4515.

Sincerely,

ROBERT M. ROSENZWEIG,
President,
Association of American Universities.
ROBERT L. CLODIUS,
President, National Association of State Universities and Land Grant Colleges.

Mr. DANFORTH. Mr. President, at the same time, I will send to the desk and ask unanimous consent that various letters and position statements by the National Academy of Sciences, the American Physical Society, and the American Association for the Advancement of Science be printed in the RECORD.

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

NATIONAL ACADEMY OF SCIENCES,
Washington, DC, May 27, 1986.

Hon. JOHN C. DANFORTH,
U.S. Senate, Washington, DC.

DEAR SENATOR DANFORTH: It is my understanding that the Urgent Supplemental Appropriations Bill for FY 1986 will come before the Senate after the Memorial Day recess. I appreciate the opportunity to provide you with my views, and those of the Academy Council, in opposing provisions of that measure providing grants to educational institutions for major academic research projects which have not been subjected to an appropriate merit review.

Unquestionably, these actions sponsored by individual Congressmen reflect the pressure arising from widespread need to modernize deteriorating and obsolete research facilities at universities and colleges throughout the nation. Estimates on the extent of that unmet national need for new construction and renovation varies in the range of $5 to $20 billion over the next 10 to 20 years. As you know, the Federal government now has virtually no program for funding research facilities; thus, programs to provide support for academic facilities that are judged to be scientifically excellent should receive favorable Congressional consideration. However, efforts by a few academic institutions and their representatives in Congress to bypass merit review in order to meet their individual needs harbor the potential for enormous damage to the nation's research enterprise. Approval of such earmarking creates incentives for other institutions to seek similar treatment from the Congress.

The Council of the National Academy of Sciences has been concerned for some time about the adverse effects of such earmarking, as reflected in the attached statement adopted in October 1983. This statement has even greater relevance in today's budget climate.

The excellence of our national research has been sustained by a system for assuring optimal use of public funds: a competitive review evaluation process to assure that projects and facilities selected for funding are those which most merit support in terms of the overall health of scientific research. The supplemental appropriations bill now before the Senate ignores that history of success, by providing $80.6 million in the 1986 defense budget for university research projects without their having been subjected to such an appropriate merit-based review.

We are better served as a nation if we continue to maintain a climate in which our research institutions can expect that only requests for facilities which are judged to be scientifically excellent will be funded. Thus, I respectfully urge that these earmarked projects not be included in the Urgent Supplemental Appropriations Act for fiscal year 1986 and that their consideration be delayed pending a competent, competitive merit-based review.

Yours sincerely,

FRANK PRESS,
President.

STATEMENT OF THE COUNCIL; FEDERAL FUNDING FOR RESEARCH FACILITIES AND INSTRUMENTATION

In recent months, there have been a few instances in which federal funding decisions for major university scientific facilities have not been subject to an appropriate review process. Informed peer judgments on the scientific merits of specific proposals, in open competition, should be a central element in the awarding of all federal funds for science.

In the past, such objective systems of evaluation have met the needs of our country well, and have contributed to the scientific preeminence of the United States. In the long term, they also help to maintain the pluralism that is important to the productivity of American science and is characteristic of political decision making.

We urge that the academic community and public officials exercise vigilance to protect this informed evaluation and decision-making process in the awarding of funds, not only for the support of scientific research proposals, but also for major scientific facilities and instrumentation.

THE AMERICAN PHYSICAL SOCIETY,
New York, NY, May 30, 1986.

Hon. JOHN C. DANFORTH,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR DANFORTH: I write to commend you for your leadership in attempting to remove "pork barrel science" from the Department of Defense Urgent Supplemental Appropriation.

We have watched in dismay over the past several years as the merit review process that has kept the United States at the forefront of world science since World War II has been increasingly circumvented. The dangers are obvious. Each time an institution successfully by-passes the normal process of proposal submission and review, more institutions are persuaded that political maneuvering has replaced merit as a means of securing support for research and facilities. It is a practice that must be brought to a stop.

The American Physical Society, through its elected Council, more than a year ago adopted a strong statement opposing "pork barrel science" projects, a copy of which is enclosed. In the seventeen months since that statement was adopted, the situation has worsened with specific research projects as well as facilities receiving funding through direct Congressional action without review by impartial scientific experts. As the statement of the APS Council makes clear, we recognize that Congress is responsible for considering a variety of factors in addition to scientific merit in allocating funds. But in these times of fiscal stringency, it is reckless to commit research funds without impartial scientific review.

Your courage in leading the effort to stop this dangerous practice is applauded by everyone who believes that the health of American science is vital to our security.

Sincerely,

SIDNEY D. DRELL.

Enclosure.

STATEMENT OF THE APS COUNCIL: SCIENTIFIC REVIEW OF RESEARCH FACILITIES FUNDING

We deplore the inclusion in the federal budget of major scientific projects that have not been subjected to the normal process of proposal submission and expert review. The consequences go beyond the diversion of scarce resources from projects of higher priority. Institutions are increasingly persuaded that political maneuvering is more important than scientific justification in securing federal funds. Yet each year many worthy scientific projects must be abandoned or deferred for lack of funds. The developing pattern of funding major projects without subjecting them to impartial expert scrutiny diminishes sciences.

Quite clearly Congress is responsible for considering a variety of factors—such as geographic balance, economic need, and affirmative action—in allocating funds for major projects of any sort. We urge, however, that review by impartial scientific experts be an important consideration in any allocation of funds for research facilities.

AMERICAN ASSOCIATION FOR THE ADVANCEMENT OF SCIENCE,
Washington, DC, May 23, 1986.

Hon. JOHN C. DANFORTH,
U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR DANFORTH: As chief executive officer of the American Association for the Advancement of Science (AAAS), I am

writing to express my concern about the FY 1986 Supplemental Appropriations Bill approved recently by the Committee on Appropriations and scheduled for floor action shortly.

As described in the Washington Post May 16th, this bill contains more than $80 million designated for defense-related research and construction projects at various universities. None of these projects have apparently been subjected to the competitive peer review process through which such allocations are generally made.

The AAAS Board of Directors and Council, along with the National Science Board, the National Academy of Sciences, and many of the other major scientific, engineering and higher education associations in the United States, have taken strong stands against such funding practices on a number of occasions during the past three years. Copies of AAAS position statements are attached.

The AAAS remains strongly opposed to these practices and respectfully urges that the provisions earmarking funds for specific institutions be deleted during floor action, and that merit-based review be employed for award of such funds in the future.

Sincerely,

WILLIAM D. CAREY,
Executive Office.

Mr. DANFORTH. Mr. President, regardless of how the budget resolution turns out, it is clear that all of us in the Senate, all of us, whether we are hawks or doves, are committed to very substantial spending for national defense. But it is also clear that very few of us, if any, believe that we can issue blank checks on defense spending. If we are to spend money on national defense at a time of budgetary constraint, it is important that that money be spent wisely and not foolishly.

It is important to spend on muscle, not fat. Sometimes we say, "Where is the fat? Where is the fat in defense spending?" Here it is, Mr. President. Here it is in this bill. When research money is designated for universities on the basis of political influence, when it is designated on the basis of who has pull, when it is designated on the basis of lobbying instead of merit and instead of competition, that is wasteful spending of limited defense resources.

We in the United States probably are never going to have the kind of military weight, the sheer weight of numbers that the Soviet Union has. We probably never will have the number of tanks or the amount of artillery or the number of men in arms. What gives us the edge, Mr. President, what provides an advantage to the United States is our technological know-how, our R&D, our science.

It is for that reason that we assure ourselves that research money be spent in the very best and wisest manner. And that is the issue that is before us right now—whether it is going to be spent on the basis of competition or whether it is going to be spent on the basis of politics.

For those throughout the country who question defense spending and who feel that we are spending too much, I think that when we porkbarrel defense money, defense spending, it gives the whole defense budget a bad name. I would guess that that is one of the reasons why Senator GOLDWATER and Senator NUNN have joined on as cosponsors of this amendment.

Mr. President, this is not something new. I saw that Senator STEVENS sent out a Dear Colleague letter to Members of the Senate expressing his views and stating that this is nothing new, to earmark some money for specific universities in an appropriation bill. And that is exactly the point. It is not something new.

This is not something that is unique in this particular appropriations bill. This has become a trend that extends beyond defense spending.

In 1982, Congress earmarked a total of $3 million for specific universities for spending for scientific purposes. That amount of money has escalated steadily between 1982 and 1985, which is the last figures I have, from $3 million to $137.6 million. It has become something of a trend for university presidents, at least some of them, to come to Congress and to ask us for specific money for research. And the Senator from Alaska has sent us a listing—and he claims that it is a brief listing—of some of the colleges and universities receiving earmarked appropriations in the 98th Congress. It is a single-spaced list and it goes on for slightly more than two pages.

It is true that it is a trend that we have undertaken, and I think it is wrong. I think that this is the time in this particular appropriations bill to make that point, not simply for the projects, the 10 projects that are specifically earmarked in this bill, but for the whole tendency that we are involved in.

It has turned our colleges and universities into lobbyists. Prof. Mildred Dresselhaus of MIT has made the point that earmarking sends the message to our research institutions in the United States that political maneuvering is more important than scientific justification in securing Federal funds. Researchers have become lobbyists. Hopefully, if we have passed the tax bill, we will have given our lobbyists a little less to do in the Finance Committee and maybe the lobbyists who choose to do that will simply be representing colleges and universities before the Appropriations Committee.

The PRESIDING OFFICER. Will the Senator suspend? The Senate is not in order.

The Senator from Missouri.

□ 2330

Mr. DANFORTH. One final point, Mr. President, and then I will yield the floor. In the committee report that is attached to this bill, the final paragraph appears:

The committee does not intend to consider or approve any future requests for specific universities or research institutions for projects that are noncompetitive and do not comply with legal requirements for merit reviews and competitive contracting, nor is it the committee's intention to consider or approve future requests to fund construction of related facilities for such projects. The committee will not consider any future requests to earmark DOD research and development funds for specific research projects that have not gone through competitive and merit review processes without specific authorization.

Well, a couple of comments should be made about this statement in the committee report.

The first comment is we have heard this before. We heard it back in 1984 when Congress enacted the Deficit Reduction Act of 1984, and within that act something that we called the Competition in Contracting Act.

In that act, we specifically said, back in 1984, Congress enacted a statute which specifically said that the competitive selection for award in basic research proposals resulting from the general solicitation and peer review or scientific review as appropriate in such proposals constitute the kind of competitive procedure that we said we wanted back in 1984.

We have taken that position as a matter of ritual. Now the question is whether we take that position as a matter of fact.

Mr. President, I believe that what is involved here today is very important, extending far beyond this appropriation bill, going to our basic research in this country, to our academic community, to the relationship between Congress and our academic community. The question is whether merit counts or whether it is just pure politics.

I ask unanimous consent that Senators DURENBERGER and BOSCHWITZ be added as cosponsors, and Senator GRAMM as well.

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

The Senator from Alaska.

Mr. STEVENS. Mr. President, I did send a letter out to Members of the Senate listing just for the 98th and 99th Congress a portion of the list of universities and colleges which have received specific appropriations without peer review.

This is the first time that the defense appropriations bill has included such a list. I think we should explain to the Senate that we had attempted to provide moneys both for the competitive research portion. I hope the Senator who is offering the amendment will be fair with this. We added in the Senate committee $100 million for the university research initiative, which is the peer review process. In

conference, that was reduced to $75 million.

We also added the funds for the nonpeer review universities. Our objective was to increase the percentage of funds for research that is done at the university level.

We now have over 70 percent of this research done in industry, 22.8 percent is done Government in-house, and 2.2 percent under Federal contract. The universities of the country do 3.7 percent.

They only do 3.7 percent this year because of our initiative. We added, as I said, $100 million for the peer review process; we added some $80 million for the nonpeer review process.

That has maintained, by virtue of that balanced action, a level of 3.7 percent of all the money spent for research by the universities.

There were Senators, and I hope they would come here, who argued that we cannot put the full review in the peer review process because peer review favors a few universities. The peer review universities are selected from those outstanding in certain research and they are inclined to give money to the same institutions.

We had a selection process that tried to recognize the need particularly in the computer area. Most of our money in the nonpeer review goes to computer concepts of research. This is basic research and this is our one real need in our country, to forge ahead in our area of real lead technology, computers, and the use of computers related to defense.

I do not question the Senator's motives in saying do not approve this money. But I say to the Senate if you do not, you are going to deny the money for university research. You may not like the way we did it, and there has been objections.

We indicated, incidentally, if the Senator reads what we have said, that we will not use the appropriations bill to provide money for the universities on a nonpeer basis. We will only do it if it is authorized by law.

In other words, I say to my friends on the authorization committee, they have asked for additional responsibility, and we have said to the university lobbyists, "Go to the authorization committee next time and get your nonpeer review authorization and if you do we will fund it."

We have not said we will not provide money for universities on a nonpeer review basis. We have said to get it authorized.

I think that is fair because, basically, the initiative that we tried to fund was, in fact, started by the authorization committee. It is a good initiative. As I said, it is the DOD-university initiative concept. Had the conference listened to our subcommittee there would have been $100 million put in that. It ends up at $75 million for the peer review universities; $80 million for the nonpeer review universities.

I hope you will read that list, those Members who have not yet endorsed this amendment. I would hope that you would not agree to this amendment.

I happen to believe that the universities are the source, really, of our future greats in this area, and we should move as much money as we can into that area.

Because I did participate in this move, I called your attention to the fact that there is no money for any university in Alaska in this list because I did not want to be accused of trying to bring home some bacon in connection with this. I have never put money into a university in Alaska in this kind of research because of that problem. Some of my university friends in Alaska do not quite like that, but I think they are qualified to get their money in peer review, Mr. President, and they have in the past gotten their money in the area of peer review in the area where we excel.

At least 24 States got money last year through the nonpeer review process. Twenty States got money through the nonpeer review process without regard to this bill this year.

If we are going to be fair and establish a new rule for the future, I am willing to do that. I would hope the Senate understands the fairness of this, though.

Just in case you have not read the list, let me read the list to you for the 98th Congress, and these are colleges not from the Defense Subcommittee. In other bills, these colleges and universities have been given nonpeer review moneys.

Baylor, Boston College, Boston University, California South University, Catholic University, the College of American Samoa, the College of Micronesia, Columbia University, Florida State University, Gallaudet, Hampshire College, Iowa University, Iowa State, Massachusetts Institute of Technology, Mississippi State, New York University, North Dakota State, Oregon Health Sciences, Oregon State, Pennsylvania State, Purdue University, St. Paul Vocational Technical Institute, Seattle Community Central College, State University of New York, Texas Tech, Tufts, University of California at Davis, University of California at Los Angeles, University of Connecticut, University of the District of Columbia, University of Hawaii, University of Missouri, University of New Hampshire, University of New York, University of Oregon, University of Rochester, and West Virginia University.

□ 2340

Mr. President, none of that money came from the bill I managed. None of that money came from the Defense Subcommittee. Yet it is money that went to those colleges. The complaint that is being made on the floor tonight is do not use defense research money for nonpeer-review colleges. These lists were prepared, by the way, by the Congressional Research Service. That nondefense research money has liberally been spread around on a nonpeer-review basis in the colleges and universities of the country without complaint on the floor of the Senate, to my knowledge. Now we are hearing complaints about defense money being given on a nonpeer-review basis. Now we hear that these colleges got it on a nonpeer-review basis from other bills.

My point is if we are to be fair, we will set a new policy for the future. These moneys were agreed to last year. They were agreed to in the conference report with the House on the basis of Members who were brought into the various conference committees who said they wanted to participate in this kind of defense research. I happen to believe it is very important to those of us who support the defense concepts and have the duty to try to maintain the defenses of this country to have university and college support—not just the limited few, Mr. President. I hope those who came and urged us to have a balanced approach between peer review and nonpeer review will stand up and support this.

In any event, those of you who have already gotten money in other processes on a non-peer-review basis, I ask you in fairness why should we not use a nonpeer-review basis for defense research money?

In closing, let me point out that the Secretary of Defense did oppose the use of this money on a nonpeer-review basis, but he said this in his statement:

> . . . should the Congress retain these funds, then consideration should be given to including all 10 universities for which funds were so proposed during the congressional markup of the fiscal year 1986 budget.

The total value at that time was $66 million when we were marking that up.

I do believe that we have a balanced program. We have agreed we will rely upon the authorization process from now on and we have committed and I think the chairman of our committee has agreed to that concept, that we will not initiate nonpeer-review moneys that are not authorized, but we will fund to the extent we can those nonpeer-review universities that are in fact authorized by the authorization committee to receive moneys from the defense account to continue vital research for this country.

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I commend the Senator from Missouri

for this amendment, I am one of 21 cosponsors. I know the hour is late.

I support the Danforth amendment to strike Appropriations Committee language which earmarks $80.6 million in DOD research funds for 10 university projects. I am pleased to be among the cosponsors to this amendment.

Mr. President, I believe that the Appropriations Committee's proposal to earmark $80.6 million is bad public policy. We should not bypass the traditional competitive merit-based procedures which DOD uses to allocate its research funds to universities.

Today this Nation faces challenges on many fronts, challenges which require a vibrant university research base. As President Truman noted in September 1945 at the end of World War II:

> No one nation can maintain a position of leadership in the world today unless it develops to the full its scientific and technological resources. No government adequately meets its responsibilities unless it generously and intelligently supports and encourages the work of science in university, industry, and its own laboratories.

Those words are as true today as they were in 1945.

Since World War II we have in this Nation built a university research establishment which is the envy of the rest of the world. Its contributions to science and technology are unmatched. It is a triumph of our public policy that we have made excellence the primary criterion for allocating funds to university research projects. To a remarkable degree, the Congress has exercised self-restraint and allowed decisions about research funding to be driven by quality, as judged by qualified professionals, rather than by constituency interest. The proof of that policy is in its success in this tremendous research enterprise that we have today in our universities, and it is a success in which the Congress can take real pride.

But we stand today in serious danger of giving all of that away. If decisions about who shall do research and where it shall be done are made by the Congress with almost complete indifference to the relative quality of the research work, we will be well on the road to mediocrity, at best, in our research enterprise. We are being asked by the Appropriations Committee to fund 10 universities at a total level of $80,600,000. Those 10 universities in 1948 received a total of $15,459,000 from the Defense Department to carry out research efforts. I ask unanimous consent that a table listing the actual 1984 Defense Department funding for these universities and the funding proposed in the supplemental be printed in the RECORD at this point.

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

DOD FUNDING FOR UNIVERSITY RESEARCH CENTERS

[In thousands of dollars]

University	1984 actual	Proposed in 1986 supplemental
Iowa State	$146	$6,500
Nevada, Las Vegas		3,500
Wichita State		5,000
University of Kansas	877	2,000
Northeastern	2,200	13,500
Oregon Graduate Center	7,591	1,000
Oklahoma State	2,877	1,000
Syracuse	405	12,000
Rochester Institue of Technology	310	11,100
Arizona State	1,053	25,000
Total (10 projects)	15,459	80,600
Total (excluding Oregon and Oklahoma State)	4,991	78,600

Mr, BINGAMAN. In 8 of the 10 cases, Mr. President, the set-aside proposed for the university is much larger than the amount that the university would otherwise receive from the Defense Department. In two cases, the Oregon Graduate Center and Oklahoma State University, the normal funds received from the Defense Department to carry on research work are much larger than the proposed set-aside. Those two universities do not need this provision to get the funds they need to carry on their research efforts. But the other eight clearly do. They are asking for over 15 times as much money as they actually received from the Defense Department in 1984. If the Secretary of Defense is forced to fund those projects, then that means almost $80 million will not be available for other more meritorious projects which better meet the Defense Department's long-term needs.

The Secretary of Defense has made it very clear that he does not support the log-rolling approach dividing up DOD research funds. In a letter that he sent to seven Senators on May 7, the Secretary stated that "the earmarking of research funds for specific universities, without merit competition, establishes a precedent that could jeopardize the preeminence" of our Nation's universities. He urged that he be allowed to use a competitive process to select projects to be funded, a competitive process which accounts for "all relevant considerations with particular emphasis on the research needs of the Department and the technical merit of the research proposed." We should allow the Secretary of Defense to choose the projects that his professional staff believes best meet his Department's needs.

Mr. President, our universities today are facing growing requirements for equipment and facility modernization. Last week, a White House Science Council Panel on the health of U.S. colleges and universities, chaired by David Packard, released a report which called for a substantial increase in support for university facilities and equipment. The report highlighted the role that university-based research plays not only for our national security, but also for our international economic competitiveness and our health and welfare. The report urged that we restore a better balance between university-based basic research and more near-term oriented research projects.

The report placed particular emphasis on the problem of restoring our university infrastructure. The panel recommended the establishment of a facilities fund within the National Science Foundation for the next 10 years. But the Packard Panel emphasized the need to maintain excellence in the allocation of these facilities funds. Let me quote from the report:

> In order to encourage excellence, we recommend that awards from this fund should be made only on a 50-50 matching basis with non-Federal funding and that all proposals submitted to the fund be subjected to peer review within the scientific or technological community involved.

The report recommends that $500 million a year be placed in this facilities fund by the Federal Government.

Obviously, taking up the recommendations of the Packard Panel is going to be very difficult in these times of fiscal stringency. But whatever the level of funds we allow to university research, we need to heed their prescription for the allocation of those funds. The Packard Panel is pointing to the right way to maintain excellence in our universities. The Urgent Supplemental is pointing the way to mediocrity, at best. A log-rolling approach cannot solve our university infrastructure problem.

Mr. President, today, I believe that we face a crossroads. Over the past few years, we have at an accelerating pace been moving toward a log-rolling or pork-barrel approach in the allocation of research funds. I believe that this practice has already damaged the conduct of scientific research, and will ultimately damage the overall scientific and technical capabilities of the Nation. It should be stopped.

In summary, let me tell the bad results which I see coming from the pork-barrel process for awarding Federal funds to universities. First, scarce resources are diverted from higher priority university projects. Second, colleges are encouraged to become more involved in political strategies for obtaining funds than in developing the most competitive new scientific proposals. Scientists who have developed truly meritorious new proposals quickly learn that they have been politically outmaneuvered, and must divert their energies to political gamesmanship to obtain needed funds. We are risking the prospect that our scientists and engineers will become increasingly cynical and disillusioned with the log-rolling process which does not consider academic excellence and merit as its principal criteria in the allocation of funds.

We have heard an almost unanimous voice from the scientific community in

opposition to the log-rolling approach. We have heard from the National Academy of Sciences, the American Physical Society, the National Association of State Universities and Land Grant Colleges, the Association of American Universities, the American Association for the Advancement of Science and numerous individual university presidents. We have also heard from the Defense Department and other executive agencies in opposition to this approach.

Even the Appropriations Committee appears to have heard these voices of opposition to the approach it is taking on these 10 university projects. In its report on the supplemental appropriations bill before us today, the committee states that:

> It does not intend to consider or approve any future requests for specific universities or research institutions for projects that are noncompetitive and do not comply with legal requirements for merit reviews and competitive contracting. Nor is it the committee's intention to consider or approve future requests to fund construction of related facilities for such projects. The committee will not consider any future requests to earmark DoD research and development funds for specific research projects that have not gone through competitive, merit review processes without specific authorization.

But unfortunately, you turn the next page in the committee's report and there you find the committee recommending $25 million for a Science and Engineering Center at Arizona State University, again without this project being subjected to competitive, merit-based contracting procedures. So it looks to me like the committee is admitting that it is using a flawed process in the allocation of these research funds and saying that it will not do it again, except for the nine previous projects and the one new project at Arizona State. But if this is the wrong process to use in the future, why is it not the wrong process to use today?

Mr. President, to conclude, I urge my colleagues to side today with allowing the Secretary of Defense to utilize competitive, merit-based procedures for the allocation of DOD university research funds. That is the prescription for excellence in our research enterprise. It is a zero-sum game that we are playing here today. In earmarking disproportionate funding for these universities, funding well above what 8 of the 10 institutions involved in the set-asides have historically received from the Defense Department, we will be taking funds from other institutions which would have received them as the result of competitive, merit-based processes.

Let us stop the logrolling in this area before it goes too far. I believe $80.6 million is too far by any reasonable standard. Let us not abandon today the policies and practices that we have used in the 40 years since the end of World War II to build and sustain a capacity for basic research in our universities that for its size and quality is the envy of the world.

There are a couple of points I wish to make. The first point I want to make is that the issue before us is not whether this $86.6 million is to be available for research in universities. The issue is whether we are going to allow the Secretary of Defense to use competitive merit-based procedures to allocate this DOD university research money. I think, clearly, the money should be used for research, but I am persuaded that the best use of the money is under a merit-based system of choice.

Mr. President, I believe those words I quoted earlier are as true today as they were when President Truman spoke them. I believe if we continue with the kind of pork-barrel allocation research funds represented in the bill as it now stands, we will be well on the road to mediocrity in our research enterprise.

I yield the floor, Mr. President.

Mr. SASSER. Mr. President, I am pleased to cosponsor this amendment offered by the distinguished Senator from Missouri and a multitude of other of my colleagues. I think the amendment that we are considering this evening will put an end to a really unfortunate precedent that would be set by this bill if it were allowed to pass unamended. What we are witnessing, I think, is the effort by some universities in some States to gain financial advantage at the expense of universities in other States.

When most of us think about pork barrel, we think of dam projects and highways. But university pork is just as much pork as public works is pork in some instances.

I am not saying that perhaps some of these projects are not worthy. Perhaps some of them are; perhaps all of them are. But if they are, let us allow them to be subjected to the same peer review as projects from other States.

I suspect, as a member of the Appropriations Committee and of the Defense Subcommittee of that committee, that I could be successful in securing funding for university defense projects in Tennessee just as some of our colleagues have done for universities in their States.

But I chose not to. And the universities in my State concur and support that judgment. They support the peer-review process because they think it is good public policy, it is good educational policy, it is good scientific research policy.

Frankly, when I heard about the effort being made by some of my colleagues to secure university defense research for universities in their States by going around the regular peer-review process, I took it upon myself to call the universities in Tennessee and I asked them if there were projects they wanted funded in similar ways.

But every university I discussed this with in my State said absolutely not.

Now, some of these universities are in competition in the defense university research program. But instead of seeking political advantage through their elected representatives they told me they preferred that their projects to be judged on their merits.

Now, Mr. President, this really goes to the heart of this issue.

Are we going to judge these projects on their merits, using a peer-review process, or are we going to judge them politically? Are they going to be awarded on the basis of which Senators sit on the Appropriations Committee and which do not? I say that as a member of the Appropriations Committee.

Mr. LONG. Mr. President, will the Senator yield for a question at that point?

Mr. SASSER. I shall certainly yield.

Mr. LONG. I am sort of in the dark in this matter. When did we agree that the peers would cut the melon or decide who gets this money? I have been around here for a while. I do not recall that I ever agreed to that.

Mr. SASSER. I say to my friend from Louisiana that I am not entirely sure we ever agreed 100 percent to cutting up the melon, as he phrases it. But I think that is the whole thrust of this argument.

It is not a process of cutting up a melon, it is a process of having these awards made by a particular process judged by those who are skilled in these matters and those with a proper scientific background to make a judgment.

□ 2350

Mr. DANFORTH. Mr. President, if the Senator will yield, the answer to that question is we decided that in the Deficit Reduction Act of 1984, where we provided a competitive procedure process for Government grants.

One of the specific provisions that we placed in the statute at that time was that:

> The competitive selection for award of basic research proposals resulting from a general solicitation and the peer review or scientific review (as appropriate) of such proposals.

constituted competitive procedures which we stated was the policy of the Government that we wanted to put in place. We have taken a clear position in Congress in favor of a competitive rather than just "who can get to the Appropriations Committee first" standard. Also, as Senator STEVENS pointed out and as I tried to point out, in the committee report on this bill there is a specific reference to the fact that we do not want to do this again.

We recognized that apparently it is wrong and we do not want to do it and will never to do it again but we have done it in this bill.

Mr. SASSER. Mr. President, clearly the fact that we state in this bill that we will do it this one time and we do not do it again, we will not do it again, I think is some indication there are reservations on the part of many Senators that this is not good policy even though they may be getting the funds for universities in their State on this one particular occasion. I submit that this will be habit forming. Once we find we can go around this peer-review process and once we can secure funds for defense research projects in our State through the Appropriations Committee, then we just might as well throw the whole peer-review process out. That will be the end result and this problem will not be before us.

Mr. LONG. Will the Senator yield?

Mr. SASSER. I yield to the Senator from Louisiana.

Mr. LONG. Am I to understand that this is a situation, which is certainly without my knowledge, where Congress said that we are not going to have any say about who gets this money; are we going to have some peers decide who gets the money? Is that what is involved here?

Mr. SASSER. I say to the Senator from Louisiana that the Congress set up the procedure whereby these funds were to be awarded. It was provided by statute by Congress. What we are seeking to do now in this one isolated incident is to go around the process that we have set up, the competitive award process, reviewed by peers, and award it in a different fashion. If you wanted to be unkind, you could say you are awarding it through the appropriations process, perhaps based as much on political consideration as other considerations.

Mr. D'AMATO. Will the Senator yield for a question?

Mr. HARKIN. Will the Senator yield?

Mr. SASSER. No; I am going to finish my statement, but then I will yield the floor.

The universities themselves should persuade their colleagues to cease asking Senators to grant special help in securing funding that could not be secured through the regular peer-review process. I know, as I said earlier, that the chairman of the subcommittee says that this is the only time we are going to do it; that it will come to an end after we do it this one more time. But I submit, gentlemen, that if we do it this once, it will be habit forming; we will be back again and again and again and we might as well just reject, throw out the whole peer-review process. I yield the floor.

Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, the chairman of the Defense Subcommittee, the distinguished Senator from Alaska, said our amendment would cut out the $80.6 million research funding. That is not true. The earmarking of $80.6 million comes out of already appropriated funds. Our amendment leaves every dollar of that $80.6 million available to the Pentagon and the university community. It simply permits the Department of Defense to award the money through open competition. None of these $80.6 million in awards have been authorized. None have been awarded competitively. None have had the normal scientific review panel of experts to determine if the receiving institution is the best from the point of scientific quality.

Mr. President, the great credit in this amendment is that a cosponsor of the amendment is Senator GOLDWATER, who is not only chairman of the Armed Services Committee but is also a Senator from Arizona, which receives by far the biggest award. He recognizes that even though his Arizona State University would receive it, it should be done on a competitive basis, a professionally determined competitive basis, not on the basis of political pressure.

Now, Mr. President, the Secretary of Defense in a letter to various Senators has said:

> The conferees' earmarking of research funds for specific universities, without merit competition, establishes a precedent that could jeopardize our preeminence.

The Secretary goes on to say that our universities are essential to our Nation's future and critical to the development of future defense systems.

We are now beginning to jeopardize that future, jeopardize our national security by allowing the competitive process to be voided.

Now, Mr. President, how many times have we voted on this floor for competition for defense dollars? Ten times? Twenty times? And today we are going to dismiss all those votes, all that pious language, all that concern and vote to forget competition, forget competitive awards but instead substitute political will. I hope not, Mr. President.

For a number of years the Congress has generally followed a policy of procuring scientific research from universities and corporations based on competition. The Congress has secured the services of professional experts to administer and judge the competition. With few exceptions this policy has served the country well. How do we know this competition and professional review has succeeded? The answer is in the results. A few months ago the Under Secretary of Defense for Research reported to the Congress that in the 20 most important areas of military technology, the United States leads the Soviet Union in 14. The two super powers were tied in six. So the Soviets lead in how many? Exactly none. Since the Defense Department is the prime user of this research, this excellent showing for American technology versus Soviet technology is particularly pertinent.

The professional competition system has worked well, but what happens if we abandon it? What could we expect if we rely on the kind of selection of scientific research represented by the projects for 10 universities included by the committee in the supplemental appropriation bill. Talk about an old boys' network. The old boys on the Senate and House Appropriations Committees and their special friends in the Congress would have a field day. There are few nicer things that a Senator can do for a colleague than hammer through the committee a multimillion dollar project for his friend's State when the friend is running for election in a few months. Without professionally supervised competition who determines which universities in which States get scientific research projects? Answer: the determination of projects is made in committee and on the floor. What is wrong with that? Committee members, especially majority committee members and particularly senior committee members have an initial advantage.

Now, Mr. President, this Senator has served for more than 25 years on the Appropriations Committee. I have yet to hear a single specific example of even one scientific research contract that has been unfairly awarded by this long-established and highly successful professional competition. Oh sure, there is a great deal of muttering and rhetoric against this professional competition that has given this country's national security such a critical advantage over our prime adversary, but not one shred of evidence that it has not worked and worked well. And oh how easy it would be for a Senator to secure such evidence, if there were any. All he or she would have to do is to request the General Accounting Office to review any of the hundreds of contracts awarded by this professional competition over the years and come up with just one or two that were unfair or biased. None of the Senators attacking this system have ever done this. If the system is rigged or unfair, let them prove it. They have not.

□ 2400

States represented by the Senate and House leadership can be expected to do particularly well. And, of course, regardless of committee membership or majority or minority status, or seniority, the member who is aggressive, persistent, returns favors by giving his

colleagues a special break for their State—that kind of Senator or Congressman will do well.

On many controversial issues, you can find scientists speaking on many sides of an issue. There never is total agreement on a controversial issue. But on the issue before us today, there is universal agreement in the scientific community. The Defense Department opposes these earmarkings. The Association of American Universities opposes these earmarkings. The National Association of State Universities and Land Grant Colleges opposes these earmarkings. The National Academy of Sciences—perhaps the most prestigious scientific body in the world—opposes these earmarkings.

Now let us put this issue in perspective. When it comes to research grants $80.6 million is a lot of money. This $80.6 million will go to 10 universities who did not compete fairly for this money. They will not get the grant the old fashioned way—they will not earn it. They will have it handed to them.

And this means that perhaps 10 other universities will not get grants even though they deserve them—even though they would have won out on competitive grounds, even though they would have made better use of the money.

Who is going to lose out so these 10 universities can win? I can tell you. Universities in Alabama, Alaska, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Nebraska, Montana, Missouri, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Pennsylvania, Rhode Island, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming. All losers.

Every one of these States has universities or colleges qualified to bid competitively for these awards. But the door will be shut to 42 States because a few have taken advantage of the political process.

[The following proceedings occurred after midnight:]

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DECONCINI. Mr. President, I oppose the amendment offered by the Senator from Missouri.

I think there is a fundamental flaw here that a lot of Members do not understand.

First, let me say up front that there is no question that the State of Arizona is a big beneficiary for the first time; and if it is the last time, that is fine. But to cut this out merely because of an argument that one State happened to get in, does not make any sense. That is why we are here opposing this amendment—because States do not get in.

Take a look at this. This map indicates what States get in. Over 50 percent of the Federal research money goes to 16 States every year. Where are the other States?

We have a right to compete. We cannot compete. I am proud of my Arizona State University and the science and engineering technology center they have proposed, but they have done it without any Federal help so far because it all goes to the elite eastern or California high tech schools. It is time we call a stop to that. We are talking about peer review. Well, let us make peer review equitable, not just of the elite.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DECONCINI. I yield.

Mr. LONG. The way it was explained to me by someone from my part of the country is that to get the money by this peer review, it helps to be a peer, one of the group.

Mr. DECONCINI. That is right.

Mr. LONG. The question then is, how do you get to be one of the peers? The answer is, you do not. You just stay where you are.

I do not know of anything in here for Louisiana, and I am not talking about taking anything for Louisiana. But if Louisiana is going to get something, I would rather depend on my colleague on the Appropriations Committee than on one of those peers.

I know a little about universities; I have a couple of college degrees. I know something about college professors; I have had something to do with them. From what I know about them, they have their brand of politics, just as we have ours; and they have their old-boy network, just as we have our old-boy network.

The armed services have their old-boy network. You had better be careful if you try to help some soldier who gets in trouble. You have to be careful how you help that guy, if you do at all, because they have their brand of politics. When somebody goes outside their brand of politics, he has made the mistake of his life. If a serviceman goes to talk to his Senator, the Senator should know how to do it. It should fit the military establishment's way of doing things.

I was not aware that Congress had taken itself out of this. I understand that we did fix this thing so that they can have this competition and suggest how the money should be split, and Congress has pretty well respected that procedure. But my understanding of this—what little I know about it—is that when we gave these peers the right to recommend, we did not say Congress was not going to have something to say about it. We still left Congress the right to do what the Senator is trying to do for his State—that is, to plead his case and hope Congress might be willing to recognize the merit of the case and vote for it.

To say that Congress had taken itself out of it came as news to me.

Now I understand why Louisiana has been getting so little. I did not know about it.

It seems to me that while it is nice to have whatever peer review they want, to say Congress would not have the opportunity to hear the plea of any Member of this body and to review what the peers are doing, to say that is fine but here is something that ought to be added to the list—to say we surrendered, that comes as news to this Senator. Apparently, we did not completely surrender. Otherwise, the Senator would have been ruled out of order. He had a right to offer the amendment. Is that correct?

Mr. DECONCINI. That is correct. I did not offer the amendment. The Senator from Alaska, the chairman of the Defense Subcommittee, did as part of his recommendations to the committee.

This is in the bill for good, sound reasons. I am more than happy to debate anybody who thinks Arizona State University does not have the capability.

The Senator from Louisiana is right: The universities in Louisiana will not have a chance because they are not part of the peer group.

Mr. LONG. A man who is regarded as one of the ablest and smartest Senators is Robert S. Kerr of Oklahoma. I learned from him, as others did who served with him. He used to say, among other things, that he was against any combine he was not in on.

I say to the Senator that if he is in on this combine, perhaps he should stand by it. But if he comes from a State that is not getting any benefit out of this thing, I suggest that he vote to respect the precedent; and the Senate, if it wants to, can add somebody to that list; because, based on what I hear, this thing has its own old-boy aspects. Those universities getting the money have a habit of continuing to get the money, and those who have not been getting the money seem to have a way of continuing not to get money.

Mr. DECONCINI. That is exactly the problem. That is what we are really going to talk about here—the peer review system.

One look at the universities that received the research money shows beyond a shadow of a doubt that unless your university is on the east or west coast, you are picking up the crumbs, if anything, of any Federal research dollars.

The map I just showed indicating R&D funding, looks as though the heartland of America, from Iowa down

to Louisiana and westward to the Arizona-Nevada western border, has been virtually shut off. That is what has happened.

No one can tell me that the northeastern universities, the elite schools, has cornered the market on research and development. They are good schools, but they also control the peer review. No one can convince me that Iowa, Arizona, Louisiana, the Dakotas, and many more cannot be part of this process. I do not know how else to get them in as part of this process.

I would be willing to legislate a peer group that was chosen from a hat, and I would throw my State into the hat, but that is not practical. I would be glad to take my chances there.

This is a set up to cut the deal before Louisiana, Arizona, or any other State can get an opportunity to get in.

No one can tell the Senators representing the great Southern universities that unless their university is located north of the Mason-Dixon line, they cannot compete with the schools in Massachusetts and other Northeastern States. No one is going to stand here and take that. Sure, they have their self-perpetuating peer groups, so it is comfortable. So why let anybody else in? When you think about it, is that what we are to do here? I do not think so.

□ 0010

Data compiled by the National Science Foundation in January of this year shows that in fiscal 1984, the last full year of available data, 50 percent of all Federal research and development funding was put into the hands of 16 Eastern and west coast universities, 50 percent.

That amounted to $4,173 million in fiscal year 1984, spread out over 16 universities.

I do not have to tell you how many fine universities there are in this country.

Another $550 million was put in the hands of four Midwestern universities with the University of Wisconsin receiving nearly $100 million in Federal R&D.

Mr. LONG. Will the Senator say what university it was received how much of that?

Mr. DECONCINI. The University of Wisconsin receiving nearly 100 million in R&D.

Mr. LONG. I am glad Senator PROXMIRE's State is not left out.

Mr. DECONCINI. I am glad the Senator from Louisiana asked me to stress that.

Mr. LONG. He cannot understand what the problem is.

Mr. DECONCINI. The Senator knows what the problem is like I do.

The fact is someone at Wisconsin University is probably on this peer group. I cannot tell you who it is, but I bet you if we got the peer groups up that would be the case.

The University of Wisconsin was ninth among all universities in receipt of National Science Foundation funding and that is not to degrade that university. It is a great university and it ought to have research funding. But I think the Arizona State University and others——

Mr. PROXMIRE. Mr. President, will the Senator yield since he mentioned my State?

Mr. DECONCINI. I yield without losing my right to the floor.

Mr. PROXMIRE. The fact is the University of Wisconsin has won every single one of those awards on the basis of competition, professionally administered competition.

What is wrong with that?

Mr. DECONCINI. If the Senator is finished, I am not opposed to the competition. It is the peer group that awarded it. I would like to see Arizona University or LSU of some others have someone on the peer group and a chance to compete. If they cannot compete, fine.

Mr. PROXMIRE. All the peer group does is determine who is qualified for competition. That is all. You have to have someone do that. You have to have the outstanding scientists and the best universities do that.

Mr. DECONCINI. My question is, Why should the peer group be controlled by these universities?

Mr. HARKIN. Mr. President, will the Senator yield?

Mr. DECONCINI. No. I am going to finish and then yield the floor.

Also, Mr. President, my colleagues should not lose sight of the fact that some of our most critical national laboratories and research centers have budgets totaling hundreds of millions of dollars that are not subject to peer review scrutiny.

Let me give you just a few of those with their fiscal year 1984 estimated budgets. The University of California Lawrence Laboratories, $690 million; the University of California, Los Alamos Scientific Lab, $424 million; Cal Tech Jet Propulsion Lab, $554 million; Stanford Linear Accelerator Laboratory, $117 million; MIT Lincoln Laboratory, $255 million; Princeton Plasma Physics Laboratory, $132 million; and Brookhaven National Laboratory, $173 million.

I feel like a real piker here tonight because I am asking for $25 million to be considered to go for research study and development for a center at Arizona State University.

I do not know why it ought not to have a chance when it cannot get on the peer group. I would settle for that.

If someone wants to offer a substitute amendment to the Senator from Missouri's permitting every State to be on the peer group, particularly my State, I may consider that in lieu of trying to fight for what I think is right and what I think is wrong with this process.

Mr. President, by earmarking funds for certain national research centers in this bill, Congress is saying that there are other universities that can make a contribution to our national defense and national research effort. Nothing more, nothing less.

It is high time that we unleash the tremendous research and development potential of the University of Arizona and Arizona State University and literally hundreds of other universities that ought to qualify, whether they be Wichita State in Kansas, Oklahoma State University, Rochester Institute of Technology, Iowa State University, the University of Nevada, or dozens and dozens of others.

Finally, Mr. President, the sponsors of the amendment will refer to these research projects as somehow being "pork barrel" or "ornaments on a congressional Christmas tree." Frankly, I resent that because that is not the case.

This money will be spent on good research if it is spent in Iowa or Kentucky or Illinois or Indiana, or wherever.

But why should we not have an opportunity? The Federal research is not something sinister. It is not a rip-off of the taxpayer.

It is easy to say for those States who are already hooked on this peer review life support system that feeds them annually with hundreds of millions of dollars of research. It is easy to say for those who historically have been a member of that prestigious peer merry-go-round that consistently pumps millions of dollars into these universities. "Forget it, guys, we want to compete. We want the competition process because we control it."

I think time has come that we defeat this amendment offered by the Senator from Missouri and that we stand with the Appropriations Committee bill.

Mr. President, I ask unanimous consent that a May 30 article in the Wall Street Journal on the importance of gallium arsenide microchip technology be printed in the RECORD.

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

MILITARY NEEDS RENEW INTEREST IN GALLIUM-ARSENIDE MICROCHIP

(By Eileen White)

The demands of electronic warfare-tracking, jamming and communications systems that will form the brains of the next generation of weapons systems—are powering a Pentagon search for smarter and faster computer chips.

The search has stirred renewed interest in gallium arsenide, a compound that 10 years ago showed bright promise as a basis for computer chips. That notion was generally abandoned because a market for the chips

failed to materialize. But the Pentagon could change all that because gallium arsenide is said to be uniquely suited to its new military electronics systems. With the Defense Department planning to assume some of the development risk through research-and-development grants, gallium arsenide is becoming a "hot area" in defense electronics, says Fred Alexander, general manager of the electronics and technology division of TRW Corp.

The expected uses range from "smart" missiles that would be self-guided by tiny microprocessors to satellites that would provide ship-to-space communications for aircraft carriers. The Air Force's Stealth bomber and advanced tactical jet fighter are being designed with a host of sensor, guidance and communications systems that must be integrated in compact on-board computers.

Such systems must receive and process communications signals from different sources at breakneck speed. That requires chips that perform analog, or sound wave, functions and quickly convert them to digital signals for data processing. They must operate at the microwave and millimeter wave frequencies, the upper end of the FM sound spectrum, where it is possible to achieve transmission with greater resistance to interception and jamming than is now possible.

Computer chips that meet all these needs aren't available commercially. Chip makers continually are developing faster silicon chips, but silicon isn't capable of processing as quickly as the new military systems demand. Moreover, silicon chips aren't currently capable of analog processing, and they deteriorate in the high-radiation environment that exists during electronic warfare.

Electronics companies have spent several years on plodding research into the properties of gallium-arsenide chips, which carry analog signals well. The compound processes electronic signals at about five times the rate of silicon with twice silicon's resistance to radiation. However, it is difficult to work with, yielding only about 8% to 18% useful chips per production batch, compared with 70% for silicon. That has helped push the chips' unit cost to about $200, compared with about 70 cents for silicon.

At such a price, the few commercial products already developed with gallium-arsenide chips—mainly satellite receivers and sound amplifiers—haven't found a wide market. And even the military has been slow to find uses for gallium-arsenide chips because of a lack of reliable development and test information.

The lagging industry participation has prompted the Pentagon to take the lead with a $135 million program to develop useable gallium-arsenide chips beginning next year. The program is known as Mimic, for microwave/millimeter wave monolithic integrated circuit, the technical name for a gallium-arsenide chip. At least 23 companies, including General Electric Co., Honeywell Inc. and Westinghouse Electric Corp. are expected to vie for funds.

Because one criterion is company-funded investment, numerous companies have already constructed facilities to make and test the chips. Avantek Inc., Santa Clara, Calif., and Sanders Associates Inc., Nashua, N.H., recently spent $30 million and $20 million, respectively, on gallium-arsenide "foundries."

Besides an interest in selling to the defense electronics market, the companies hope the Pentagon money will spur the lagging U.S. commercial market for Mimics. Japanese electronics companies are said to be investing heavily in gallium-arsenide research, mainly because its speed allows advances in parallel processing that are central to new generations of supercomputers.

Hughes Aircraft Co., which has spent about $50 million on Mimic research, says its expected participation in the Pentagon program should allow it to see a return on its investment in three or four years. Otherwise, "it would be 12 or 14 years before we'd get a return on our investment," says Eugene H. Gregory, a Hughes manager. Hughes' parent, General Motors Corp., has already asked for a study of whether millimeterwave radar could be used in automobiles, he notes.

The injection of federal money, which could rise to as much as $1 billion over the next 10 years, has prompted some rosy market projections. Henderson Electronic Market Forecast, Los Altos, Calif., says market demand for gallium-arsenide products will grow to $5 billion in 1996 from a current $240 million.

Similar forecasts a few years ago were miserably off the mark. Now the military market—including the Strategic Defense Initiative office, which is sponsoring research in digital uses of gallium-arsenide chips—is expected to make the difference.

It was Pentagon money in 1979 that created a market for very high speed integrated circuits, which have since proven a huge commercial success. E. D. Maynard, who directed that program at the Pentagon and is in charge of the Mimic program, hopes for a repeat performance. "We'll make it possible for venture capital to take the result and run with it." he says.

Mr. WEICKER addressed the Chair.

Mr. STEVENS. Will the Secretary yield before he leaves the room?

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. Mr. President, I am somewhat constrained to move to table this amendment. I think we have discussed it in rather great detail. I am not going to do that if it is going to offend anyone, but I have to say this, that the subject matter which we are referring to here today, in the main, has been entrusted to this Senator and his subcommittee both in terms of the universities, in terms of grants to the various centers, cancer centers, Alzheimer centers, various scientific endeavors, et cetera, which all falls under the aegis of the Subcommittee of Labor, Health and Human Services.

I and the other members of the subcommittee are well aware of our responsibilities and certainly 99 percent of what occurs under the peer review process. But to say that that does not allow the individual Senators to make a case for circumstances within their State, then there is not much point in having an Appropriations Committee or indeed to act as a U.S. Senator.

I am going to tell you right now, considering the status of priorities in this Nation, nothing delights me more than when every one of you interest yourself in a university or in a cancer center.

The priorities are so damn out of whack—I mean this fellow controls almost all the money in the budget for defense and it is hard to get anybody excited about the business of life, whether it is knowledge, science, or whatever.

The more that you do, the more that you interest yourself in these matters, the better it is for the whole budget.

I think you will all agree as you have made your requests, it is not going to be a pork barrel process at all. Invariably what we are talking about is helping the less fortunate. It is very little political reward for the type of matter that we are discussing here today.

So, without in any way denigrating the comments of those who propose the amendment, I also have to say I am very proud of both our profession and the work that it has done within that profession insofar as the U.S. Senate is concerned. There is nothing to apologize for.

Now, with those brief comments, I would hope that we could get on with the business of voting in terms of a tabling motion on the amendment, and certainly I do not want to foreclose anyone else from demanding that it is thoroughly covered.

Mr. HATFIELD. Mr. President, if the Senator will yield a moment, before he makes a motion, I just want to make a comment here. I plead with the Senate to delegate its basic authority and its responsibilities from time to time. The word "peer review" and all these other procedures that are used to reallocate money that we have appropriated for various and sundry programs, projects, and activities, designates the idea of a group or individual experts. They are going to make, then, the reallocation of the appropriation and those experts may have a different system of priorities, whether it is a peer review of an independent outside group or whether it is in agencies of our executive branch of Government.

If I had kept track, I would have imagined that every Member of this body has at one time or another approached the Appropriations Committee and asked us to put a higher priority on some particular problem, or project, or activity in their State overriding the experts, because we never have abdicated our ultimate responsibility to determine where those appropriations shall go, whether it is in the Defense Department, whether it is in the Education Department, or whatever, whether it was the Baltimore Harbor as an example, and this evening we took a $25 million earmarked from the Senator from Ohio to address an emergency flood situation in Ohio.

We circumvented the process because we exercised a legislative prerogative. Now you begin to abdicate in

one area the legislative prerogative to establish priorities or to establish earmarking, and we have set a precedent. And I would say, even the Senator from Missouri has approached me on occasions on other projects within that State, as every Senator has.

□ 0020

(Mr. COCHRAN assumed the chair.)

Mr. DANFORTH. If the Senator will yield, because he is referring to me, have I approached the Senator from Oregon on the basis of university research? Have I ever asked the Senator from Oregon to replace the judgment of professionals and experts as to where the highest quality of defense research is conducted? Have I ever suggested that politics and favoritism to the Senator from Missouri should replace the desires of the Department of Defense to spend its money wisely according to where research capability exists?

Mr. HATFIELD. If the Senator had been listening, I said the equivalent of "peer review" has its application in all the appropriations that we exercise; that agencies such as the Corps of Engineers has a certain set of priorities and projects, and we have replaced those projects on occasion. The Department of Education has certain systems of allocations and we have replaced those on occasion. Whether it is a lock or a dam or whether it is a flood or emergency, we have exercised the legislative prerogative of overturning a system of priorities and allocations. Therefore, I would say that this is something we ought to retain to ourselves to overcome any system that we set up or any procedure.

Mr. DANFORTH. Mr. President, if the Senator will yield just for one question.

Mr. WEICKER. Mr. President, I want to establish that I believe I have the floor. I yielded for a question to the Senator from Oregon.

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

Mr. WEICKER. I am glad to yield for a question to the Senator from Missouri.

Mr. DANFORTH. I appreciate that. I just wonder if the Senator really believes that the decisions on the matters such as microelectronic engineering and supercomputers and semiconductor research are of the same quality as where a harbor should be located? I mean, is there any expertise in the U.S. Senate? Is there anything other than pure muscle that is brought to bear in the Senate to make decisions such as that? I suggest that it is a qualitatively different kind of situation.

Mr. HATFIELD. I will state to the Senator that we have done that, yes. We have in 1982, in the electric energy system storage section, the Senate Appropriations Committee recommended funding $2.9 million for continued development of the Wisconsin superconducting magnetic energy storage project. We have done many such projects.

Mr. WEICKER. Mr. President, at this juncture, unless there is a brief question I can respond to, I am prepared to move to table the amendment.

Mr. HARKIN. Will the Senator yield?

Mr. WEICKER. I am delighted to yield for a question from my good friend.

Mr. HARKIN. Or a statement.

Mr. WEICKER. For a question.

Mr. HARKIN. OK. I will ask the Senator a question.

I think the argument has been made by the distinguished Senator from Arizona and the Senator from Connecticut and the distinguished chairman of the Appropriations Committee have very succinctly wrapped this argument up. But I would be remiss if at least one point was not clarified as it relates to the question just raised by the Senator from Missouri for the proponents of the amendment.

The question is basically this: Is there or is there not a "peer review" process within the Department of Defense as it relates to these projects? We have two issues here. Everyone is talking about "peer review," but there is no "peer review" in the Department of Defense at all. The "peer review" applies to NSF and other projects.

This whole thing has been clouded up by arguments of "peer review." What we are talking about here is within the Department of Defense, and there is no "peer review" within the Department of Defense. There is only professional reviews—just as the distinguished chairman of the Appropriations Committee pointed out as there is in every other agency—professional reviews of where they ought to put it.

What we are saying here is that professional review is not a "peer review." These projects do not go out among a bunch of universities to decide which is best. It is done only within the confines of DOD. So do not be confused. We are not talking about a "peer review" process here.

I thank the Senator for yielding.

Mr. WEICKER. Does the Senator from New York have a question?

Mr. D'AMATO. Mr. President, I would like to ask my distinguished colleague from Connecticut if he has known of any "peer review" program as it relates to the funding of university construction and renovation. That is what we are talking about in this area. Because the fact of the matter is that until this year, 1986, there have been no funds whatsoever set aside for this. It is really a specious argument. Because if it was not a specious argument, as the Senator from Arizona has said, there are those who want to control. They are not even willing to let the universities develop a microelectronic engineering center. They could never even compete for those defense contracts and other contracts. So you have the Rochester Institute for $11 million to have a microelectronic engineering center that will provide 25 percent of this Nation's engineers. There is not one person who has ever addressed the merits of any of these programs.

It is a peer review. It comes under those great words "peer review."

The fact of the matter is there has not existed any peer review for construction and renovation. That is what we are talking about at these facilities.

Mr. EAGLETON. Mr. President, the question we face today, in one sense, is the same question we face so often. How are we going to fix it so the folks back home get more next year than they did this year? We can all recall debates over formula changes. Rarely a word was heard on how this or that change would improve the purposes of the program. Instead, the bottom line was, "How much more money is my State going to get?"

In recent years, we have developed a new art form for funneling money back home. We do it on an institution "specific" basis. Back in the halcyon days, we simply added money to this or that account in an appropriations bill and specified, through the committee report; that the additional money was for a particular institution. In virtually every instance that I recall, the additional funds were to be used to establish a new program or to build a new facility at a college or university.

Then budgets got tight. There was no longer the ability to add money to bills. So the game changed to "earmarking" amounts from a given account and directing in the statute itself that the funds go to a particular college or university. We started robbing a whole bunch of Peters to pay one or two Pauls. And the accounts that usually got tapped were research funds.

The provision in the committee bill before us now is becoming a classic case in point. This bill, this "Urgent Supplemental," makes $55.6 million available as grants to 10 separate good old States universities. I should add that the committee report states that this is the last time good old State university can come to the well. They do not "intend to consider or approve any future requests for specific universities or research institutions for projects that are noncompetitive and do not comply with legal requirements for merit reviews and competitive contracting."

Mr. President, laudable as the committee's stated intent may be, it is simply too late. We should never have gotten into the business of sidestepping the competitive system of research projects. What has always been bad public policy is growing worse public policy. We should not be about the business of deciding which projects in the National Institutes of Health or the National Science Foundation or the Defense Department are funded. We do not know enough to make those judgments. We are turning a competitive, peer-reviewed process into pure and simple politics. And that is just dead wrong.

I urge my colleagues to join with Senator DANFORTH in putting a stop to this practice now, not next month, nor next year. Let us turn the research program back to the experts who know, far better than we, which university will do the best job.

Mr. BENTSEN. Mr. President, I am pleased to join in cosponsoring this amendment to help restore competitiveness—at first in the award of defense research projects to universities and ultimately in American science and technology. I do not believe that I am overstating what is truly at stake in this matter.

The immediate issue in this bill is whether to legislate contract awards for university research programs for the Defense Department. But this is just one part of the bigger picture of how to strengthen our national R&D efforts.

Since defense R&D has been growing rapidly, it is understandable that universities ands scientists have turned their attention to the Pentagon as a source of vitally needed funds.

Unfortunately, some institutions have bypassed the normal process of competition, peer review, and selection based on merit.

In recent years, there has been a growing trend toward congressional earmarking of funds for home-State institutions. This year, in this bill, the pork barrel for science got too big.

This amendment is aimed at 11 projects in eight States costing a total of more than $80 million. Not one has been requested by the Defense Department. Not one has been authorized by Congress. And not one would be subject to the established procedures for scientific competition. In my book, those are three strikes against such projects.

The established, competitive process may not always be perfect. I am sure that bias or favoritism sometimes creeps in. And I certainly understand and share the desire of Senators to help their home-State universities get fair consideration for their research proposals. I recognize, however, that the ultimate decisions should be made on the basis of expertise rather than politics.

I am sure that each institution which has money earmarked for it in this bill has highly competent people who could use those funds productively. I am sure that the projects in question sound meritorious, that a case could be made for doing something like this somewhere. But I am also sure that 535 Members of Congress are a cumbersome and ill-equipped group to make such evaluations.

We tend to be more interested in where a project is than what it is. That is an important criterion for some Government programs, but not for basic scientific research.

Nor should the random luck of committee assignments determine the direction of such research contracts. If we want to get the most for our money, and the best out of our best people, we should promote politics-free R&D.

Mr. President, I am aware of the Appropriations Committee's report language promising not to "consider any future requests to earmark DOD research and development funds for specific research projects that have not gone through competitive, merit review processes without specific authorization." It so happens that this horse is still in the barn. There is still time to close the door on these noncompetitive earmarks by approving the pending amendment.

This issue is only a small part of a much bigger challenge—to strengthen American science and technology and thereby our economic competitiveness.

Last February, the White House Science Council's Panel on the Health of the U.S. Colleges and Universities completed its 4-year study and submitted its report through Chairman David Packard. That panel made the linkage explicit:

> The strength of the Nation in trade, defense, and health has been directly related to past investments in science and technology. Our future position in global markets will similarly depend on our willingness to respond to opportunity and to mobilize our strengths today. To this end, we must promote a broad interdisciplinary approach to problem-solving by focusing on university-based centers that will improve cooperative linkages between scientists, engineers, and industry.

The Packard panel recognized that research in universities is fundamental to our entire scientific and technological capabilities:

> An economy whose growth prospects depend upon maintaining a competitive edge in technology must look to an increasing—not decreasing—emphasis on the source of this technical talent.

Mr. President, I have long believed that research is the basis for technological innovation, and that innovation has given America unparalleled progress—creating jobs, advancing productivity, and prompting gains in real income. For comparatively small investments in R&D, we have obtained remarkable returns. Even narrowly focused governmental programs for defense and space have led to enormous benefits and advances for U.S. science and industry.

The industrial sector of our economy has recognized its long-term dependence on R&D by increasing its funding of such activities by over 6 percent per year in constant dollars for the past decade. Since 1980, in fact, business has spent more each year on R&D than the Government has.

Despite these encouraging signs, there are ominous trends. Federal Government investments in defense-related R&D have been climbing rapidly at more than 11 percent per year since 1980, but spending in nondefense applied research and development has been falling each year by nearly 12 percent. As a consequence, the nondefense share of Federal R&D has fallen by almost half, from 50 percent at the end of the 1970's to 28 percent this year.

Mr. President, America needs a strong and growing research effort for our national defense. But I am concerned that we may be neglecting other important areas, that our emphases may have become unbalanced. Both West Germany and Japan devote larger fractions of their GNP's to nondefense research than does the United States. We have to work to stay competitive with those nations, as well as the Russians.

If these trends continue, American science and technology may fall behind, first in one sector and then in another, perhaps for a whole generation. We must always take care to direct our R&D efforts wisely and with a long horizon. This is true even with defense R&D, where the budgets have been expanding. Our funds are still limited, so they must be spent where they will be most fruitful.

Approval of this amendment will signal our determination to reject pork barrel science so that we can pursue the highest quality research efforts that our Nation needs.

Mr. HEINZ. Mr. President, I would like to associate myself with the remarks of the sponsors of this amendment. The subject of the amendment is crucial not only to our national security, but to the future of rational management of Federal funding for research.

I am struck by the irony of the Congress in attempting to earmark research money for specific institutions without going through the standard competitive selection process. Just 2 weeks ago, this Senate, by an overwhelming vote, gave its approval to the most significant defense reorganization plan in decades. One of the core elements of that legislation is the reduction of congressional micromanagement. It was recognized that excessive

congressional involvement in funneling Defense Department money was one of the causes of the inefficiency and waste that have undermined much of the public consensus behind higher defense spending.

And yet here we have one of the worst examples in some time of the kind of congressional micromanagement that we have pledged ourselves to reduce. In fact, if you look at the Appropriations Committee report on the urgent supplemental, it is clear that the committee itself is aware of how its action in earmarking research funds violates all common sense. The report states that the committee will, and I quote, "not consider any future requests to earmark DOD research and development funds for specific research projects that have not gone through competitive, merit review processes without specific authorization." If you detect a guilty tone in that statement, you are on the mark.

The committee is saying, let us do it this one time, and we promise to never earmark research funds again. We should all be asking ourselves, why do it this once? If it is a bad idea for future research budgets, it is a bad idea for this one too.

Some of the best changes that have come along recently in defense procurement involve competitive contracting. Congress has pressed the Pentagon to compete everywhere it makes economic sense. Our main concern has been to drive down excessive prices. But when it comes to competition for scientific research funds, another factor, quality, is at sake. It is a giant step backward for out approach to defense budgeting to earmark funds in an area where competition is recognized as crucial in putting our money to the best possible use.

No one in this Chamber fails to help his or her State whenever possible. That is a central, and honorable, part of our role here in the Senate. But we have traditionally approved research projects on a merit basis. It is, obviously, vital to the quality of our research effort that we do so. How can Senators go home to their States and explain to universities who have competed for Federal research funds that other universities have played by other rules? How can I return to Pennsylvania, where several fine academic institutions have received money through competition in the Federal Scientific Research Program, and report that millions of dollars have been handed out to other universities not on the basis of quality, but on the basis of Senatorial committee assignments?

Our national security rests to an extraordinary degree on our technological superiority. The latest Pentagon report shows the United States with a technological lead over our main rival, the Soviet Union, in many militarily significant categories. We are equal in some cases, and in some areas of United States advantage the Soviets are pulling abreast. We cannot play with this part of our defense budget.

Mr. WEICKER. Mr. President, I move to table—incidentally, so that no stigma might attach to one of these peer universities, let the record show that the Senator from Connecticut, who comes from one of those peer universities, is the one moving to table the amendment of the distinguished Senator from Missouri who comes from the same peer university.

Mr. DOLE. What university is that?

Mr. WEICKER. Mr. President, I move to table the amendment of the distinguished Senator from Missouri, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Connecticut [Mr. WEICKER] to table the amendment of the Senator from Missouri [Mr. DANFORTH]. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called to roll.

Mr. SIMPSON. I announce that the Senator from Florida [Mrs. HAWKINS] is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Mississippi [Mr. STENNIS] is necessarily absent.

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

The result was announced—yeas 40, nays 58, as follows:

[Rollcall Vote No. 117 Leg.]

YEAS—40

Abdnor	Hatch	Mathias
Andrews	Hatfield	McClure
Biden	Hecht	McConnell
Boren	Heflin	Moynihan
Byrd	Hollings	Murkowski
Cochran	Humphrey	Nickles
D'Amato	Inouye	Packwood
DeConcini	Johnston	Rudman
Dole	Kassebaum	Stevens
Ford	Kennedy	Symms
Garn	Kerry	Thurmond
Gorton	Laxalt	Weicker
Grassley	Leahy	
Harkin	Long	

NAYS—58

Armstrong	Evans	Pressler
Baucus	Exon	Proxmire
Bentsen	Glenn	Pryor
Bingaman	Goldwater	Quayle
Boschwitz	Gore	Riegle
Bradley	Gramm	Rockefeller
Bumpers	Hart	Roth
Burdick	Heinz	Sarbanes
Chafee	Helms	Sasser
Chiles	Kasten	Simon
Cohen	Lautenberg	Simpson
Cranston	Levin	Specter
Danforth	Lugar	Stafford
Denton	Matsunaga	Trible
Dixon	Mattingly	Wallop
Dodd	Melcher	Warner
Domenici	Metzenbaum	Wilson
Durenberger	Mitchell	Zorinsky
Eagleton	Nunn	
East	Pell	

NOT VOTING—2

Hawkins Stennis

So the motion to table was rejected.

□ 0040

Mr. STEVENS. Mr. President, in view of the action on this amendment, it is going to mean that it is in the bill, the House provision, is that correct? If we accede to this now, there would remain in the House bill the universities selected by the House conferees. I just want everybody to understand that. The effect of what you just voted on is to delete all the universities added by the Senate conferees. I think the record ought to be clear that the chance of that House provision coming out is rather nil. A substantial portion of it was added at the specific request of the Speaker of the House.

Mr. DANFORTH. Mr. President, I do not believe that is correct. If the Senator will look at the section on page 25 of the bill, section (c), I believe the answer to that is that it is to strike the earmarking.

Mr. STEVENS. Mr. President, if we delete the Senate amendment, the House provision remains in the bill. There is nothing we can do to take it out. The House provision will go to the conference. We all know that. I just want the Senate to know that as far as I am concerned, I am willing to accept the judgment of the Senate, but I hope you realize you have assigned us an impossible task if you think we are going to take out the House earmarking for universities that are not made under peer selection.

The PRESIDING OFFICER. Does the Senator from Missouri yield the floor?

Mr. DANFORTH. Mr. President, I do not believe the Senator from Alaska is correct. That is clearly not the intention of the amendment, to strike earmarking from the bill. I believe that is accomplished by the amendment.

The PRESIDING OFFICER. Is there further debate?

Mr. HATFIELD. Mr. President, I would only say that it is in the House bill and therefore it is in conference with the Senate. It is out of the Senate bill and, therefore, the House bill stands. For us to delete it from the House bill I will assure the Senate will not be possible. Therefore, the House identification by the House Members will get those assignments that they have made in that bill and we go without any assignments in our bill. It is very simple.

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

Mr. HATFIELD. Yes.

Mr. PROXMIRE. Is it the message to the conferees to knock out the House selection of allocation without competition?

Mr. HATFIELD. The Senator has been in conference before and fully understands the way those bills are presented in the House of Representatives and the likelihood of the Senate prevailing in that conference is nil, particularly when none of those projects went into the House bill without the Speaker's approval.

Mr. GRAMM. A parliamentary inquiry, Mr. President.

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

Mr. HATFIELD. Mr. President, what is the question before the Senate?

The PRESIDING OFFICER. The question before the Senate is the amendment of the Senator from Missouri.

Mr. GRAMM. Will the Senator yield for a parliamentary inquiry?

Mr. HATFIELD. I am happy to yield to the Senator from Texas for a parliamentary inquiry.

Mr. GRAMM. Mr. President, I would like to inquire as to whether there is a listing of specific universities in the House provision of this bill.

The PRESIDING OFFICER. The Chair will respond to the inquiry. The amendment seeks to strike language in the Senate bill. It does not propose to strike language from the House bill.

Mr. GRAMM. But in the vehicle before us, in the bill before us, there is no specific listing of universities chosen by the House that would remain in the bill that is to be up for markup to this point.

The PRESIDING OFFICER. The managers should respond to that.

Mr. STEVENS. The House provision on page 28 deleted by the Senate provision specifically earmarks the funds which the House wished to earmark which is $24,600,000 for the Northeastern University of Massachusetts and the Rochester Institute in New York.

Mr. JOHNSTON. Mr. President?

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

Mr. HATFIELD. I yield.

Mr. JOHNSTON. As one who was in favor of tabling the last amendment, I think it is correct, however, to say that the action of the Appropriations Committee was to strike the House language and add in these projects from the Senate.

The amendment just adopted simply struck the Senate projects but did not go back and unstrike the striking of the House language so that the House language is still stricken. So when we go to conference all the projects will be stricken out.

Mr. HATFIELD. In the Senate version.

Mr. JOHNSTON. In the Senate version. So we will go to conference with the House version where the House projects are in and the Senate projects are out.

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

Those in favor will signify by saying aye; those opposed nay.

In the opinion of the Chair, the noes have it.

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

The PRESIDING OFFICER. Is there a sufficient second?

□ 0050

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, before we start another rollcall vote, I want to remind my colleagues, I am not certain how many amendments we have on the Democratic side, but I am advised that on the Republican side, there are four amendments, approximately 6 or 7 hours of debate, with seven or eight rollcalls. That will take 2 or 3 hours. There are 12 to 14 amendments that could be accepted.

I understand on the Democratic side, there could be as many as 10 or a dozen amendments. Some of those are substantial.

I wonder if we might have some indication of whether we can reach some agreement, some time agreement on the remaining amendments or whether the chairman could indicate how much longer he might wish to proceed. I assume on some of these—we have spent 1 hour and 35 minutes on this amendment, an $84 million amendment. Some of the others, I assume, are just as controversial.

I am just wondering what the wish or the desire of the chairman might be at this time.

Mr. HATFIELD. To move on to complete the bill.

Mr. DOLE. Tonight?

Mr. HATFIELD. Yes, Mr. President.

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. The majority leader has the floor.

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

Mr. DOLE. Yes, Mr. President.

Mr. DANFORTH. I do not think the Chair has ruled on whether or not there is a sufficient second. I would be delighted, if it would expedite matters, to withdraw the request for the yeas and nays and to resubmit the amendment to another voice vote. Or we can have the yeas and nays, if that is the pleasure of the Senate. I believe the Senate has spoken on it. It seems to me we would save about 20 minutes or a half hour, as rollcall votes go. I am not going to agree to a division.

The PRESIDING OFFICER. A request for the yeas and nays is pending. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The question is on the amendment of the Senator from Missouri. The clerk will call the roll.

Mr. DECONCINI. Mr. President, I would like to ask the Senator from Kansas and the Senator from Oregon, I thought we had adopted a policy around here to improve the quality of life. I find at 5 minutes to 1, it is not doing much for my life; I do not know about the rest of us. I do not know what the urgency is, why we have to stay up until 3 or 4 in the morning. I understand the process of grinding things out but we have no need to be inhumane to ourselves. It is difficult enough around here, at least for some of us. Why we stay around here all night is beyond me. I suggest we take it up tomorrow or next week.

Mr. CHAFEE. Mr. President, what was the last vote we had? Was that 56 to 39?

The PRESIDING OFFICER. The vote was 40 yeas, 58 nays. The motion to lay on the table was not agreed to.

Mr. CHAFEE. Do we have to go through a rollcall vote? Is it not possible to untangle this because the yeas did not shout loud enough in the last round? I do not believe anything is going to be changed by a rollcall vote.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the Senator from Missouri have an opportunity to withdraw his request for the yeas and nays and that the Chair ask for an additional voice vote, after which, if the Chair is still in doubt, the Senator from Missouri be given an additional chance to ask for the yeas and nays.

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN. Mr. President, reserving the right to object, I rise to make an inquiry of the distinguished chairman of the Appropriations Committee. The grants that were in question right now were included in report language in the continuing resolution which was passed, I believe, last December. Would the amendment offered by the Senator from Missouri, if it is carried, strike that report language that included these projects in the continuing resolution for those projects that meet the criteria?

Mr. HATFIELD. The purpose behind putting them in as we did was to give them the force of law as against report language, which is advisory.

Mr. HARKIN. This Senator has discerned that what we have is report language in the continuing resolution that specifically sets out these programs. That still is there. I assume

that this amendment does not take that out.

Mr. HATFIELD. The Senator is correct, the report language is not affected by the amendment offered by the Senator from Missouri.

Mr. HARKIN. So it does not take it out?

Mr. HATFIELD. Yes, the report language remains.

The PRESIDING OFFICER. Is there an objection to the request of the Senator from Arkansas? Without objection, it is so ordered.

Mr. DANFORTH. Mr. President, I withdraw my request for the yeas and nays.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Missouri.

The amendment (No. 2021) was agreed to.

Mr. DANFORTH. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. BUMPERS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to laying aside the second excepted amendment in order to consider this amendment?

Mr. HATFIELD. I shall have to object on the basis that there was an agreement made that the second committee amendment would be handled next and finalize the amendments that way. I ask the Senator from Arkansas to withhold until we handle the last remaining excepted committee amendment.

Mr. LONG. Mr. President, will the Senator from Oregon yield for a question?

Mr. HATFIELD. Yes, Mr. President.

Mr. LONG. What the Senator from Louisiana does not understand is are we going to stay here all night tonight just so we will not have to come back in tomorrow?

Mr. HATFIELD. Mr. President, I do not control the amount of time that is taken on each amendment. I am only here to orchestrate the amendments. I would say that in times past, where we have adjourned with, say, 25 amendments pending, having completed the work on 20 other amendments, we come back the next day and we have replenished those numbers we have depleted so it is back up to 45. The amendments tend to mushroom.

I have asked about the possibility of getting a unanimous-consent agreement to limit amendments. So far, I have been told that that unanimous-consent agreement is not possible. So until we can reach that point where we can agree not to add amendments in the dark when we adjourn, I must suggest to the Senate that we press on and complete as many of these as possible. If we do not, we are going to be here Friday or Saturday morning at 1 a.m., because we will come back tomorrow if we adjourn now after the 30 amendments we have acted upon, or 15 or whatever, and we will have 50 new ones.

Mr. LONG. Will the chairman please ask consent that we limit those amendments?

Mr. HATFIELD. I was just told by the leader that we could not get such an agreement.

□ 0100

Mr. LONG. Could I ask the distinguished majority leader, is no agreement possible?

Mr. DECONCINI. Will the distinguished chairman yield, or the majority leader?

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, let me repeat, we have 24 amendments on this side and if we use the time they have indicated for debate it will be 6 or 7 hours, with 7 or 8 indications they want rollcalls. The chairman knows whether some of these will be accepted and some may go away, but there appears to be a number that are not going to go away. If that were true just on this side, we would be here until 9 o'clock in the morning, and there are about 15 amendments on the other side. It would seem to me that we have reached the point where, if the managers would agree, we would be better served to come back at 9 o'clock in the morning and stay here all day tomorrow. If we could have some agreement that there be no more amendments in order other than those that the distinguished manager has on this list plus those on the Democratic list, no time agreements but at least there be no further amendments, then we could make some progress.

Mr. BYRD. Mr. President, will the majority leader yield? As the majority leader knows, no Senator has been more eager to rush forward with this bill than this Senator, particularly because of some of the funds that are in it which are needed in West Virginia to clean up after the November floods. I must also say that no Senator has been more courteous and deferential to me in these matters than has the distinguished chairman of the committee, Mr. HATFIELD. I do not see any hope that we could get any agreement on the timing, any time agreements on the amendments, or as to a time limit on the bill. I would propose that the distinguished majority leader simply make the request that no further amendments than those that are known—and they could be named, they would be enumerated—be called up, and that we go out and come in at a reasonable hour tomorrow.

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

Mr. DOLE. I will be happy to yield to the Senator from Arkansas.

Mr. BUMPERS. If there is a list on the other side and a list on this side, would the majority leader consider just reading off the list of those amendments and then asking for unanimous consent that that be the exclusive list, conclusive list?

Mr. DOLE. I say to the Senator from Arkansas that is what I would suggest, and I think the chairman is willing to do that, but the list does not end. By the time he puts his sheet down somebody adds another amendment to it.

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

The PRESIDING OFFICER. The majority leader has the floor.

Mr. BYRD. Mr. President, if the distinguished majority leader——

The PRESIDING OFFICER (Mr. EVANS). The Senator is not in order. Will those who are in the aisles and speaking retire to their seats or the cloakroom. The Senate is not in order. The majority leader has the floor.

Mr. DOLE. Mr. President, what I would propose, if we could identify on each side the amendments that are going to be offered, then those who were going to have amendments accepted could stay tonight and take care of those. We would take care of the amendment first of the distinguished Senator from Arizona [Mr. GOLDWATER], because that has been worked out. And then we would come back and be on the bill at 9 o'clock in the morning. Hopefully at that time Members instead of putting down 1 hour after the amendment would put down 10 minutes; otherwise I think the best strategy would be, if we cannot reach some agreement—I think the chairman may be correct—to keep grinding away. But it does seem to me that there are so many—I think we just picked up how many more?

Mr. HATFIELD. Eight.

Mr. DOLE. We just picked up eight more by people walking through. And I am certain they are being picked up on that side.

Mr. HATFIELD. Mr. President, will the leader yield?

Mr. DOLE. I will be happy to yield.

Mr. HATFIELD. I do not think we should kid ourselves that merely because we may end up here with a unanimous-consent agreement to limit the amendments to just these that will be listed we can then come in here at 9 o'clock in the morning and begin this same routine over as far as taking the amount of time we have taken on the amendments today because again I must say that we have a responsibility—and I feel particularly keen about that responsibility—of getting this bill completed so we can go to conference

with the House next week. This means it has to be finished before Monday or Tuesday. If we are going to end up tomorrow night at 1 a.m. Saturday morning and we still have not completed our list and people are tired and want to go home and put it over until next week, I am going to say to the leader then I will request a Saturday session because it just seems to me we are not facing reality; that there are so many hours in the day and then we ask why we do not have quality time. We are going to finish this bill. I have that responsibility. We all have this responsibility. I am going to finish it. I am willing to stay here all night to finish it. We did one time do that. We ended up at 6:30 the next afternoon, but we finished it. But the point is on other occasions when we did not do that we grew the amendments back during the night and we ended up back at square one, and we are here at 12 o'clock the following night. We have done that too many times with precedent that I am not really too encouraged to say that unless we can get nailed down how many amendments we are going to consider and then exercise the self-restraint on those amendments that we have to debate, we will be here in the same place tomorrow night.

Mr. DECONCINI. Will the Senator from Oregon yield for a question?

Mr. HATFIELD. I will be happy to yield.

The PRESIDING OFFICER. The majority leader has the floor.

Mr. DOLE. I will be happy to yield.

Mr. DECONCINI. What is the pressing urgency that we have to pass this by tomorrow afternoon?

Mr. HATFIELD. I have said——

Mr. DECONCINI. Let me just finish. If the Senator would let me finish. If we cannot get through tomorrow, what is going to suffer?

Mr. HATFIELD. I have stated I think three times today during the consideration of this bill that five agencies are now out of money or will reach that situation within the next day or so.

Mr. DECONCINI. If the Senator will yield, that has happened before and the Government has not been down away with. Twenty-four hours is not going to set down anybody.

Mr. HATFIELD. I have also experienced a time before when the administration sent employees home and said Congress had failed to perform its duty. I am not about to put the Congress in the same situation to take that kind of bum rap from the executive branch.

□ 0110

Mr. DOLE. Mr. President, I yield to the distinguished minority leader. Does he have a list of amendments?

Mr. BYRD. I have a list on this side, and may I say that it is growing hourly, so the majority leader had better nail this down.

Mr. DOLE. That is right.

Mr. BYRD. May I proceed?

Mr. DOLE. Yes.

Mr. BYRD. I have two amendments by Mr. JOHNSTON: one with respect to trade adjustment assistance, one on emergency feeding. Mr. KENNEDY: one on nutrition, one on Coast Guard. Mr. MELCHER: four possible amendments—Philippines, impact aid, impact aid, Indian schools. Mr. GORE: organ transplants. Mr. BUMPERS: elderly feeding. Mr. GLENN: duty suspension on importation of bicycle parts. Mr. LEAHY: microbioresearch. Mr. METZENBAUM: natural gas. Mr. EXON: natural gas. Mr. BOREN: PAC's. Mr. HOLLINGS: health planning. Mr. INOUYE: emergency medical. Mr. BENTSEN: two amendments—one on alcohol, drug abuse, and mental health, and one on low-income emergency assistance.

I would suggest that the leader proceed with getting the agreement that these amendments and those on his side, if he can enumerate them and identify them, be the amendments which remain on the bill, and let the Senate go out.

Mr. HATFIELD. I should like to respond by listing the ones on our side.

Gramm—To strike Title II section 204 dealing with OMB circular A-21;

Grassley—To take excess profits from the sale of conrail and put them into Agric. programs to offset the GRH reductions;

Mattingly—Remove reverter clause in deed to small property clause in Georgia;

McClure—Park service;

McClure—Compact of free association;

Murkowski—Provide funds for BIA construction in Alaska;

Abdnor—Impact Aid;

Abdnor—Change USDA regulations on interest buy-down program;

Domenici—Land conveyance from GSA to New Mexico;

Evans—To extend existing moratorium on state fiscal sanctions under the food stamp programs;

Gorton—To prevent the recovery of EDA funds for the construction of a building;

Gorton—To clarify authority in FY '85 supple. For the Walla Walla district engineer's headquarters;

Rudman—To provide $500,000 for the appointment of 2 independent counsel;

Wilson—To eliminate Congressional newsletters;

Wilson—Congressional newsletters;

Stevens—$2 million transfer in OPM retirement trust fund;

Garn—Extend F.H.A.;

Thurmond—UDAG amendment in the 2nd degree to Garn amendment on F.H.A.;

Stevens—To amend the farm bill swamps provision; to exclude perma-frost soils;

Kasten—2nd degree to Grassley transfering to dairy;

Nickles—Department of Army. Bomb damage, $5 million;

Hatfield—Bankruptcy;

Hatfield—N.I.H.;

Stevens—National rifle practice;

Stevens—Postal rates for small newspapers;

Specter—Allow reuse EDA funds for Hazleton, PA.

Specter—Extension obligation data for EDA grant for Phil.

Dole—Peer review.

Mr. BYRD. What was the first one by Mr. SPECTER?

Mr. HATFIELD. Mr. SPECTER's amendment has to do with EDA funds for a town in Pennsylvania.

Mr. BYRD. I have one other by Mr. ZORINSKY, on research.

Mr. DOLE. Mr. President, I ask unanimous consent that these be the only amendments in order to H.R. 4515.

The PRESIDING OFFICER. Is there objection?

Mr. BOREN. Mr. President, reserving the right to object, and I will not object, I wonder if the majority leader will yield briefly.

I have listed an amendment on campaign reform dealing with political action committees. The majority leader and I were discussing this in good faith, to try to determine a time to bring up S. 655. The majority leader will agree that we have had good faith negotiations on that, and we will try to bring it up at a reasonable time within the schedule.

Mr. DOLE. The Senator is correct. We are discussing different options.

Mr. BOREN. I am not trying to pin down the majority leader, but we discussed bringing up S. 655 for consideration at least before the end of July.

Mr. DOLE. That is correct.

Mr. BOREN. I would like to start a process which I hope will be a helpful process and ask that my amendment be stricken from this list, in light of the majority leader working in good faith with us.

Mr. DOLE. I appreciate the cooperation of the distinguished Senator. That is one less.

In addition to saying that no other amendments be in order, may I also include that no points of order be waived in connection with this agreement.

Mr. BYRD. Reserving the right to object, I was going to inquire about that.

It is understood that these amendments having been enumerated as the only amendments to be offered, no second-degree amendments, whether or not germane, would be in order?

Mr. DOLE. Except that I think there are two stipulated. Mr. THURMOND has a UDAG amendment in the second degree to the Garn amendment on FHA, and Mr. KASTEN has a second-degree amendment to Mr. GRASSLEY's amendment dealing with transferring to dairy.

Mr. BYRD. Let me rephrase my suggestion: that inasmuch as these are the only amendments that can be offered, they may be offered either in the first degree or the second degree.

Mr. DOLE. The Senator is correct.

Mr. BYRD. May I make one further inquiry: What about the Armed Services appropriations?

Mr. HATFIELD. That is going to be taken up immediately.

Mr. NUNN. I see no reason why that cannot be resolved this evening.

Mr. DOLE. We are going to do that this evening.

Mr. STEVENS. Mr. President, will the majority leader yield for a question concerning the minority leader's remarks?

Mr. DOLE. I yield.

Mr. STEVENS. Often it is necessary to ask a Member to modify his amendment in order that we might accept it. The minority leader is not suggesting that that cannot be done in this process?

Mr. BYRD. No. I think a Senator should be allowed to modify, so long as the modification comes within the identification as set forth in the RECORD.

Mr. DOLE. That would be my understanding.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. BYRD. May I add one possible amendment by myself, which would not require more than 5 minutes.

Mr. NUNN. I believe it has been taken care of.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

Mr. DOLE. Mr. President, I thank my colleagues on both sides. That does not limit the scope of action of the managers. There might have been three or four more. But it does help.

As I understand it, the Senator is now prepared to go to the last committee amendment, plus amendments that will be accepted.

Mr. HATFIELD. Mr. President, we will now complete the committee amendment. I do not think it will require a rollcall.

Mr. STEVENS. The Senator is correct.

Mr. HATFIELD. When we dispose of that last committee amendment, I urge Members who know they have an amendment that does not require a rollcall to remain, for we will remain here to complete as many of these amendments as possible. We cannot complete these amendments if we wait until tomorrow, by starting with No. 1 of the 50. But we want to complete as many as possible tonight—maybe 20—that will not require rollcall votes. So will those Members please remain.

There will be a much better attitude tonight in accepting some of these amendments if we get a little sleep and come back tomorrow.

Mr. BYRD. Mr. President, does the majority leader indicate that there will be no more rollcall votes?

Mr. DOLE. We will probably be on the bill at 9 o'clock in the morning. There will be no more rollcall votes tonight.

Mr. JOHNSTON. Mr. President, I urge all colleagues who have amendments to please get copies of the amendments to us as soon as possible, so that we may be ready to deal with those amendments expeditiously.

□ 0120

The PRESIDING OFFICER. The Senate will be in order. The Senate will be in order.

Senators please clear the aisle.

Further amendments are ready to be proposed and the Senate cannot continue until the Senate is in order.

The Senate will please be in order.

The Senate is still not in order. Those who are in the aisles please retire to their seats or proceed to the cloakroom.

The Senate has not come to order.

The Senator from Arizona.

Mr. GOLDWATER. Mr. President, many, many hours ago the chairman of the committee asked if we would meet to try to reach an agreement with the Senator from Alaska relative to amendment 8019, which we were attempting to strike.

Mr. President, we have reached an agreement. The committee has met for hours today and staff worked more hours.

AMENDMENT NO. 2023

Mr. GOLDWATER. Mr. President, I send to the desk an amendment and ask that it be reported.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. GOLDWATER] proposes an amendment numbered 2023.

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

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

The amendment is as follows:

On page 26, strike out lines 1 and 2 and insert in lieu thereof the following:

"CHAPTER III A"

"AUTHORIZATION OF CERTAIN UNAUTHORIZED APPROPRIATIONS"

"SEC. 1. AUTHORIZATION OF CERTAIN UNAUTHORIZED FISCAL YEAR 1986 APPROPRIATIONS.

Except as otherwise provided in this chapter, funds appropriated or otherwise made available to or for the use of the Department of Defense by the Department of Defense Appropriation Act, 1986 (as contained in section 101(b) of Public Law 99-190), and which were not otherwise authorized by law, are authorized to be obligated and expended as provided in such Act.

SEC. 2. PROHIBITION AND LIMITATION ON OBLIGATION OF FUNDS FOR CERTAIN PURPOSES.

MARINER FUND.—Of the funds appropriated or made available by the Department of Defense Appropriation Act, 1986, none shall be available for construction of commercial type vessels, with or without military specifications, for lease to private shipping concerns under the Mariner Fund or any other program.

SEC. 3. AUTHORIZATION FOR OBLIGATION OF CERTAIN UNOBLIGATED FUNDS.

Of the funds appropriated by the Department of Defense Appropriations Act, 1986 (as contained in section 101(b) of Public Law 99-190), but which may not be obligated or expended for the purposes for which appropriated by virtue of section 2 of this chapter, and of the funds made available for obligation and expenditure from prior year unobligated balances by section 8103 of the Department of Defense Appropriation Act, 1986, the following amounts are authorized to be obligated and expended for the stated purposes:

(1) For military pay, $1,599,400,000;

(2) For military retirement accrual payments, $2,156,000,000;

(3) For Coastal Defense Augmentation, $140,000,000;

(4) For the Expendable Launch Vehicle Program, $1,498,686,000;

(5) Any amounts remaining available from such funds shall be available for readiness and for other purposes, including funds authorized for obligation and expenditure for purposes listed in clauses (1), (2), (3), and (4) not otherwise required for such purposes.

SEC. 4. REVISION OR REPEAL OF CERTAIN PROVISIONS OF PUBLIC LAW 99-190.

(a) AIR DEFENSE AIRCRAFT COMPETITION.—The paragraph under the heading "Aircraft Procurement, Air Force" in title III of the Department of Defense Appropriations Act, 1986 (as contained in section 101(b) of Public Law 99-190), is amended—

(1) by striking out "of which $200,000,000 shall be available only to initiate the air defense aircraft competition authorized by law" in the matter preceding the first proviso; and

(b) REVISION OF CONTRACTING OUT PROVISION.—Section 8089 of such Act is amended by striking out "ten" and inserting in lieu thereof "40".

SEC. 5. REMOVAL OF CERTAIN LIMITATION ON THE P-3 AIRCRAFT.

Funds made available for the procurement of P-3 aircraft for the Navy for fiscal year 1986 may be used for procurement of such aircraft for the active or reserve forces of the Navy, as determined by the Secretary of the Navy.

SEC. 6. TEMPORARY WAIVER ON POLYGRAPH EXAMINATION LIMITATIONS.

In computing the number of counterintelligence polygraph examinations that may be conducted during fiscal year 1986 under section 1221 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 726), there may be excluded from such computation any polygraph examination conducted during the period beginning on the date of the enactment of this Act and ending on September 30, 1986, if such examination—

(1) is conducted by the Air Force under an authorization granted by the Secretary of Defense on November 24, 1981; or

(2) is conducted under an authorization granted by the Secretary of Defense on August 31, 1982, and is conducted on a person who is participating in a national program—

(A) which has as its purpose the collection of specialized intelligence through reconnaissance;

(B) which is under the purview of the Director of Central Intelligence; and

(C) for which a polygraph examination was established on or before October 1,

1985, as a condition for participation in such program.

Mr. GOLDWATER. Mr. President, I ask that the amendment be accepted.

The PRESIDING OFFICER. Is there further debate?

The Senator from Alaska.

Mr. STEVENS. Mr. President, I thank the members of the Armed Services Committee now for having approached the subject of the moneys that we allocated under the appropriations process last year in a way that will make them available. We have worked out an agreement.

I will say to the Chair and to my good friend from Arizona and my good friend from Georgia that I interpret the effect of this amendment to be that it is the same as the amendment I offered. What it says is that except for the specific projects that we have disapproved, the moneys that the Appropriations Committee made available are approved.

They are to be spent in accordance with an allocation that we had agreed upon previously, and the net effect of this is that we have yielded on the items that I mentioned before. Specifically, we have yielded on the $200 million for the airborne tankers. We have yielded on the moneys that were earmarked for future authorization for the mariner. We have yielded on the F-46 which is really in another bill. And we have yielded on——

Mr. NUNN. Mr. President, the Senate is not in order and I am trying to hear the Senator from Alaska.

The PRESIDING OFFICER. The Senator from Georgia is correct. The Senate is not in order.

Will those Senators who are conversing in the aisles and the back of the Chamber retire to the cloakrooms or to their desks? The Senate will not continue until the Senate is in order.

The Senators will retire to the cloakrooms or their desks and the staff members will retire to the back of the room.

The Senator from Alaska.

Mr. STEVENS. To continue, we have yielded on the timing of the competition for the air defense aircraft and the provision accomplishes the same result as the amendment I offered previously.

In connection with the Department of Defense Appropriation Act of 1986 the Appropriations Committee in effect created a suspense account for moneys that had been saved from prior years. Those moneys were specifically allocated to projects by the Appropriations Committee and the Armed Services Committee has disagreed with that.

Under this amendment, the moneys are specifically earmarked, first, for military pay a little over $1.5 billion, military retirement accrual a little over $2.1 billion, the coastal zone defense augmentation account, that is Coast Guard account, the Appropriations Committee created last year, we have shifted a portion of that suspense account, about a billion and a half dollars to the dispensible launch vehicle and we have stated that the remaining amounts will be available for readiness and other purposes including funds authorized for obligation and accounts for purposes listed in clauses 1, 2, 3, and 4, and the ones I just read.

The intent of this is that we will get together and provide a listing for how any amounts which may be available from that suspense account beyond those enumerated in paragraphs 1, 2, 3, and 4 that I just read and those will be worked out, and I think we have it worked out and we have an understanding between the Armed Services Committee and the Appropriations Committee on that matter in effect.

I think the list has not been totally agreed upon yet but we will agree upon it and I do not perceive any difficulty.

Mr. NUNN. Mr. President, will the Senator from Alaska yield on that point?

Mr. STEVENS. I am happy to.

Mr. NUNN. I will say from my perspective we have an understanding that we will hold over certain portions of funds and then we will seek either through authorization or appropriation, or both, and it needs to be both based on this general understanding precedent. We will then decide. It could be perhaps even reprogramming. But I think the staff can work on those numbers, but the Senators have not seen those numbers. So I think it is premature to have an agreement on that.

Mr. STEVENS. I agree with the Senator from Georgia. We have an agreement on the process by which we select the amounts and the programs or projects that those funds that would be remaining available from this suspense account will be allocated for either expenditure in 1986 or 1987 or years beyond.

I think the two committees understand where those funds are coming from. That is the main thing I want to make in this RECORD that we are talking about the funds that were contained in what I call the suspense account which was created by section 1803 of the Defense Appropriation Act of 1986.

Under the circumstances to me this represents now an agreement which carries out the intent and purpose of the agreement we entered last year in December 1985. So I want the Senate to know I am satisfied that we have done our best for the defense of the country and that the agreement we have entered into here does meet the needs of the Defense Appropriations Committee.

I call the attention of the Senate to the fact that there are items that were in the committee's reauthorization bill that we have incorporated now in this continuing resolution dealing with polygraphs and dealing with repeal of certain other limitations under the law that we have no objection to. They, basically, do not deal with funds. They deal with policy matters that originated with the authorization committee.

I thank my good friend from Arizona for his patience with me. I think we have an obligation to proceed to try and protect the programs that we have tried to make funds available for and above all—he is no longer with us right at this moment, but he has been with us all day and throughout this whole process—I want to tell the Senate that the steady hand in the process has been the hand of the Senator from Mississippi.

□ 0130

He is the only one that is on both sides of the issue. Mr. President, he is on the Armed Services Committee and he is on the Appropriations Committee. That is no longer possible now under our rules. But, under his long tenure in the Senate, he has been grandfathered, literally, into that process.

And I say to the Senate that I am sorry to see the time when we have so few grandfathers, because he really has been the stabilizing factor on this issue and has brought us together time and time again.

I want to say, although it is very early in the morning, that I hope the Senate will take heed on what has happened and maybe reexamine some of the provisions that prevent this cross-pollinization. We have a separate agreement we have entered into now as to how we will conduct ourselves in the future, what amounts to cross-pollinization of the two committees. We are not allowed to serve, as the Senator from Mississippi does, on both committees. But we have now agreed that we will come into each other's committee deliberations, to get the Armed Services Committee involved with the appropriations process and the appropriators involved in the Armed Services process.

Prior Senate rules allowed that cross-pollinization to occur in the Senate as Senator STENNIS does now.

Mr. COHEN. Will the Senator yield?

Mr. STEVENS. Yes.

Mr. COHEN. The Senator made reference to the informal agreement which has been arrived at. I just have a question to perhaps clarify some of the agreement.

In order to improve the working relationship within the Appropriations Committee and the Armed Services Committee, one of the items state the

Appropriations Committee will resist proposals which have the effect of reversing or materially modifying policy matters already agreed to in a Senate-passed authorization bill.

The question I have is one of some ambiguity. If, for example, the Senate Armed Services Committee were to consider a program and to reject it, is that covered under that particular agreement, that materially modifying policy matters already agreed to in a Senate-passed authorization bill? If we consider something and do not necessarily agree to it but, in fact, consider it and reject it, is that covered by that paragraph?

Mr. STEVENS. Mr. President, we agreed to that concept I think that the Senator is mentioning that if the Armed Services Committee rejects the proposal, we will do our best to resist efforts to carry out such a proposal in the appropriations process. I will say this to my friend: We have had the unfortunate problem now for 4 years out of 5 of dealing with an appropriations process without an authorization bill. After the Senate has acted on the appropriations bill, the Armed Services Committee has come back out of conference with a bill that has been changed and we have the problem of dealing with those things that have been rejected in the conference process.

With the caveat that we will do our best to resist those changes, I think at times it is difficult for us in the appropriations process to support mechanisms that the Armed Services Committee has negotiated but lost in conference when we can carry them into the appropriations process.

Mr. COHEN. Could I ask one further question?

Mr. STEVENS. Yes.

Mr. COHEN. Under that same area, assume the Armed Services Committee is silent with respect to a particular program, would the Appropriations Committee also feel bound not to add, to increase, or indeed appropriate dollars for something that was not specifically referred to either in accepting or rejecting the process of the armed service authorization?

Mr. STEVENS. Mr. President, I would say to the Senator, not necessarily. My mind goes back to the AIDS subject that I mentioned last evening, where, in the course of our committee hearings, we discovered that there was a serious problem that had not been looked into by the authorization committee and, within the amounts available in the authorization process, we could earmark funds to initiate a research project in AIDS through the Department of the Army.

I do not think we are talking about systems. I cannot remember us dealing with a major new initiative in terms of policy or systems. But we have earmarked funds within the authorization limitation for projects and initiatives that have not been addressed by the authorization.

However, I note that we did discuss this with the members of the authorization committee and intend to do so, in any event, in the future.

Mr. COHEN. I thank the Senator.

Mr. STEVENS. Mr. President, again I want to say we are not going to put the agreement in the RECORD. The agreement is between the two committees and I think it should remain as such. But this agreement makes a great deal of sense to me.

Mr. LEVIN. Mr. President, will my friend from Alaska yield for a question along the lines of the Senator from Maine?

Mr. STEVENS. Yes.

Mr. LEVIN. My understanding is we have agreed to the latter language which addressed the question of the Senator from Maine about what would happen where a policy matter was rejected during the defense process and that latter language has been agreed to and addresses the question raised by the Senator from Maine. I have that in front of me, so what you are looking around for, I am afraid I have. But is that correct, essentially?

Mr. STEVENS. The modification and the agreement has to be retyped. The Senator is right, this is trying to deal with a situation that the Armed Services Committee has rejected.

I might say, to make sure we understand one another, that at times we have run into in the appropriations process an initiative from the House which we did not know had been rejected by the Senate authorization committee and had been initiated by the House committee and rejected by the Senate committee in conference. We later got into conference with the House on the appropriations process and found out that we had funded an initiative of the House which had been turned down by the Senate. Those things are going to happen in the future and they are going to take understanding and better communications to avoid.

That is the basis of the agreement we have, better working relationships with our staff, better working relationships with the leadership of the committees and, above all, better communications between our committees and with the Senate over what is going on in the defense field.

I think it is really a new beginning of a better relationship between the two committees. I am pleased to be part of the process with my good friend from Arizona. I thank him for his consideration.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. NUNN. Mr. President, I will take just a moment. I think this is the best we could have done under very difficult circumstances. We all spoke of this earlier today. I expressed my view that we are going to have to find some long-term solutions to what amounts to a duplication of effort between two committees, both working hard, both sincere.

I do not think we have solved all of the long-term problems. I think we made a step in the right direction with this agreement that has been alluded to.

I certainly join the Senator from Alaska in paying tribute to the Senator from Mississippi for his stalwartness in trying to pursue a solution to this and for his patience. I think the Senator from Arizona and the Senator from Alaska worked many hours in trying to resolve this, as have staff.

Mr. STEVENS. Will the Senator yield right there?

Mr. NUNN. Yes.

Mr. STEVENS. I forgot my friend, the Senator from South Carolina, who has worked in the past years very hard on this matter, along with the Senator from Arizona and, in the absence of the Senator from Arizona, he was part of the long negotiations in 1985. We appreciate his efforts also.

Mr. NUNN. I join the Senator in that. The Senator from South Carolina was very diligent in pursuing this last year and has been an immense help in trying to work it out.

We still do not have a long-term solution nailed down. We have made steps in the right direction. There is good faith. I believe this is the best we can do.

I do have a question I would like to pose to the Senator from Alaska, and if the Senator from Oregon has any objections, I certainly would like to hear from him.

But we feel, since this is an authorizing amendment on an appropriations bill, it is a rather unique move. It is different from anything that I have seen here. We have, in effect, an authorizing committee coming in and authorizing on a supplemental appropriation bill money that has already been appropriated but could not be extended because of section 8109.

When we go to conference, when the Appropriations Committee goes to conference, I have no desire to take on additional duties. I have no desire to get involved in the Appropriation Committee's business. But on this authorizing legislation, the House will inevitably appoint the Armed Services Committee, because they have a separate authorizing bill, supplemental authorization for this particular unique set of circumstances. We had planned to be in conference with them on the authorizing bill, which is now pending, called the supplemental authorization. This supplemental authorization has now been folded into the appropriations bill.

So the question I will pose—and we have already discussed this—is that it seems to me that we have to assert our responsibilities to be a part of that conference on this amendment and matters pertaining thereto; that is, on the authorizing portion of this appropriation bill.

□ 0140

And we we have talked to the Senator from Alaska. It is my understanding—and the Senator can certainly correct this if it is in any way erroneous—that it would be acceptable to the Appropriations Committee for the Armed Services Committee to have an equal voice, and we would both have to concur in conference on those authorized items.

Again, we would not expect to be part of the appropriation deliberation but we would expect to be part of the conference in dealing with these authorizing items and in dealing with our counterparts from the House who I think would inevitably be appointed to this conference based on this set of circumstances.

Mr. HATFIELD. I will respond, if the question has been addressed to me, to the Senator from Georgia that I think it is a part of a package of compromises that the committee has worked on and come out with tonight. I support it on that basis. But because of the unusual character of this particular vehicle, I would like to make sure that no one is taking this as a precedent relating to those authorizing matters that may be hung on to an appropriation bill.

I want to remind the Senate that we have had numerous authorizing actions asked for by the authorizing committee to utilize the appropriation vehicle in order to get their authorization. I am not going to take a long time to enumerate but as to the Energy Security Act of $20 billion, and reauthorization from the Foreign Relations Committee of their foreign assistance bill, there was a request from the Judiciary Committee to enact the crime bill hanging it onto an appropriation bill. I want to make sure there is no precedent understood in this agreement here tonight any time we see fit to use the appropriation vehicle as an authorizing vehicle.

That does not automatically bring into the process the members of the authorizing committee to vote in the appropriation business.

Mr. GOLDWATER. Will the Senator yield?

Mr. HATFIELD. I am happy to yield.

Mr. GOLDWATER. There is no effort on our part to do what the Senator indicates. But I can assure the leader that other chairmen need not be reminded of the problem that we have that I have worked on for 4 or 5 years. It is a problem that has to be solved if the committee system of this Senate is going to prevail.

I will go so far as to say we will have to have rule changes before we get much further down the line. I hate to see the Senator's committee abused by anything that we have done. I would like to see it done in the right way, and change the rules so that we do not have to go through this process every year.

Mr. HATFIELD. I thank the Senator from Arizona. I wholeheartedly agree with his observation.

I hope that is the proper, understandable response I made to the Senator from Georgia on the question about this matter of a package of compromise, and the fact that it does not in itself establish a precedent.

Mr. NUNN. I would certainly agree with that. As a matter of fact, what we are attempting to do is never be in this situation again. That is the goal. The last thing I want to do is have another conference to attend. We are going to be in conference all summer long on several different items, either retirement or the main authorization bill. So I would say not only not a precedent but the whole purpose of this exercise is that we would hope that we can establish the kind of working relationship that would avoid this kind of conflict in the future.

I would like to emphasize, however, that my understanding is—and I hope I can get a response from the Senator from Alaska on this—on these matters that are within the scope of this amendment that has proposed by the Senator from Arizona, that is the authorizing portions of this, there would be an equal voice between the Subcommittee on Appropriations and our authorizing committee.

Mr. STEVENS. The Senator from Georgia is right about our understanding. I am not sure he understands the process of the conference on a bill like this. The chairman of the full committee would designate each subcommittee of the Senate to meet with the subcommittee from the House on the same subject in order to try to get a recommendation to bring back to the full conference.

It is my understanding that our agreement is not only that you would be involved in the full conference but there will be representatives of the Armed Services Committee participating in negotiations with those on the subcommittee in the House on the subcommittee level as we make up the report to go full conference on this portion of the defense portion of the supplemental.

It is our understanding that the agreement we have reached in effect has withdrawn the Defense Appropriation Subcommittee's suggested solution, and replaced it with the solution from the Armed Services Committee which accomplishes the same result.

So we will look to the Senator to work with us in this supplemental process.

The PRESIDING OFFICER. Is there further debate?

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, under the circumstances I think what has been done here is the best arrangement. I want to take this opportunity to commend the able chairman, Senator GOLDWATER, and the able ranking member, Senator NUNN, and also to commend the able Senator from Alaska for their part in this. I want to express my appreciation, too, to the chairman of the Appropriations Committee, Senator HATFIELD, for his fine cooperation.

It took a lot of work, a lot of cooperation, and a lot of pulling together to get this thing done. If it had not been for their patience and the wisdom this would never have been accomplished. I feel what we have done is the best thing that could have happened here under the circumstances, and I think in the end it will prove fruitful.

Mr. BYRD. Mr. President, I rise to commend my distinguished colleagues who worked so hard to fashion this compromise amendment. Messrs. STEVENS, STENNIS, GOLDWATER, and NUNN especially deserve our thanks.

Mr. President, this compromise amendment provides that $6 million be authorized for two projects at the Allegany Ballistics Laboratory. This facility is a Government-owned, contractor-operated facility located in West Virginia. The facility currently produces propulsion units for the Sparrow, Sidewinder, Chaparral, and TOW II missiles as well as the launch gas generators associated with the missiles loaded on Polaris, Poseidon, and Trident submarines. A number of Defense Department research and development programs are also conducted at the Allegany Ballistics Laboratory.

The compromise amendment provides for an authorization in the amount of $3.5 million to rebuild a Government-owned building which was destroyed in an accidental explosion some years ago. The building was one of two propellant casting buildings used to manufacture rocket motors for the Sparrow, Sidewinder, Chaparral, and TOW II missiles.

Since the destruction of this facility, it has been necessary for Allegany Ballistics to rely exclusively on the one remaining propellant casting building. This has had an adverse impact on production and industrial mobilization potential.

Moreover, if the single remaining propellant casting building were to become inoperative, production would

be virtually halted at the entire facility with concomitant adverse effects on our missile programs.

Reconstruction of this building would allow Allegany Ballistics to more efficiently support current and future contract requirements. This, in turn, would result in lower costs of rocket motors produced for the various Defense agencies.

Also, it should be noted that since this is a replacement facility, the design is essentially 100 percent complete, which is usually a consideration in these matters.

The compromise amendment also provides for an authorization in the amount of $2.5 million to convert the existing oil-fired boiler facility at Allegany Ballistics Laboratory to a coal-fired boiler facility. This conversion would provide for reliable steam generation using local coal, thus eliminating dependence on unreliable sources of imported oil. Conversion of this facility would also provide a substantial cost savings. Departmental analyses indicate the converted facility would generate annual savings of approximately $850,000. These savings would automatically be reflected in lower Defense Department costs for the Sparrow, Sidewinder, Chaparral, TOW II, and Trident missile systems, as well as for other Defense Department work conducted at the facility.

In summary, Mr. President, the proposed compromise amendment would provide for a $6 million authorization under "weapons industrial facilities" to reconstruct the propellant casting building which was destroyed in an explosion and convert an oil-fired steam generating boiler to a coal-fired steam boiler.

Funding for both of these projects was included in the defense chapter of the fiscal year 1986 continuing resolution, Public Law 99-190, enacted December 19, 1985. The Defense Department is prepared to move ahead quickly on both of these projects at the Allegany Ballistics Laboratory, as soon as the required authorization is enacted.

Mr. President, this compromise amendment has been fashioned by the distinguished chairman, Mr. GOLDWATER, and the very able ranking minority member, Mr. NUNN, of the Committee on Armed Services and the distinguished chairman, Mr. STEVENS, and ranking minority member, Mr. STENNIS, of the Committee on Appropriations.

I note the presence on the floor of the distinguished ranking minority member of the Committee on Armed Services. Would he care to comment on my understanding regarding the status of Allegany Ballistics Laboratory?

Mr. NUNN. The statement of the distinguished minority leader is entirely correct. I thank him for his kind remarks.

Mr. BYRD. I thank the able Senator from Georgia.

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

The amendment (No. 2023) was agreed to.

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The second excepted committee amendment, as amended, was agreed to.

Mr. DOMENICI, Mr. GORTON, and Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

AMENDMENT NO. 2024

(Purpose: To return certain property to the city of Santa Fe, New Mexico)

Mr. DOMENICI. Mr. President, I have an unprinted amendment that I believe the managers are prepared to accept.

I send it to the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] proposes an amendment numbered 2024.

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

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

The amendment is as follows:

On page 74, immediately after line 25, add the following:

SEC. 212. The Administrator of General Services is authorized and directed to convey, for the sum of one dollar, to the City of Santa Fe, New Mexico, all right, title, and interest of the United States in the parcel of surplus property known as the Bruns Hospital Site, more specifically being the property designated with GSA Control Number for Disposal Purposes 7-G-NM-403, parcels F and H, consisting of approximately 4.37 acres, such property being a portion of the same property which the City of Santa Fe conveyed to the Department of the Army in 1944 for the amount of one dollar.

Mr. DOMENICI. Mr. President, this amendment directs the General Services Administration to convey 4.37 acres of land that is surplus in Santa Fe, NM to the city of Santa Fe. This was given to the Federal Government by the city of Sante Fe during the war. The military wanted it for a hospital, and paid $1 for it. It is surplus now. Santa Fe has asked that it be returned to the city for use as a park.

The Federal Government originally obtained this property during World War II from the city for $1, 6 months after the city bought it for $50,000. Now that the property is no longer needed by the Federal Government, the city seeks the return of the property for use as open space and as a recreational area, and the Federal Government is willing to return it for $222,500—quite a nice profit.

The property is known as the Bruns Hospital site. The property was originally part of a larger 237-acre parcel, which the city of Santa Fe obtained by eminent domain in 1944. The citizens of Santa Fe floated a bond issue to acquire the land, which cost $50,000, and then, in effect, donated the entire property to the War Department for use as an Army hospital. The Bruns Army General Hospital was built on the site and was used for the balance of World War II. The Bruns name has continued to be applied to the site, although the hospital no longer exists at the site. The property has been broken into a number of smaller parcels with varying ownerships over the years, through donations, sales, and transfers to other Government agencies. None of the land, however, has been returned to the city.

The Federal Government no longer uses the 4.37 acre parcel which is the subject of this amendment. GSA has designated this property as surplus property.

Under the terms of the Federal Property and Administrative Services Act of 1949, GSA may convey surplus property to States, territories, possessions, and political subdivisions so long as GSA obtains fair market value and other satisfactory terms. Under this law, the city of Santa Fe would have to pay $222,500 to regain a small portion of the land which they gave to the Federal Government for $1 in 1944.

The property is adjacent to the city's Gen. Franklin Miles Park. The park consists of approximately 28 acres of land which the city leases from the National Guard. The city would like to expand the park using these 4-plus acres. Santa Fe has grown rapidly in the past few years, and like many cities which have experienced rapid growth, lacks sufficient open space. The amendment I am offering waives the requirements of the Federal Property and Administrative Services Act and permits GSA to sell the property back to the city for the same price which the city sold it to the Federal Government.

This is fair. It must be remembered that the city originally bought this land for $50,000 and almost immediately turned around and sold it to the Federal Government for $1. America

was in the middle of a war. The Department of the Army requested the property for the war effort. The people of Santa Fe responded. I might add that this was not unusual in New Mexico. We New Mexicans are justifiably proud of our contributions to the war effort and to the defense of the United States since then. When the United States needed a quiet little place to develop the atomic bomb, which eventually was used to end the war, it came to Los Alamos. When the Government needed a large expanse to test the bomb, it took over White Sands. The Department of Defense also operates three large Air Force bases in New Mexico, Cannon, Holloman, and Kirtland. The United States still needs these facilities and the people of the State of New Mexico welcome them to our State. We stand second to none in our support of the defense of the United States.

But in the case of this Santa Fe land, the Federal Government no longer needs the property. It seems unfair that the Federal Government would now turn around and make a profit off the property which was, in effect, given to it by the city of Santa Fe. In the spirit of fairness, the Federal Government should now convey the property back to the city on the same terms on which the city conveyed it to the Federal Government. That's what good neighbors do.

Mr. President, I urge the adoption of the amendment.

The PRESIDING OFFICER. Is there further debate?

Mr. JOHNSTON. Mr. President, this amendment has been cleared.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. HATFIELD. Mr. President, I am sure this has had both peer review and competition. So, therefore, it is acceptable.

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

The amendment (No. 2024) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. DOMENICI. I thank the distinguished chairman for accepting this amendment even though it had not been subjected to peer review.

Mr. GORTON and Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

AMENDMENT NO. 2012

(Purpose: To authorize the sale or lease of the Fairley Building, King County, Washington)

Mr. GORTON. Mr. President, I have an amendment at the desk the title of which is "Authorize Sale or Lease of Fairley Building, King County, Washington," and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Washington [Mr. GORTON], for himself and Mr. EVANS, proposes an amendment numbered 2012.

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

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

The amendment is as follows:

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

Upon the request of the Pike Place Market Preservation and Development Authority, Seattle, Washington, the Secretary of Commerce shall authorize the sale or lease to any person of the Fairley Group Building (project numbers 07-01-01890, as modified by 07-01-01890.01, and 07-11-02606) located in the Pike Place Market, King County, Washington, without affecting the federal assistance provided under the Public Works and Economic Development Act of 1965, if the transfer documents provide for the continued use of the Fairley Group Building as a public market during the expected useful life of the building.

Mr. GORTON. Mr. President, the amendment I am offering resolves a dispute between the Department of Commerce's Economic Development Administration and Seattle's Pike Place Market Authority. This amendment has been accepted by the Senate twice before, by unanimous votes, but each time failed to emerge from conference with the House. Most recently, on the fiscal year 1985 supplemental appropriations bill, the conferees recognized the importance of resolving this issue but suggested that alternative solutions be explored for 1 years' time. That year has now expired but the urgency for putting this issue to rest remains. I appreciate the gracious understanding of Senators LAXALT, RUDMAN and HOLLINGS on the Appropriations Committee, for their willingness to seek a final resolution to this problem. I would also like to thank Senators STAFFORD and BENTSEN, the ranking members of the Committee on Environment and Public Works for their understanding and support for this amendment.

This amendment authorizes a previously executed lease of the Fairley Building in Seattle, WA. The Fairley Building is one of 12 properties owned and operated by a public authority as part of Seattle's Pike Place Farmer's Market. In 1977, the Economic Development Administration of the Department of Commerce [EDA] awarded the public authority a $1.767 million grant to restore and preserve the Fairley Building. The restoration was completed in 1978, and is considered one of EDA's more successful job creation projects.

In December 1983, the public authority entered into lease/leaseback transactions for nine of its properties, including the Fairley Building, to raise badly needed maintenance funds. A lease/leaseback is a means of transferring Federal tax deductions and credits from public to private entities. The public authority retained ownership and control of its properties and continues to operate them as a public farmer's market.

EDA officials have notified the public authority that the lease violated EDA regulations, which require EDA's consent before property covered by a grant is transferred. EDA believes it must seek compensation from the authority, and it has demanded the return of the original grant of $1.767 million.

The proposed amendment requires EDA to consent to the Fairley Building lease. It would relieve EDA of the need to seek repayment of the grant.

The amendment should be supported for several reasons. First, it would be unfair for EDA to receive compensation. EDA regulations require it to record a property management agreement on a building's title when it restricts a grantee's power to transfer property, with limited exceptions, and EDA did not record its restriction. It has conceded that it would have been wise to record in this case, because of the interest in sale/leaseback and lease/leaseback arrangements by municipalities.

The public authority conducted a title search and received permission from all parties, including HUD, which it knew had an interest in the property. The authority acted in good faith, and did not try to circumvent EDA rules.

Second, there has been no change in the use of the Fairley Building as a farmer's market. The purpose of EDA property management rules are to insure that EDA-assisted property continues to be used for the purpose for which the grant was made. The Fairley Building will be used as a public market under public control at all times. No harm has been done by the market's technical violation of EDA rules.

If EDA withdraws its $1.767 million, it will cripple the market and jeopardize past Federal investment. EDA's actions, rather than the market's, are inconsistent with the purposes for which the original grant was made.

Finally, EDA believes legislation is the only solution to the problem. EDA does not want to recall its grant, but it

does not believe it is able to forgo compensation for violation of its rules. My staff has discussed this legislation with EDA and Commerce Department officials and thus believe it is a reasonable solution to this problem.

Congress has authorized sale/leaseback and lease/leaseback transactions for EDA-assisted property several times in the last 2 years. (Pantages Theatre, Public Law 97-377 (1982), Shea's Buffalo Theatre, Public Law 98-8 (1983), George P. Scotlan Memorial Convention Center, Public Law 98-63 (1983).) The Deficit Reduction Act of 1984 removed the Federal tax incentives for these transactions. The Fairley Building transaction occurred before the effective date of the act and is the last of its kind.

EDA granted funds for the Fairley Building to provide jobs and assist restoration of one of the Nation's unique public institutions, Seattle's Pike Place Market. If EDA requires compensation for a technical violation of its regulations, it risks bankrupting the market and destroying this outlet for small farmers, fishermen, craftsmen, and other small businesses. I urge you to support this amendment to avoid this tragic result.

Mr. President, this amendment has been passed unanimously by the Senate on the supplemental appropriations bills in both 1984 and 1985.

As a result of the agreement of the conference in 1985, I believe the House conferees in 1986 will in fact accept the amendment. It authorizes a previously-executed lease of the Fairley Building in Seattle, WA. That building was the subject of the EDA grant for restoration and preservation which was completed in 1978, and was extremely successful. In 1983, the public authority entered one of the leaseback arrangements which was so famous in those years.

Sometime thereafter, ex post facto, EDA determined that was a violation of its regulations, and felt constrained to ask for the entire grant back. That would be appropriate for a number of reasons.

□ 0150

First, EDA did not record this claim as it ought to have, so there was a clear title subject to the lease and lease-back.

Second and most important, there has not been any change in the use of the building. It is still being used for the public market.

Finally, EDA itself, which would like to settle this matter, believes that legislation is the only way in which to do so.

Under those circumstances, and having checked into it with all of the relevant majority and minority side committee members, I move adoption of the amendment.

Mr. JOHNSTON. Mr. President, this amendment has been cleared.

Mr. HATFIELD. Mr. President, this amendment has been cleared on this side.

The PRESIDING OFFICER. Is there further debate? If not, without objection, the amendment is agreed to.

The amendment (No. 2012) was agreed to.

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

Mr. HATFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2025

(Purpose: For the relief of certain property owners in Checotah)

Mr. NICKLES. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES], for himself and Mr. BOREN, proposes an amendment numbered 2025.

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

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

The amendment is as follows:

In the appropriate place in the bill insert:

SEC. . Of the amounts available to the Department of Defense, $5,000,000 shall be available for such claims arising from property losses caused by the explosion of Army munitions near Checotah, Oklahoma, on August 4, 1985 and claims determined by the Department to be bona fide shall be paid from the funds made available by this section.

Mr. NICKLES. Mr. President, I am today offering an amendment for the relief of property owners in Checotah, OK, who were injured or incurred damages because of the tragic explosion of Government bombs in a traffic accident and fire 9 months ago. Basic considerations of equity and fairness require that we reimburse these Oklahomans for damages which were not of their own making.

In the early morning hours of August 4, 1985, the 4,000 citizens of Checotah were awakened in their beds by the violent explosion of three 2,000-pound Mark 84 bombs, similar to those which were used in the recent raid on Libya. As the bombs were in the process of being transported by truck from the McAlester ammunition plant by a Government contractor, a privately owned vehicle pulled onto the roadway from a shoulder, collided with the truck, and the truck caught fire. During the fire, the TNT and other heat sensitive explosives in the bombs exploded, injuring 42 citizens and causing millions of dollars of damage to churches, schools, roads, businesses, and private homes in the area.

Although I am not attempting to put the blame on any party involved in the accident, clearly a remedy to the present problems is in order.

It is reported that the Government carrier was insured for up to at least $5 million, as required by Federal law. However, in the absence of any determination of fault, thus far, the carrier's insurance company is disclaiming liability.

The helplessness now facing many families in Checotah, because of a major disaster caused by circumstances out of their control or responsibility, makes this a case which cries out for relief. This amendment may be the only real hope many residents have of ever receiving justice.

Mr. JOHNSTON. Mr. President, this amendment has been cleared on our side.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I want to be sure that this amendment is not a precedent but it is a very extraordinary circumstance and we have agreed to this under the circumstance of the explosion of these bombs. This, in fact, takes money from an account that normally is paid out on judgments. It will be paid out and be reimbursed by settlements coming from the insurance coverage. The department has indicated under these circumstances it has no objection.

Mr. BOREN. Mr. President, I appreciate very much the sympathetic handling of this situation by the managers of the bill. This is an extraordinary circumstance.

I am very pleased to have an opportunity to join with my colleague, Senator NICKLES, in offering this amendment. It is a small community. The financial resources are very limited. Those who suffer a loss in many cases simply cannot stand to bear the cost of this loss.

It is a significant loss to the community as well. Senator NICKLES mentioned the nursing home and the school. Because of the explosion of the bombs, they were damaged. The bombs were being transported out of one of the Army installations.

Mr. President, I appreciate very much the consideration and understanding which has been expressed by those Senators who have spoken. I am very pleased to join with my colleague in offering this amendment.

Mr. NICKLES. Mr. President, I thank Senators STEVENS, HATCH, JOHNSTON, and others who cooperated with us in drafting the amendment.

The PRESIDING OFFICER. Is there further debate? If not, without objection, the amendment is agreed to.

The amendment (No. 2025) was agreed to.

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

Mr. BOREN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2026

(Purpose: To relieve the Hays-Lodge Pole School District Number 50 of Hays, Montana, of liability to repay interest earned on funds awarded to the school district under the Act of September 23, 1950 (Public Law 815, Eighty-first Congress) relating to Federal impact aid construction)

Mr. MELCHER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. MELCHER] proposes an amendment numbered 2026.

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

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

The amendment is as follows:

On page 74, after line 25, add the following new section:

SEC. . Notwithstanding any other provision of law, the Hays-Lodge Pole School District Number 50 of Hays, Montana, is relieved of all liability to repay to the United States the sum of $181,557.13, together with any interest on such sum, representing interest earned on investments which were made from payments made under the Act of September 23, 1950 (Public Law 815, Eighty-first Congress) for a construction project initiated in 1975, and which were made after consulting with Federal officials. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for the amount for which liability is relieved by this section.

Mr. MELCHER. Mr. President, this amendment would remove a small Federal repayment obligation of an Indian school in Montana amounting to $181,000. The amendment has no budget impact for fiscal year 1986.

In 1979, this school had a funding for $5.25 million. Over the course of the years after 1979 some interest accrued. The school board changed and they used the $181,000 for the purchase of some landscaping, the athletic field, and to provide some fence. They were not aware that they were obligated to repay that.

They were notified in 1984. They no longer had the money. They do not have any means of raising that amount of money. There was simply an error on their part and a change of the school district officials.

Mr. President, I believe the amendment will be accepted and I urge its adoption.

Mr. JOHNSTON. Mr. President, the amendment has been cleared on this side.

Mr. HATFIELD. Mr. President, the amendment has been cleared on this side.

The PRESIDING OFFICER. Is there further debate? If not, without objection, the amendment is agreed to.

The amendment (No. 2026) was agreed to.

AMENDMENT NO. 2027

(Purpose: To assure an equitable calculation of locally generated revenue under the local contribution rate determination of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress))

Mr. MELCHER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. MELCHER], for himself and Mr. BAUCUS, proposes an amendment numbered 2027.

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

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

The amendment is as follows:

On page 53, between lines 14 and 15, insert the following:

Effective on October 1, 1980, section 3(d)(3) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended by redesignating subparagraph (C) as subparagraph (D), and by adding after subparagraph (B) the following new subparagraph:

"(C)(i) To the extent described in division (ii), the local contribution rate for a local educational agency shall include locally generated revenue in a State, without regard to the characterization of the locally generated revenue by the State, if the local educational agency receives amounts from such revenues for use by that agency and the remainder of such amounts are transferred to the State.

"(ii) For the purpose of clause (i) of subparagraph (A), the amount of revenues which are actually retained by a local educational agency described in division (i) may be courted in the determination of expenditures derived from local sources.".

Mr. MELCHER. Mr. President, I am offering an amendment to the urgent supplemental on behalf of myself and Senator BAUCUS to solve an impact aid, Public Law 81-874, problem for Montana.

The Impact Aid Program is a critical source of funding for school districts in this Nation which have a high percentage of Federal land or Indian trust land and consequently a low or nonexistent tax base to generate local revenue for education. Without 874 payments, impacted school districts would not otherwise have the ability to provide quality education.

Currently, 95 school districts in Montana serving 14,000 students are entitled to receive $23 million in impact aid payments. This amount was calculated and obligated by the U.S. Department of Education for fiscal year 1986. This spring, Department officials changed the rules in the middle of the game and embarked upon a strategy to reduce Montana's impact aid by approximately $4 million this year. These schools cannot absorb this cut.

The Department of Education created this dilemma by determining that certain local real property taxes in Montana are State, rather than local, revenues for education. This change in the longstanding interpretation of what constitutes local revenue is devastating. Like many other States, Montana uses the "local comparable district method" to determine impact aid entitlements. This is an accepted method to set the amount these schools are to receive.

Montana's school district taxes, like other States, hinge on local mill levies and wealthy districts are required to send surplus funds to the State for redistribution to poorer districts. This is the School Foundation Program, but what is disputed by the Department of Education is their contention that since the State requires levying of taxes by the local school districts it should be considered a State tax. Not so. Montana asserts, and rightfully so, that any taxes which are raised, distributed, and spent locally for education is local revenue. The Department of Education has not been willing to accept this fact.

My amendment provides that local revenue levied at the county level and distributed to local schools is local revenue for purposes of impact aid. It does not affect the definition of funds diverted to the State. The amendment does not involve additional budget outlays for 1986. It merely continues the calculation of impact aid within Montana in effect since the start of the program.

I thank Senator WEICKER, chairman, and Senator PROXMIRE, ranking minority member of the Subcommittee on Appropriations for Labor and HHS, for accepting this amendment which is so vital for education in Montana.

Mr. JOHNSTON. Mr. President, the amendment has been cleared on this side.

Mr. HATFIELD. Mr. President, the amendment has been cleared on this side.

The PRESIDING OFFICER. If there is no further debate, without objection, the amendment is agreed to.

The amendment (No. 2027) was agreed to.

AMENDMENT NO. 2028

(Purpose: To provide funding for construction of two BIA contract schools at Two Eagle River and Rocky Boy's, Montana)

Mr. MELCHER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. MELCHER] proposes an amendment numbered 2028.

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

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

The amendment is as follows:

On page 43, between lines 8 and 9, insert the following:

"CONSTRUCTION

for an additional amount for "Construction", $4,900,000, to remain available until expended.

(DEFERRAL)

Of the funds previously appropriated under the heading "Bureau of Indian Affairs' Construction" in Public Law 98-8 (90 Stat. 20), $4,900,000 shall not become available for obligation until October 1, 1986."

Mr. MELCHER. Mr. President, this would be a happy day if this amendment can be accepted, and I believe it can be.

Mr. President, the amendment I am offering today will provide funding for the construction of two Indian schools in Montana. These schools rank first and second on the BIA's priority list for new school construction and are the Two Eagle River School in Dixon and the Rocky Boy High School at Rocky Boy.

Funds were not included in 1986 for this construction item because it was not clear whether the planning and design for these schools would be completed in time to take advantage of the 1986 construction season in Montana. It is now clear that construction can begin in the summer and that, using pre-engineered designs, the schools can be finished by late winter or early spring of 1987.

The amendment is budget neutral in that unspent funds in the BIA's construction account will be deferred for the remainder of this fiscal year.

Mr. President, 1986 is the first year I can recall that no funds were appropriated during the regular appropriations process to meet the large unmet construction needs of Indian schools funded by the BIA. I am pleased that the distinguished chairman of the Interior Appropriations Subcommittee has agreed to accept this amendment so that the construction program can keep moving along. Otherwise, I fear that we will find ourselves facing a huge, unmet backlog of schools in some not to distant year that simply cannot wait for funds, causing serious impact on budget deficits. we have a trust responsibility for the education of Indian children and we must not fail to live up to that responsibility, even at a reduced pace.

● Mr. McCLURE. Mr. President, the amendment offered by the Senator from Montana would provide $4.9 million for the construction of two schools by the Bureau of Indian Affairs. This amount is offset by deferral of an identical amount of money which was provided for rehabilitation of BIA Irrigation Systems in the emergency jobs bill which was enacted in 1983.

As these two schools are at the top of the priority list and will soon be ready for construction, this amendment is in line with subcommittee policy on school construction. If the funds were not provided in the supplemental, they would most likely have been provided in the fiscal year 1987 bill.

Mr. President, I know of no objection to the amendment and would recommend its adoption.●

Mr. JOHNSTON. Mr. President, the amendment has been cleared on this side.

Mr. HATFIELD. Mr. President, it has been cleared on this side.

The PRESIDING OFFICER. Is there further debate? If not, without objection, the amendment is agreed to.

The amendment (No. 2028) was agreed to.

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

Mr. JOHNSTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2029

Mr. STEVENS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS] proposes an amendment numbered 2029.

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

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

The amendment is as follows:

AMENDMENT NO. 2029

On page 26, following line 8 insert the following new section:

SEC. ( ). Of the appropriations available to the Department of the Army during the current fiscal year, $3,000,000, in addition to the appropriation "National Board for the Promotion of Rifle Practice, Army", may be used to conduct the 1986 National Matches at Camp Perry, Ohio, and such ammunition as may be necessary shall be made available for the matches.

Mr. STEVENS. Mr. President, I rise today to offer an amendment to allow the Army to continue to fully support the Civilian Marksmanship Program [CMP] within the National Board for the Promotion of Rifle Practice appropriation. The program supports the national marksmanship training competition held each year at Camp Perry, OH.

The Army has historically used personnel, operating support, and ammunition funded from other Army appropriations to provide support to the national matches. A recent ruling from the Army general counsel indicates that support from other appropriations is improper, given current appropriations restrictions.

Mr. President, this amendment will allow the Army to use additional resources, already appropriated, to support the National Matches. If this amendment is not agreed to, the Army will be forced to suspend obligations in support of the National Matches which are scheduled to begin on July 16.

This amendment provides no new appropriations to the budget and does not increase the deficit. It merely lifts the restrictions for the Army's support of the National Matches to be held next month.

In effect, Mr. President, this will get congressional sanction to allow the Department to use the funds that are already available.

Mr. HATFIELD. Mr. President, this amendment has been cleared on this side.

Mr. JOHNSTON. And, Mr. President, it has been cleared on this side.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 2029) was agreed to.

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

Mr. HATFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2030

(Purpose: To amend H.R. 4515, the Urgent Supplemental Appropriations Act, 1986)

Mr. STEVENS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS] proposes an amendment numbered 2030.

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

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

The amendment is as follows:

H.R. 4515, Title I, Chapter I is amended—by inserting at the appropriate place the following: Section 1201(a)(16) of Public Law 99-198 (99 Stat. 1505) is amended by inserting at the end thereof the following:

"For purposes of this Act, and any other Act, this term shall not include lands in Alaska identified as having high potential for agricultural development which have a predominance of permafrost soils.".

□ 0200

Mr. STEVENS. Mr. President, the amendment which I have offered is very simple. It corrects an oversight in the Food Security Act of 1985—the farm bill which we spent so much time with last fall. As a part of that fairly comprehensive measure we included a provision which was called swampbuster. This was billed as denying Federal assistance to farmers who made more farmland by draining swamps at the same time we are paying price supports to farmers and paying farmers to take land out of production.

I agree with the idea behind this provision. Swampbuster, however, was accidentally drawn more broadly than we realized. Because of the unique nature of Alaska's soils this provision will deny assistance under Federal farm programs to essentially all of the lands in Alaska with agricultural potential. This is true because most of the land in Alaska has a layer of permafrost at some depth below the topsoil. The permafrost prevents water from draining out of the soil. As a result, Alaska's soils meet the technical definitions included under the Food Security Act's swampbuster provisions.

Farmers in Alaska follow the best techniques available. They work under conditions less favorable than those found by the farmers of Kansas or Iowa. They have, however, managed to develop a small but strong agricultural base. The costs of developing agriculture in Alaska have been taken up primarily by the State. There is little reliance on Federal assistance.

I cannot sit by, however, and have the farmers of Alaska denied Federal assistance granted to farmers everywhere else in the country simply because of the nature of the soil which they work.

The individuals involved with drafting the swampbuster provision have assured me that they had no intention of including all of Alaska in its scope. It was not until the Department of Agriculture began preparing regulations on this that we realized Alaska was included. The amendment I have offered is in line with recommendations of the Department of Agriculture for correcting this oversight. It is necessary to prevent injustice to the farmers of Alaska.

Let me say that this amendment corrects an oversight in a 1985 act which inadvertently made ineligible for development lands in Alaska that are permafrost in character that have been identified as being capable of being put under cultivation.

I understand there is no objection to it. There was no intent to do this, but this was the unfortunate consequence of that act.

SWAMPBUSTER ALASKA EXEMPTION

Mr. KASTEN. Mr. President, will the Senator from Alaska yield for the purpose of entering into a very brief colloquy?

The Senator's amendment clearly exempts from the wetlands protection—or swampbuster—provision of the Food Security Act only permafrost land in Alaska.

As one Senator who was very much involved in getting this original swampbuster provision included in the farm bill, let me say that there was never any thought on my part of precluding agricultural development on the Alaskan permafrost that the Senator's amendment refers to.

I believe the same is true of other Senators who have been leaders in this area, and who I worked with last year in crafting the swampbuster provisions last year, such as the Senator from Indiana, Mr. LUGAR, the Senator from Minnesota, Mr. BOSCHWITZ, and the Senator from Nebraska, Mr. ZORINSKY.

My understanding is that the Senator from Alaska for his part has no interest in exempting any nonpermafrost land. Am I correct in this?

Mr. STEVENS. The Senator is correct. This amendment applies only to permafrost land in Alaska.

Mr. KASTEN. I have no objection to the Senator's amendment, on the understanding that it does not in any way represent a precedent for other requests for exemptions from what I believe is a very important provision of conservation legislation. Since the regulations for the swampbuster provision have been subject to delay—I believe an unfortunate unnecessary delay—I have had some concern that one request for an exemption might lead to another, and then another, and so on.

I am pleased to be able to help in clearing up any confusion that may exist in Alaska on this point. I hope it is clear, though, that I and other Senators will vigorously oppose any other requests to exempt wetlands from the wetlands protection section of the Food Security Act.

Mr. HATFIELD. Mr. President, the amendment has been cleared on this side.

Mr. JOHNSTON. Mr. President, the amendment has been cleared on this side.

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

The amendment (No. 2030) was agreed to.

Mr. STEVENS. I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2031

(Purpose: To amend title 39 of the United States Code to restore limited circulation second-class rates of postage for copies of a publication mailed to counties adjacent to the county of publication, and for other purposes)

Mr. STEVENS. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS] proposes an amendment numbered 2031.

On page 66, after line 19, insert:

ADMINISTRATIVE PROVISIONS

That section 3626(f) of title 39, United States Code, is amended to read as follows:

"(f)(1) In the administration of this section, the substitute minimum charge per piece for mail under former section 4358(g) of this title shall apply only where fewer than five thousand copies of a publication are addressed for delivery within counties adjacent to the county of publication.

"(2) Within any State or territory which has not organized itself into county (or parish) subdivisions, copies addressed for delivery within the entire State or territory, other than those copies eligible for rates under former section 4358(a)-(c), shall be deemed addressed for delivery within counties adjacent to the county of publication, for purposes of this subsection.".

The amendment enacted by the first section of this Act is effective October 1, 1986. From that date until changed pursuant to chapter 36 of title 39, United States Code, the rates for mail covered by such amendment shall be the rates which would have applied to mail under former section 4358(g) of title 39, United States Code, if section 15102(c) of the Consolidated Omnibus Budget Reconciliation Act of 1985 had not been enacted.

Mr. STEVENS. Mr. President, I am introducing an amendment which would partially restore subsidized mailing rates recently eliminated in the Consolidated Omnibus Reconciliation Act of 1985. In that act Congress repealed section 4358(g) of title 39, of the United States Code which allowed newspapers to mail up to 5,000 subscriptions at a subsidized mail rate, to origins outside the county of publication. This elimination has caused unintended havoc to the very small newspapers serving readers spread out over large rural areas of this Nation. This amendment will restore the former section but only newspapers mailed to subscribers in counties adjoining the county of publication. This is a very modest proposal. It is intended to correct an unforeseen result of that prior action on the Omnibus Budget Reconciliation Act. We are told by the Na-

tional Newspapers Association that this amendment would significantly resolve the problems now faced by so many small newspapers when they found themselves faced with this sudden cutoff of low-cost postage.

Mr. JOHNSTON. Mr. President, would the Senator yield?

Mr. STEVENS. Yes, I yield.

Mr. JOHNSTON. This is under Senator DECONCINI's subcommittee as ranking member on this side. I have not cleared this particular one with Senator DECONCINI. I do not know of any problem but I simply have not cleared it over here.

Mr. STEVENS. I would be happy to put it off or to agree to it with the understanding that the action of the Senate will be rescinded if he objects.

Mr. JOHNSTON. That would be satisfactory. I appreciate it.

Mr. STEVENS. I do not believe he would object.

Mr. President, this covers very rural areas like my State and Arizona, as a matter of fact, so I really do not think the Senator from Arizona will object.

I ask unanimous consent that, if objected to by the Senator from Arizona, the action of the Senate will be rescinded.

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

Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 2031) was agreed to.

Mr. STEVENS. Mr. President, in fairness, I shall not ask to reconsider the vote.

AMENDMENT NO. 2032

Mr. HATFIELD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oregon [Mr. HATFIELD], for Mr. RUDMAN, proposes an amendment numbered 2032.

On page 12, after line 5 add the following:

Of the funds appropriated to the Department of Justice in title II of Public Law 99-180, not to exceed $500,000 may be transferred to "Salaries and expenses, general legal activities" to pay expenses related to the activities of any Independent Counsel appointed pursuant to 28 U.S.C. 591, et seq. upon notification by the Attorney General to the Committees on Appropriations of the House of Representatives and the Senate.

Mr. HATFIELD. Mr. President, I offer this amendment on behalf of Senator RUDMAN.

The amendment will permit the Department of Justice to transfer up to $500,000 into its general legal activities account from other areas in the Department to meet expenses associated with the appointment of two independent counsel through the remainder of the fiscal year.

The appointment of independent counsels is something over which the Department of Justice has no control. If independent counsel are appointed, the Department must pay their expenses.

Two independent counsel have recently been appointed by a three judge panel of the appeals court. This amendment will give the Department some flexibility to meet these unanticipated expenses this year, without detracting from its important litigative activities.

The Congressional Budget Office has indicated this amendment will not add to the deficit. The amendment has been cleared with the ranking minority member of the Commerce, Justice, State Subcommittee.

Mr. President, this has been cleared on this side of the aisle.

Mr. JOHNSTON. Mr. President, we have cleared it on this side, too.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2032) was agreed to.

AMENDMENT NO. 2033

The PRESIDING OFFICER. Are there further amendments?

Mr. HATFIELD. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Oregon [Mr. HATFIELD] proposes an amendment numbered 2033.

On page 19, after line 2 add the following: Notwithstanding the provisions of section 106(b)(1) of the Bankruptcy Amendments and Federal Judgeship Act of 1984, a bankruptcy judge serving on a part-time basis on the date of enactment of this Act may continue to serve as a part-time judge for such district until December 31, 1986, or until such time as a full-time bankruptcy judge for such district is appointed, whichever is earlier: *Provided*, That these provisions shall apply only to part-time bankruptcy judges serving in the district of Oregon, the western district of Michigan, and the eastern district of Oklahoma.

Mr. HATFIELD. Mr. President, this amendment will simply permit three part-time bankruptcy judges to continue to perform judicial services through the end of the calendar year. It does not authorize any additional bankruptcy judge positions, but merely extends current authorization in three judicial districts facing unique circumstances. This action is required to avoid an unnecessary disruption in bankruptcy services in three judicial districts, the western district of Michigan, the eastern district of Oklahoma and the district of Oregon.

Two years ago, Congress considered and passed the Bankruptcy Amendments and Federal Judgeship Act of 1984. One of the results passage of this legislation brought was the termination of all part-time bankruptcy judge positions by July 10, 1986. Since enactment of the bankruptcy amendments, many of the part-time positions have lapsed as judges serving in those positions have retired or have been appointed to full time positions. However, bankruptcy judges continue to serve on a part-time basis in the three aforementioned judicial districts.

Legislation authorizing the upgrading of the part-time bankruptcy judge positions to full-time ones in each of these judicial districts has already passed the Senate. Without congressional action to extend the part-time positions, however, critical bankruptcy services in these districts will be lost because the part-time positions will expire before the full-time judge is appointed. The administrative office of the court estimates that allowing the termination of the part-time judge prior to appointment of a full-time judge could mean a 6- to 12-month disruption in the present level of bankruptcy services in each of these districts.

I also want to point out that this amendment will not require an additional appropriation to cover the cost of extending these bankrutpcy judgeships. The administrative office has estimated that the cost of the amendment, relative to salaries, can be absorbed within the available and anticipated appropriations. They have also indicated that the cost for courtroom space would probably have to be incurred whether or not the part-time positions are continued. Only one of these judgeship positions is in the same city as an incumbent full-time bankruptcy judge. Therefore, even with the termination of the part-time judge positions in these districts the courtrooms and chambers would have to be retained for use by visiting judges.

Mr. President, this amendment is small but is very important maintaining the present level of bankrutpcy services in the western district of Michigan, the eastern district of Oklahoma and the district of Oregon. Without it, these districts that the Senate has determined are in need of an additional full-time bankruptcy judge will have their current level of bankruptcy services reduced. I urge my colleagues to support the amendment.

Mr. President, this simply does one thing relating to a part-time bankruptcy judge in the State of Oregon. Under the Judiciary Committee bill, there will be a full-time judge provided for bankruptcy hearings in the State but because of the expiration of a part-time judge, we need this bridgeover until the Judiciary Committee's bill becomes law.

What this does is similar to what we have done in order not to interrupt

the bankruptcy procedure services, what we have already done in the western distirct of Michigan and the eastern district of Oklahoma. This simply extends the life of the part-time judgeship, to fill that gap until the new judge takes effect.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSTON. Mr. President, the amendment has been cleared on this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2033) was agreed to.

Mr. HATFIELD. I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2034

Mr. JOHNSTON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Louisiana [Mr. JOHNSTON], for Mr. INOUYE, proposes an amendment numbered 2034.

On page 50, line 16 immediately before the period insert: "to remain available until September 30, 1987."

EMERGENCY MEDICAL SERVICES FOR CHILDREN

Mr. JOHNSTON. Mr. President, I am proposing this amendment on behalf of Senator INOUYE. It would extend the availability of $2 million included in the bill to provide emergency medical services for children through fiscal year 1987. Under section 1910 of the Public Health Service Act, these funds cannot be obligated in a given fiscal year if four emergency services projects have already been funded in that year. Unfortunately, funds we appropriated back in fiscal year 1985 were only recently obligated for four such projects and thus, no further awards can be made in fiscal year 1986. Consequently, the language I am proposing is essential if the money we are providing in the bill for this program is to be spent. Hopefully, the funds will be awarded to qualified applicants early in fiscal 1987.

The PRESIDING OFFICER. Is there further debate?

Mr. HATFIELD. Mr. President, the amendment is cleared on this side.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 2034) was agreed to.

AMENDMENT NO 2035

Mr. HATFIELD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oregon [Mr. HATFIELD] proposes an amendment numbered 2035.

On page 51, after line 6, insert the following:

NATIONAL INSTITUTES OF HEALTH
ADMINISTRATIVE PROVISION

Funds made available for fiscal year 1986 and hereafter to the Warren G. Magnuson Clinical Center of the National Institutes of Health shall be available for payment of nurses at the rates of pay and with the schedule options and benefits afforded nurses by the Veterans Administration pursuant to 38 U.S.C. 4107.

Mr. HATFIELD. Mr. President, I send this amendment to the desk and offer it in my own behalf but actually on behalf of our colleague from the House of Representatives, Mr. SIDNEY YATES. All this amendment does—it has by the way no new budget authority. What it does is basically provide nurses at NIH with pay incentives competitive with and comparable to other Federal hospitals such as the VA.

We have had difficulty in staffing the NIH area of hospital care because we have not been able to maintain a comparability or competitive situation with the recruitment of nurses in other medical centers in this area. So we offer this amendment to achieve adequate staffing and afford appropriate occupancy rates at the NIH Warren Grant Magnuson Clinical Center Hospital. We also wish to improve the recruitment and retention at NIH of nursing staff with specialized skills, to ensure continuation of critical research programs.

Over the past 5 years NIH has experienced significant recruitment and retention problems and a turnover rate ranging from 18 to 27 percent.

NIH currently does not have the flexibility to offer the same pay and scheduling incentives offered by local hospitals, and thus NIH cannot be competitive for such personnel. Incentives include the weekend alternative or "Baylor Plan," that is nurses receive full-time pay for working 24 hours on a weekend, 12 hours Saturday and 12 hours Sunday. The VA has this authority.

At the hospital neither base salaries nor differential pay for specialty areas such as intensive care is competitive with other facilities. NIH is limited to offering a nurse with 2 to 3 years experience a starting salary of $10.05 per hour. Other area hospitals offer the same applicant a starting salary of $11.16 per hour. In addition, area hospitals can offer substantial pay raises while Federal employees received only a 4-percent pay raise in fiscal year 1984, making these positions even less competitive.

NIH cannot fully utilize clinical research opportunities at the NIH Clinical Center without adequate nursing personnel. Such nursing shortages have an impact on all areas of clinical cancer research in particular, especially protocols which require highly specialized skills. This includes research on Interleuken-2 and LAK cell therapy which has proven so effective already in experimental treatment for kidney cancer and melanoma. In addition, there are shortages in intensive care and in areas with complicated protocols involving the use of monoclonal antibodies for treatment of large bowel and breast cancer as well as for AIDS research.

This has been cleared on both sides of the aisle.

□ 0210

Mr. JOHNSTON. Mr. President, the amendment has been cleared.

The PRESIDING OFFICER. Is there further debates? If there is no futher debate, the question is on agreeing to the amendment.

The amendment (No. 2035) was agreed to.

The PRESIDING OFFICER. Are there other amendments?

Mr. STEVENS. Mr. President, I have another amendment but it has not been cleared so I cannot offer it until tomorrow.

Mr. HATFIELD. Mr. President, I have no other information about Members who have kept the late hour with us to offer amendments, but I might say we have disposed of about 10 amendments, about 12 amendments of the total of 49, so we are down now to about 38, 39 amendments to be completed tomorrow. Therefore, I really am grateful to those who were willing to stay with us and to offer these amendments.

I am sorry we cannot take up others that are noncontroversial but I think we have really run out of business.

The PRESIDING OFFICER. The Chair would notify the Senator from Oregon that the amendment that was listed under my sponsorship has been withdrawn, or I will withdraw it so it can be struck from the list.

Mr. HATFIELD. I thank the Presiding Officer.

Does the Senator from Louisiana have any other amendments?

Mr. JOHNSTON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

I withhold that amendment.

Mr. HATFIELD. Mr. President, to comply with a technicality I now ask unanimous consent that the amendment on our list to be offered by the Senator from Washington—and I assume this is the one on the extension of the moratorium——

The PRESIDING OFFICER. That is correct.

Mr. HATFIELD. On State and fiscal sanctions—I ask unanimous consent

that that amendment be withdrawn from our list.

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

● Mr. GRASSLEY. Mr. President, I wonder if I might engage the distinguished manager, the chairman of the Appropriations Committee, in a short colloquy to clarify a matter regarding the availability of certain loan guarantee funds from the Department of Agriculture.

● Mr. HATFIELD. I would be happy to engage my distinguished colleague from Iowa in such a colloquy.

● Mr. GRASSLEY. Mr. President, the Nonprofit National Rural Development and Finance Corporation Program is authorized by section 1323 of the newly enacted Food Security Act of 1985. The act authorizes the transfer of some $14 million in grant funds for the program and makes available an additional $20 million in loan guarantee authority.

The USDA has already received the transfer of grant funds from the rural development loan fund administered by the Department of Health and Human Services. Further, the DHHS counsel has ruled that future payments of interest and repayments of principal to the rural development loan fund will be available for transfer to the Nonprofit National Rural Development and Finance Corporation Program.

There has been some confusion, however, regarding the availability of loan guarantees for the program. On March 19, 1986, USDA transferred $750 million from other accounts to farm operating loans for spring planting. While we all applauded this action, it raised concern as to whether sufficient loan guarantee requirements of section 1323. The majority leader, the chairman of the Agriculture Appropriations Subcommittee, Sentor COCHRAN, and I have looked into this matter and found that a balance of some $17.7 million in guarantee authority remains available. Recently, we have been advised by the Farmers Home Administration that USDA will be able to reserve $15 million of that available balance for use in the Nonprofit National Rural Development and Finance Corporation Program.

I would like to ask the distinguished chairman of the Appropriations Committee whether this reflects his understanding regarding the availability of funds for the second 1323 program?

● Mr. HATFIELD. Mr. President, my distinguished colleague from Iowa, Senator GRASSLEY, has precisely stated my understanding of the availability of USDA funds for the Nonprofit National Rural Development Finance Corporation Program.●

● Mr. LAUTENBERG. Mr. President, I rise in support of H.R. 4515, a bill providing urgent supplemental appropriations for fiscal year 1986. H.R. 4515 is necessary to meet important national needs for disaster relief, aviation safety and other purposes.

I would like to address three vital components of this legislation: The supplemental funding provided the Federal Aviation Administration, the overturning of deferrals in the Department of Housing and Urban Development and language protecting valuable natural recreational resources in New Jersey.

Mr. President, H.R. 4515 provides $80 million in supplemental appropriations for the Federal Aviation Administration. No agency of government has seen its basic mission threatened more by Gramm-Rudman than the FAA. The FAA presently suffers from a critical lack of personnel in its air traffic control, inspector and technician workforce.

The $80 million contained in this bill will help fill the void in the FAA's operations account left by Gramm-Rudman. The bill also contains language requiring the FAA to rebuild the air traffic control system to a 14,480 total controller workforce level by September 30, 1986. The 14,480 level is that level promised by the Secretary of Transportation in testimony before the Appropriations Subcommittee on Transportation.

Mr. President, the FAA faces many challenges in its effort to restore the air traffic control system to acceptable levels of experience. Frankly, I have strong doubts that the FAA can meet the 14,480 goal by September 30. It would come as no surprise to this Senator if the FAA needed additional appropriations to meet its goal before the fiscal year has run its course.

Mr. President, anyone who doubts that additional resources are needed at the FAA need only read the morning newspaper. On May 15, the National Transportation Safety Board issued a report calling for additional training of air traffic controllers to avoid runway collisions. No sooner was the report issued than a hair-raising near disaster occurred at Chicago's O'Hare Airport. The NTSB noted that there was a lack of supervision in the towers. The GAO reported that supervisors were spending too much time actually controlling traffic. The FAA is not going to get supervisors back to supervising until the air traffic controller workforce is built up to sufficient levels of experience.

I am pleased to note, Mr. President, the requirement in the report accompanying this bill that the FAA provide the Congress with monthly reports on the rebuilding of the air traffic controller workforce. The Congress and the public need a timely and accurate understanding of exactly how many air traffic controllers the FAA has and their level of experience. The administration and the Congress must find a way to accelerate the rebuilding of the air traffic control system.

Mr. President, in the section of this bill for the Department of Housing and Urban Development, the committee has clearly stated its rejection of deferrals of Community Development Block Grant and assisted housing appropriations provided by the Congress in fiscal year 1986. The administration attempted to undo the difficult compromise on HUD fiscal year 1986 funding fashioned by the Congress and agreed to by the President. Just a few short months after the signing of the fiscal year 1986 bill, the administration recommended a wholesale abandonment of that compromise.

The Community Development Block Grant Program was reduced in fiscal year 1986 by 10 percent below fiscal year 1985 levels. The first round of Gramm-Rudman cuts resulted in another 4.3 percent reduction. The administration then moved to reduce fiscal year 1986 funding by an additional $500 million through the deferral process, thereby doubling the reductions facing local governments in fiscal year 1986. The day that action was announced, I introduced legislation to overturn the deferral.

Mr. President, the budget-making process of local governments across the country has been profoundly disrupted by the CDBG deferral. Restoration of these funds will put the program back on stable footing and allow vital economic and community projects to go forward.

Mr. President, over the last several years, the Subcommittee on HUD and Independent Agencies, has attempted, in the face of strong administration pressure to gut Federal housing programs, to hold the line at a bare minimum of 100,000 new incremental units of housing each year. It has been determined by the subcommittee that the 100,000 unit target was necessary to maintain a minimal effort toward providing safe, decent, and sanitary housing for those most in need.

H.R. 4515 overturns the deferral of $2.3 billion in assisted housing funding and restores such programs as section 202 Housing for the Elderly and Handicapped to the levels provided in the fiscal year 1986 HUD appropriations bill. While we should remain mindful that the restoration of this funding returns us to a minimal effort, the alternative to that effort would be harmful to many citizens who seek nothing more than a decent place to live.

Mr. President, H.R. 4515 contains an amendment which I offered in full committee markup restricting the plans of the National Park Service to destroy important recreational resources in New Jersey. The Park Service has instructed its officials in the Delaware Water Gap National Recre-

71-059 O-87-30 (Pt. 9)

ational Area to drain lakes in the park because sufficient funds do not exist to upgrade their dams.

The State of New Jersey and local environmental interests have concluded that these lakes are vital to the long-range recreational needs of the Delaware Water Gap National Recreation Area. My amendment prevents the draining of lakes in this area without specific congressional authorization. It is my intention to work with Senator McCLURE and the Appropriations Committee in order to reach a long-term agreement on this matter later this year. The prohibition on draining the lakes provides time for such an agreement to take shape.

I was pleased that report language regarding the Great Swamp National Wildlife Refuge which I offered in the full committee markup of H.R. 4515 was adopted. Great Swamp is one of New Jersey's greatest natural resources. However, contamination of the refuge, from an abandoned asbestos dump and two landfills threaten its integrity. The Fish and Wildlife Service has reported that Great Swamp is 1 of 10 refuges under its management which requires immediate attention in order to address compelling contamination problems.

The report language adopted by the committee acknowledges preliminary steps the Fish and Wildlife Service has taken to address the contamination problems at Great Swamp, and urges the Service to expand and expedite its activities. Last year, the Senate expressed its interest in enhancing the preservation and enjoyment of the natural resources in Great Swamp by including almost $1 million for additional land acquisition. By adopting this report language, the Senate again goes on record as being supportive of protecting the integrity of the Great Swamp National Wildlife Refuge, and expresses its desire to work with the Fish and Wildlife Service to ensure that the necessary resources are made available for this purpose.

Mr. President, the legislation before the Senate is indeed urgent and I urge its adoption.●

ADDITIONAL FUNDS FOR DAIRY INDEMNITY PROGRAM

● Mr. BOREN. Mr. President, I commend the action by the Appropriations Committee to include $9 million in the supplemental for the Dairy Indemnity Program. I want to thank the distinguished Senator from Arkansas, Mr. BUMPERS, for his leadership in the Appropriations Committee for getting this provision included.

As my colleagues are aware, the Dairy Indemnity Program was reauthorized by the Food Security Act of 1985. This program makes indemnity payments to farmers and manufacturers of dairy products who have been directed to remove their milk from commercial markets because it contained residues of chemicals. It also provides indemnity payments for dairy cows producing milk contaminated with pesticide residues.

The supplemental is necessary due to the contamination of milk supplies with heptachlor in Oklahoma, Arkansas, and Missouri. The problem was discovered in mid-March and affected dairymen have been caught in a devastating situation through no fault of their own. For the past several months, 144 dairy herds have been affected by the contamination of feed grain with heptachlor, an EPA-banned pesticide. Farmers unknowingly fed this contaminated feed to their cows and have since been faced with a disaster of tremendous proportion. Fifty-three herds are still under quarantine.

During the course of this crisis, these dairy farmers have been required to continue feeding and milking their herds to aid in the removal of the contaminant and to calculate their losses for the purpose of indemnification. At present, these dairymen have no source of income. The Diary Indemnity Program which was set up to handle these types of problems currently has only $95,000, and that is grossly inadequate to compensate the producers for the losses they have suffered.

I am pleased that the committee chose to provide $3 million more than the administration requested for this program. It is possible that more than $9 million may be needed and I understand that the chairman of the Subcommittee on Agricultural Appropriations, Mr. COCHRAN, has indicated a willingness to work with us if additional funds are necessary.

Mr. President, as my colleagues may recognize, the dairy industry is dependent upon adequate cashflows. The producers affected by this incident have been operating without any income for almost 3 months. The agricultural economy has been undergoing severe stress and the addition of this problem to dairymen in my State has made the situation extremely serious.

I urge my colleagues to support this provision and hope that the supplemental will be enacted without delay. It is critical that these payments be made available immediately.●

THE PROPOSED CORRECTIVE ACTIONS FOR THE SHUTTLE SOLID ROCKET BOOSTERS

● Mr. HOLLINGS. Mr. President, I would like to discuss a matter with the distinguished chairman of the HUD-Independent Agencies Subcommittee that is of particular concern to me, the $250 million included in the fiscal year 1986 supplemental for corrective actions or fixes for the shuttle solid rocket boosters.

As the distinguished Senator from Utah realizes, at this point in time, the Members of Congress have yet to receive or analyze the recommendations of the Rogers Commission concerning proposed fixes for the solid rocket boosters, nor have the Members of the authorizing committee had an opportunity to discuss these proposed fixes with NASA or with the newly created independent monitoring group at the National Research Council. While I am most supportive of getting the shuttle back into space as soon and as safely as possible, I am concerned that a "quick fix" bodes poorly for the future of the shuttle program and the Nation's space program. Therefore, what I would like to recommend is that during our conference with the House of Representatives some of the money included in this particular supplemental request of $250 million for corrective actions be fenced off to do parallel studies and to assess alternative fixes for the solid rocket boosters.

As most of the Members are aware, there are several major aerospace and engineering firms that have come forward with proposed solutions to the solid rocket booster design flaws. These options range from a monolithic, one solid piece, solid rocket booster, to a capture joint on the existing segmented solid rocket boosters, to better O-rings, to a new N-ray [neutron ray] inspection system. I am not personally capable of evaluating the technical merit of any of these proposed changes, but common sense tells me that all options should be considered. I, therefore, think it is appropriate that NASA and the National Research Council consider the full range of options before the final fix is approved and implemented. Whatever fix is finally recommended, it should be the best fix, the fix that will ensure the future safety of our astronauts and the future success of our shuttle missions.

● Mr. GARN. If the distinguished Senator from South Carolina will yield for a moment.

● Mr. HOLLINGS. I would be pleased to yield to the distinguished Senator from Utah.

● Mr. GARN. Mr. President, I would just like to tell my colleague that I certainly understand his concerns and I am open to fencing off some of the moneys allotted in the fiscal year 1986 supplemental for corrective actions to pursue alternative fixes and to consider parallel programs.

I would, therefore, be more than pleased to take this matter to conference with the distinguished Senator from South Carolina.

I thank the Senator from South Carolina for his suggestion and think that it makes eminently good sense.

● Mr. HOLLINGS. I would like to thank the Senator from Utah for his assurances and for his willingness to work with me on this matter. If there is one thing that I know for sure about the Senator from Utah, it is that he is totally committed to finding the best

solution to the problems with the solid rocket boosters. I know what a premium the Senator places on safety, and I am pleased that he will actively be involved in seeking the best solution to this critical design flaw.

● Mr. RIEGLE. Would the Senator from South Carolina yield?

● Mr. HOLLINGS. I would be pleased to yield to the distinguished ranking member of the Subcommittee on Science, Technology, and Space.

● Mr. RIEGLE. I would like to compliment both of my colleagues for the initiative that they are recommending. I share their concern about the danger of a quick fix and am pleased to know that this matter will be addressed in the conference on the supplemental. Based on what I have heard at the Rogers Commission hearings and I have read in the press, the suggestion of my colleagues makes good sense, and I hope that it will be one of the final recommendations of the Rogers Commission.

I would like to be associated with the remarks of my colleagues and indicate that I am more than willing to assist in whatever way possible on the Science, Technology, and Space Subcommittee to ensure a thorough evaluation of the proposed fixes and the implementation of the best and safest fix.

● Mr. HOLLINGS. I would like to thank my colleagues for their remarks, and I look forward to working out the details of our agreement with our House colleagues in conference.●

Mr. STAFFORD. Mr. President, I am very pleased that the Committee on Appropriations has included an appropriation of $1.3 million to enable the Architect of the Capitol to design a building for the consolidation of the Administrative Office of the U.S. Courts.

This study, authorized by Public Law 99-229, will produce the design and plan for a structure that will be located on the U.S. Capitol Grounds, adjacent to Union Station.

I am compelled to note two items regarding this appropriation.

First, a major portion of the study will be a national competition for the design of the building. Such a competition, which has occurred for many other major Washington buildings, should prove to be an important architectural event.

Second, it is anticipated that the building will be constructed by a public-private partnership. This means this appropriation will not lead to a costly new building financed by the Federal taxpayers.

Specifically, the law requires:

* * * An analysis of methods for financing and constructing such building or buildings in the most feasible and economical manner; and

* * * An analysis of methods of financing the construction of such building or buildings, including methods to minimize or eliminate initial capital investment by the United States through the use of public-private partnerships or nongovernmental sources of financing such construction.

Mr. President, to explain the situation further, I ask unanimous consent that a copy of a letter from George M. White discussing the study be printed at this point in the RECORD, together with a copy of Public Law 99-229.

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

WASHINGTON, DC,
April 21, 1986.

Hon. ROBERT T. STAFFORD,
Chairman, Committee on Environment and Public Works, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: As you know, enactment of Public Law 99-229 requires a joint study to be made by the Architect of the Capitol and Secretary of Transportation, in consultation with the Chief Justice of the United States, concerning the construction of a building or buildings on Squares 721 and 722. Public Law 99-229 specifies the elements of the revised study and also authorizes $2,000,000 to be appropriated to carry out the provisions of the act.

The attached preliminary draft of a work program and budget outlines the efforts taken to date to meet the requirement of Public Law 99-229 even prior to funding. We are prepared to proceed with the steps outlined in the report, subject to the availability of the authorized funding. Modifications will, of course, take place in a number of areas where final decisions have not yet been made.

The Secretary of Transportation has appointed Mr. Ray Karam, Deputy Assistant Secretary of Transportation for Budget and Programs, as her representative in this endeavor, as indicated in her letter to me of February 11, 1986, of which a copy is enclosed. Mr. Karam has participated in the development of the draft report, which has undergone a number of modifications, and informs me that he concurs therein.

A similar letter has been sent to the Honorable James J. Howard, Chairman of the House Committee on Public Works and Transportation.

I shall, of course, be pleased to furnish any additional information you may deem desirable.

Cordially,

GEORGE M. WHITE, FAIA,
Architect of the Capitol.

THE SECRETARY OF TRANSPORTATION,
Washington, DC, February 11, 1986.

Mr. GEORGE M. WHITE, FAIA,
Architect of the Capitol, Washington, DC.

DEAR MR. WHITE: Thank you for your recent letter regarding Public Law 99-229. Under that statute, the Secretary of Transportation and the Architect of the Capitol have joint responsibility to conduct a study and make recommendations to Congress regarding an appropriate use of the site in question. I have appointed Mr. Ray Karam, Deputy Assistant Secretary for Budget and Programs, as my representative in this endeavor.

I appreciate your support for the Department's redevelopment plans for Union Station, and share your desire for the successful completion of the project.

With best wishes.

Sincerely,

ELIZABETH HANFORD DOLE.

STUDY FOR THE DESIGN OF AN ADMINISTRATIVE OFFICE BUILDING FOR THE JUDICIARY

BACKGROUND

Public Law 99-229, approved December 28, 1985, authorizes the Architect of the Capitol and the Secretary of Transportation, in consultation with the Chief Justice of the United States, to study alternatives for the construction of a building or buildings on Squares 721 and 722 adjacent to Union Station. To carry out the provisions of the act, the Architect and the Secretary are directed to undertake a study to provide alternatives for the construction of a building or buildings to house the Administrative Office of the United States Courts, related judicial activities and other such tenants that might be appropriate to share space at that site pursuant to the Public Building Cooperative Use Act. The Architect is also required to study options for financing the construction that could be provided from non-Federal sources. To carry out these various tasks, Public Law 99-229 authorizes the appropriation of $2,000,000.

WORK PROGRAM

Following approval of Public Law 99-229, the Architect of the Capitol made contact with officers of the Union Station Redevelopment Corporation and with the Secretary of Transportation in order to organize a working group to determine and coordinate the approach to be taken to carry out the provisions of the act. Members of the working group include staff from the Architect of the Capitol's office, the Department of Transportation, the Union Station Redevelopment Corporation and the Administrative Office of the United States Courts. This report is a summary of the group's recommendations concerning the proposed work program which will accommodate the provision of Public Law 99-229. These recommendations, including a budget proposal, are intended to be useful also to the Appropriations Committees as a means of expediting their deliberations.

The first step in the work program is to determine the program goals that must be met by the new building or buildings. The Administrative Office of the United States Courts has been revising its summary data concerning its future needs in terms of office and other space. These data will provide a program baseline from which consultants can begin to assess building size, services required, other occupants and costs.

The next step in the work program involves identifying the preliminary investigative tasks necessary for developing a comprehensive program description that can be used by developers to prepare their proposals for a new building or buildings. These tasks are listed in Attachment A.

Concurrent with this preliminary step, evaluation of other possible uses for the building will be undertaken by consultants. The market evaluation will provide recommendations that will identify potential cooccupants that will meet the provisions of the Public Building Cooperative Use Act and also be consistent with the present plans of the Union Station Redevelopment Corporation.

Also concurrent with the foregoing tasks, cost analyses will be performed to identify methods of construction financing that would eliminate or reduce the Federal contribution toward construction costs. Some possible financing structures are listed in Attachment A.

When all of the information identified thus far in the work program has been gath-

ered and agreed upon, schematic architectural proposals will be solicited from several leading American architects resulting in the selection of a conceptual building design. Alternative procedures for design control will be considered. Our own criteria in that regard, including conformity with the Master Plan for the U.S. Capitol and the desire for excellence in urban design, will, of course, be a part of the total program. This building design and all previously gathered information will be published in a Prospectus to be provided to developers who will be invited to prepare proposals that can meet the aggregate needs and program goals. Included in the developers' proposals would be the program data for building occupants and space usage, other special building requirements, financing methods and the selected architectural scheme. Minor modifications to the latter might be acceptable. From the various proposals a recommendation can be made on the one that best meets the multiple needs of the Government and meets the requirements of Public Law 99-229.

A report will then be prepared for the Congress that summarizes all of the actions taken and findings realized, including the design, financing plan and development of the building or buildings.

WORK PROGRAM FUNDING

To carry out the proposed work program, the $2,000,000 authorized by Public Law 99-229 will need to be requested in the fiscal year 1986 Supplemental. These funds are required as soon as possible in order to prepare a timely response to the Congress as provided in the act.

A Preliminary Work Program Budget has been prepared to identify the amounts required for the tasks set out to be accomplished. This budget has been included in Attachment B.

WORK PROGRAM TIMING

Although Public Law 99-229 requires that a report be submitted to the Congress no later than August 15, 1986, a period of nine months from the date of funding approval will be required to prepare and submit such a report. This is approximately the same time period as from the date of passage of the authorization act and August 15, 1986.

WORK PROGRAM FOR CONSTRUCTION OF A BUILDING OR BUILDINGS ON SQUARES 721-722

I. ADMINISTRATIVE OFFICE OF THE U.S. COURTS

A. Identify Present and Future Needs.
B. Identify Special Needs.

II. ARCHITECTURAL SERVICES—PRELIMINARY WORK

A. Identify Densities—FAR (Floor/Area Ratio) Maximums—Minimums.
B. Plan Layout.
C. Massing Studies—including reference to Union Station and City Post Office.
D. Identify Available Services:
1. Water.
2. Sewer.
3. Electricity.
4. Gas.
5. HVAC.
6. Heat.
E. Identify Building Systems.
1. Security.
2. Building Operations.

III. MARKET EVALUATION (CONSULTANTS)

A. Other Possible Uses:
1. Office (Identify Compatible Tenants).
2. Retail.
3. Residential.
4. Hotel.
5. Cultural.
6. Educational.
7. Recreational.

IV. DEVELOPER IDENTIFICATION

A. How Identified.
B. Uniformity of Contacts:
1. Written.
2. Oral.

V. COST ANALYSIS

A. Cost Consultant.

VI. FINANCING ALTERNATIVES

A. Developed by Federal Government.
B. Turnkey by Developer Sold at Cost Plus Developer Fee.
C. Lease by Federal Government with Sale to U.S. at End of Term for One Dollar.
D. Developer Builds Non-Federal Uses.
E. Other.
F. Recommended Alternatives and Procedures for Next Steps.

VII. ARCHITECTURAL COMPETITION OF ALTERNATE DESIGN CONTROL PROCEDURE

A. Professional Advisor.
B. Edit Program.
C. Advisory Committee.
D. Competitors.
E. Cost Estimation.

VIII. DEVELOPER PROPOSALS

A. Who Prepares.
B. How Prepared.
C. Lead Time: 1. Need 45 Days Lead Time for Submission to Secretary of Transportation.

IX. REPORT TO CONGRESS

A. Presumed Deadline—August 15, 1986 (Not possible to achieve because of present lack of funding).

PRELIMINARY WORK PROGRAM BUDGET

[Subject to change]

Task	Total	Administrative Office, U.S. courts	Architect of Capitol	Secretary of Transportation	Consultants	Expenses
I. Identify Administrative Office of the U.S. courts needs	$50,000	$20,000	$10,000		[1] $20,000	
II. Architectural program	80,000	20,000	30,000	$10,000	[2] 10,000	
					[1] 10,000	
III. Market evaluation	80,000		10,000	20,000	[3] 50,000	
IV. Developer selection	100,000		20,000	40,000	[3] 20,000	[7] $20,000
V. Cost analysis	90,000	10,000	30,000	10,000	[4] 30,000	
					[5] 10,000	
VI. Financing alternatives	110,000	10,000	20,000	30,000	[2] 50,000	
VII. Architectural competition:						
A. Pro advisor	40,000		10,000		25,000	[8] 5,000
B. Publish program	15,000		5,000	5,000		[9] 5,000
C. Advisory Committee	55,000		30,000	10,000	10,000	[8] 5,000
D. Competitors	320,000		30,000	30,000	240,000	[8] 20,000
E. Cost estimation	40,000		10,000	10,000	15,000	[8] 5,000
Subtotal, VII	470,000		85,000	55,000	290,000	40,000
VIII. Developer proposals:						
A. Prepare prospectus	95,000		30,000	40,000	20,000	[9] 5,000
B. Analyze proposals	85,000		10,000	20,000	[3] 20,000	[7] 5,000
					[6] 30,000	
Subtotal, VIII	180,000		40,000	60,000	70,000	10,000
IX. Report to Congress	140,000	10,000	30,000	30,000	[3] 20,000	[9] 40,000
					[5] 10,000	
Subtotal, preliminary work program	1,300,000	70,000	275,000	255,000	590,000	110,000
X. Contingency and other expenses	700,000					700,000
Total	2,000,000	70,000	275,000	255,000	590,000	810,000

[1] Programming. [2] Security. [3] Economist. [4] Cost. [5] Architect/Illustrations. [6] Construction cost. [7] Miscellaneous. [8] Travel. [9] Printing.

(An Act To authorize the Architect of the Capitol and the Secretary of Transportation, in consultation with the Chief Justice of the United States, to study alternatives for construction of a building adjacent to Union Station in the District of Columbia, and for other purposes)

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

SECTION 1. STUDY OF CONSTRUCTION OF OFFICE BUILDING.

(a) REQUIREMENT FOR JOINT STUDY.—The Architect of the Capitol and the Secretary of Transportation, in consultation with the Chief Justice of the United States, shall jointly study alternatives for the construction on squares 721 and 722, bounded by F Street, 2nd Street, Massachusetts Aveneue, and Columbia Plaza, Northeast, in the District of Columbia, of a building or buildings to meet the current and future needs of the administrative office of the United States Courts, the Federal Judical Center, and other judicial functions and such other commercial, governmental, cultural, educational, and recreational activities which the Architect and the Secretary determine may appropriately be located in such building or buildings. Such building or buildings shall complement the areas surrounding such squares and fulfill the goals of mixed use in the Public Buildings Cooperative Use Act of 1976.

(b) ELEMENTS OF STUDY.—The study under subsection (a) shall include—

(1) a study of alternative sizes and designs for such building or buildings and the estimated cost of each such alternative necessary to meet the current and future needs referred to in subsection (a);

(2) an analysis of other commercial, governmental, cultural, educational, and recreational activities which may appropriately be located in such building or buildings;

(3) an analysis of methods of providing security, utility, fire, and other related services for such building or buildings and allocating the cost of providing such services among the occupants of such building or buildings;

(4) an analysis of methods for financing and constructing such building or buildings in the most feasible and economical manner; and

(5) an analysis of methods of financing the construction of such building or buildings, including methods to minimize or eliminate initial capital investment by the United States through the use of public-private partnerships or nongovernmental sources of financing such construction.

(c) REPORT.—Not later than August 15, 1986, the Architect of the Capitol and the Secretary of Transportation shall submit to Congress a report on the results of the study conducted under subsection (a), together with recommendations concerning the size and design of such building or buildings and methods of financing the construction of such building or buildings.

(d) AUTHORIZATION OF APPROPRIATION.—There is authorized to be appropriated to the Architect of the Capitol $2,000,000 for fiscal year 1986 to carry out this Act. From funds appropriated to carry out this Act, the Architect shall make available to the Secretary of Transportation such amounts as may be necessary for the Secretary to carry out the Secretary's functions under this Act. Funds appropriated to carry out this Act shall remain available until expended.

Approved December 28, 1985.

SMALL BUSINESS ADMINISTRATION DISASTER LOANS

Mr. BURDICK. Mr. President, I want to address a provision that was included in this supplemental appropriation bill by the Appropriations Committee, dealing with Small Business Administration disaster loans to farmers.

The Consolidated Budget Reconciliation Act of 1985 mandated changes in the Small Business Administration's disaster lending program which made agricultural enterprises ineligible for either physical or economic injury disasters declared on or after October 1, 1985. This change results in an inequity for several States because while they had applications in for disaster declarations well in advance of October 1, 1985, the disasters were not declared until after that date. Meanwhile other States disaster applications were approved prior to October 1, 1985, even though the applications were submitted considerably closer to the October 1 cutoff than the other States.

The provision in this bill simply states that for any application for a disaster declaration that was submitted prior to October 1, 1985, for a disaster occurring prior to that date, farmers will still be eligible for SBA disaster loans. I want to make it perfectly clear that the change does not reinstate the SBA Disaster Loan Program for farmers. It simply clears up this inequity and treats all States fairly.

North Dakota had an application like this in on August 9, 1985, but the application was not approved until October 3, 1985. Other States had their applications in after August 8 but they were approved prior to October 1. So you can see the unfairness that results simply from a difference in processing time.

Nine States, in addition to North Dakota, also had their applications submitted prior to the October 1 deadline which were not approved until after that time. They are Alabama, Idaho, Nebraska, North Carolina, Pennsylvania, Texas, Washington, Wisconsin, and Wyoming.

In view of the changes that this legislation makes, Mr. President, it is assumed that the Small Business Administration will make the needed changes in its program to make sure that these farmers will be notified that they are eligible for SBA loans and that they will be given sufficient time to submit their applications. It is clear that the SBA should go out of its way to let the farmers know of the change being made today so that farmers can take full advantage of this assistance they so badly need.

Mr. President, I urge my colleagues to support this bill and to support this change to help bring about an equitable end to the SBA Disaster Loan Program for farmers.

MEDICARE CAPITAL PAYMENTS

Mr. BAUCUS. Mr. President, the Senate Committee on Appropriations has amended H.R. 4515 by deleting the Rostenkowski amendment adopted by the House of Representatives which would retain until October 1, 1987, the current Medicare exclusion of capital-related costs from the prospective payment system. I support this House provision because it removes a deadline which might hamper the flexibility of Congress to legislate a responsible capital payment policy for hospitals. I want to make clear, however, that the removal of this deadline is not intended to postpone dealing with this important issue, but is intended to allow Congress to act through the legislative process, rather than allowing the Secretary of Health and Human Services to set capital payment policy by regulation.

The Secretary issued proposed regulations on this subject on June 3, 1986, and there is a 30-day period during which interested parties can comment on the Secretary's proposal as well as on alternatives suggested in the notice of proposed rulemaking. I hope that we will receive comments and alternative proposals, and that the Congress will then act to establish a capital policy which is fair to all hospitals, especially those hospitals such as low-volume rural hospitals which would be severely affected by the Secretary's proposal. I am also concerned that the final capital payment policy properly addresses those hospitals with unusually high capital expenses.

Mr. DURENBERGER. I share my colleagues's view on this issue. The Congress should establish this important policy, rather than allowing the Secretary to do so by regulation. I have introduced legislation, S. 2121, which provides an alternative to the Secretary's proposed regulation, and I am continuing to develop further refinements of this proposal to better ensure a fair capital payment policy.

Mr. BAUCUS. I understand that the chairman and the ranking minority member of the Finance Committee have sent letters to the Appropriations Committee indicating that although this provision was deleted because it constitutes legislation on an appropriations bill, that they support the provision and have requested that the Senate conferees accept the House provision in conference.

Mr. PACKWOOD. The Senator from Montana is correct. I have sent a letter to the chairman of the Appropriations Committee indicating my support for the House provision, and I ask that a copy of that letter be printed as a part of the RECORD. I want to emphasize that Medicare capital payment policy is a matter which the

Congress should establish, and that I intend that the Finance Committee address this issue through the legislative process.

Mr. LONG. I concur with the chairman of the Finance Committee that Medicare's payment policy for capital is a matter which our committee should address in the legislative process. I have sent a letter to the ranking minority member of the Appropriations Committee indicating my support for the House provision, not for the purpose of postponing for a year the consideration of a new capital payment policy, but merely to allow the Congress to act through the legislative process without any time or baseline constraints which the Secretary's proposed regulations might impose on the process. I ask that the letter be included as a part of the RECORD.

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

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, DC, May 14, 1986.

Hon. MARK HATFIELD,
Hart Senate Office Building,
Washington, DC

DEAR MARK: The urgent supplemental appropriations bill, HR 4515, which has been referred to your committee includes a provision which continues the exclusion of capital-related costs from Medicare's prospective payment system until October 1, 1987. The purpose of the provision is to give the Congress time to legislate on the matter of capital cost reimbursement under the Medicare program rather than allow the Secretary to use the regulatory process to incorporate capital payments into the prospective payment system. The Committee on Finance has an interest in this matter.

As the committee with jurisdiction over the Medicare program, we intend to consider legislation to implement a new capital payment policy before October 1986. Section 206 of HR 4515 allows us to legislate on this matter free of any budget baseline considerations which might hamper our deliberations should the administration pursue a capital payment policy change through the regulatory process at the same time. While I hope you understand the need for such a provision, I can understand the deletion of the provision by the Appropriations Committee because it is legislation on an appropriations bill. Should the Committee on Appropriations strike section 206 from the HR 4515, I ask you to consider our position and accept the House provision during the conference.

Sincerely yours,

BOB PACKWOOD,
Chairman.

U.S. SENATE,
Washington, DC, May 20, 1986.

Hon. JOHN C. STENNIS,
Ranking Minority Member, U.S. Senate, Committee on Appropriations, Washington, DC.

DEAR SENATOR STENNIS: The House of Representatives included in the urgent supplemental appropriations bill (H.R. 4515) a provision which retains the current medicare exclusion of capital-related costs from the prospective payment system until October 1, 1987. The purpose of the provision is to allow Congress the time to legislate a new payment methodology for capital-related costs, rather than allowing the Secretary of Health and Human Services to change the payment methodology by regulation. The provision would also remove any doubt that the budget baseline used for purposes of the Gramm-Rudman-Hollings sequestration procedure should reflect current law, rather than the Secretary's proposed regulations.

I understand that the Senate Committee on Appropriations did not include this House provision, because it constitutes legislation on an appropriations bill. However, I ask you to support this provision in conference with the House, so that the Committee on Finance can consider the issue of hospital reimbursement without any constraints which might be imposed by the Secretary's proposed regulations.

With every good wish, I am

Sincerely,

RUSSELL B. LONG.

GATES LEARJET FUNDS

Mr. DOLE. There is a matter of concern to the Senator from Kansas concerning the funding level for the buyout of 80 Learjet C-21A's. The Air Force is under a long-term lease agreement for these planes. This supplemental allows the use of $176 million to buy out the aircraft. However, as I understand the issue, there has been a rounding of the cost figure by the Pentagon that results in an $8 million shortfall.

Mr. STEVENS. I am familiar with this issue, and would like to try to work out an equitable solution.

Mr. DOLE. According to the manufacturer, each plane costs $2.299 million. However, when the Pentagon made its calculation, it only went one digit beyond the decimal point, multiplying $2.2 million by 80. The actual cost is closer to $2.3 million than $2.2 million, and it would be helpful if these figures could be adjusted accordingly.

Mr. STEVENS. Although I believe the Pentagon used the same methodology in calculating the cost of this purchase that it uses in other such instances, it appears there could be a significant discrepancy, and the Senator from Alaska will do everything he can to clarify this situation in the conference report.

SUPPORT FOR PROVISIONS OVERTURNING THE DEFERRAL OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING

Mr. GORTON. Mr. President, I would like to applaud the Appropriations Committee for including provisions in this urgent supplemental that overturn the administration's deferral of community development block grant funds. This action will help correct the problems that have arisen due to the unfair timing of this deferral.

The Community Development Block Grant [CDBG] Program is quite different from most other Federal community development programs. Other programs, such as the Urban Development Action Grants [UDAG] Program, are run on a competitive basis. In obtaining funding for a UDAG project, for example, a local government designs a project and then submits an application for Federal Government assistance. This project then must compete with other similar projects around the country for limited Federal funds. The local government does not count on a Federal contribution until it is told that it is a winner in the competition.

The CDBG Program, on the other hand, is an entitlement program. Much like our citizens who receive Social Security, our cities and counties know how much Federal support they will receive at the start of the year when Congress passes an appropriation for the program. Using the figures approved by Congress, cities and counties plan their community development budgets, and enter into agreements with local contractors and service providers.

The budgets and agreements made by our local governments were thrown into chaos by the timing of the administration's CDBG deferral. Although many cities and counties start their program years on January 1, they were not told until January 3 that the administration planned to defer $500 million in CDBG funds. The official deferral request was not made until February 5. Local governments have found Federal community development support cut by 30 percent from fiscal year 1985. Almost 16 percent of this cut came after the start of their own budget years.

Community planners have told me that the deferral announcement was made too late in the year for them to meet the shortfall created by the deferral through donations from private foundations and private contributions. Obtaining additional funds through tax increases also would take a great deal of time. In fact, our local governments are left with a single choice by the deferral—an immediate cut in the community development services that assist our most needy citizens.

The city of Seattle, for example, had about $2 million deferred under the administration's action. To absorb this unanticipated loss of funds, Seattle will have to change the commitments it made with local relief agencies throughout the city.

Unless the deferral is overturned, the number of bednights available to homeless citizens in Seattle would have to be reduced by 13,000 this year. City planners estimate that over 30,000 meals for low-income elderly people, children, and families would have to be cut. Approximately 2,000 weeks of child care services for parents who are in training programs and low-income jobs would not be provided if the deferral is not overturned.

Of course, the impact of this deferral is not limited to Seattle. In my

home State of Washington, the city of Kent will have to cut back on a housing repair program for low-income elderly citizens unless the deferral is overturned. King County, WA, will have to reduce services for sexually abused children and cut the capacity at a youth emergency shelter. Pierce County reports that unless the deferral is overturned, it will be unable to meet vital public service and physical improvement needs. Programs that will be affected include an emergency food network and a shelter for battered women. The city of Bellingham in Washington State reports that the deferral threatens a day care program that provides services to over 200 low-income families per year.

Mr. President, these are just a few of the reports I have been given on the impact that the CDBG deferral will have on our cities and counties. It is simply unfair to ask our local governments to magically produce the revenue needed to offset the loss of funds represented by the deferral. I urge my colleagues to join me in overturning the CDBG deferral immediately.

NATIONAL PARK SERVICE

Mr. President, I would like to comment on a provision in the urgent supplemental bill which is of particular importance to the people of my State.

The House bill included language, to which the Senate committee has agreed, to prohibit the National Park Service from spending money to plan or implement the administration's proposal to close the Pacific Northwest Regional Office in Seattle, WA. I wholeheartedly support the Senate committee in agreeing to the House language. There is very little justification for the proposal in terms of cost-savings. Indeed, the immediate cost of the proposal for the first few years amounts to $4 to $5 million. This includes $270,000 per year the Park Service would have to pay in penalties for breaking a brandnew lease for office space into which it has recently moved. Further, there is little evidence to substantiate a real cost-savings over the long term.

The true, and far greater, cost of the proposal would be borne by the constituents in my State. The people of the State of Washington have a long heritage of stewardship for the abundant natural resources with which we have been blessed. The proposal would move the Pacific Northwest Regional Office to a distant location—far from the parks—far from the people in the State who care about the parks. This would result in increased inefficiencies of park management and administration, and our parks would suffer as a result. This is not acceptable to the people of the State of Washington. I want to commend the Appropriations Committee, in particular Senator HATFIELD, the able chairman of the committee, for recognizing this and agreeing to the language in the House bill.

SUPPORT FOR REPROGRAMMED FUNDING FOR THE SEDIMENT RETENTION STRUCTURE AT MOUNT ST. HELENS, WA

Mr. President, I would like to express my strong support for the provision in both the House and Senate committee bills to reprogram funds from the Corps of Engineers' budget to initiate construction of the sediment retention structure for Mount St. Helens. The reprogrammed money will allow for a construction start on the dam in 1986.

The $1.4 million in reprogrammed funds will be used to begin dewatering the site where the dam will be built. It will also be used to begin site clearing and the construction of the access road to the dam site. Initiating construction this summer will help greatly to keep the construction of the dam close to its original schedule. The severe storms that were experienced in the West this past winter are strong evidence of the need to complete this project as soon as possible. The downstream residents along the Cowlitz and Toutle Rivers have lived with the threat of continued flooding from Mount St. Helens long enough.

This provision will have no impact on the budget, as the funds will be reprogrammed from existing accounts. The Army Corps of Engineers agrees that reprogramming this money to have a construction start in 1986 is necessary. On April 26, 1986, the State of Washington and the Army Corps of Engineers signed a cost-sharing agreement. This, combined with the reprogrammed funds, will help ensure the timely completion of the project.

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ROUTINE MORNING BUSINESS

Mr. HATFIELD. Mr. President, I ask unanimous consent that there now be a period for morning business—early morning business.

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

ADDRESS BY DR. OTIS R. BOWEN, SECRETARY OF HEALTH AND HUMAN SERVICES

Mr. THURMOND. Mr. President, on May 16, I had the privilege of attending the commencement exercises at the Medical University of South Carolina and introducing the keynote speaker, Dr. Otis R. Bowen, Secretary of Health and Human Services.

In his remarks, Secretary Bowen focused on the problems and challenges facing the medical profession in the future. He talked about rising medical costs, preventive medicine, malpractice issues, medical technology, Medicaid—all important questions facing today's medical graduates. He spoke of government and its growing role in health care and challenged the graduates to be caring professionals, concerned not with debits and credits, but with human beings. I found his remarks to be both imaginative and inspirational.

I would also like to take this opportunity to commend the able president of the Medical University of South Carolina, Dr. James B. Edwards, for his leadership in making this medical university one of the finest in the Nation, and the 579 graduates for their dedication to their studies. I also congratulate those outstanding leaders who were honored at the commencement exercises with honorary degrees: Secretary Bowen, for his leadership in national health; Carolyne Kahle Davis, for her contributions as former Administrator of the Health Care Financing Administration at the Department of Health and Human Services; and Dr. M. Maceo Nance, Jr., retiring president of South Carolina State College, for his role in making that institution one of our Nation's finest historically black universities.

Mr. President, I ask my colleagues to join me in commending the president of this fine medical university, the graduates, and the recipients of these honorary degrees. In addition, I ask unanimous consent that Secretary Bowen's commencement address, which deals so appropriately with issues facing Congress in the coming years, be entered in the RECORD.

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

REMARKS BY OTIS R. BOWEN, M.D., SECRETARY OF HEALTH AND HUMAN SERVICES AT THE MEDICAL UNIVERSITY OF SOUTH CAROLINA COMMENCEMENT

That was a kind and generous introduction—for which I thank you.

But when a person enters public life, as I have done, things are sometimes said about them that are simply not true.

It's not true, for example, that Jim Edwards and I decided to enter the medical profession merely because we flunked penmanship.

Nor is it true that my Under Secretary, Don Newman—a pharmacist—got the job because he was the only person that could read my writing.

And lest I forget, may I at this time add my own congratulations and best wishes to the honorary degree recipient here, Carolyne Davis.

Dr. Davis performed outstanding service as the Administrator of the Department's Health Care Financing Administration.

And all of you newly capped nurses here can take particular pride that she began her distinguished career as a nurse.

The story goes that when she first became HCFA Administrator, there were those who liked to kid her by saying that, now at last, we have a nurse who gets to tell the doctors what to do.

And finally before getting into my topic, I want to compliment the beauty of your City of Charleston.

This "city of gardens" is rich in history and graced with a tradition of warm hospitality.

Your Nation's capital is also a lovely city, but also a place of strange contrasts. It provoked one former President to call Washington a city "of Northern charm and Southern efficiency."

And if you plan on taking offense at that line, just remember it was a Democrat, John Kennedy, who said it.

In looking for my theme today, I was aware that graduation speeches tend to run to type.

Speakers generally haul out their crystal balls and proceed to tell an uninterested throng what a brave new world they are entering, what pitfalls await them, and how they must bear the torch of a new generation.

To all this I say "ho-hum" and rubbish!

The plain truth of the matter is that no one can tell what pitfalls await a new generation, and those who attempt it make grand fools of themselves.

For proof, I offer first one Charles Duell, who directed the U.S. Patent Office in 1899 and once said, "Everything that can be invented has been invented." So much for him.

Then there is the 1923 Noble Prize winner in Physics, Robert Millikan, who once solemnly predicted that "there is no likelihood man can ever tap the power of the atom." Tell that to the Kremlin these days!

And I might very well not have made it here if the prediction of Lord Kelvin, President of the Royal Society had come true: "Heavier than air flying machines are impossible," he said.

Oh, the list of rash predictions is endless!

There's movie mogul Harry Warner, who said derisively in 1927, "Who the hell wants to hear actors talk?"

And there's baseball immortal Tris Speaker saying in 1921 "Babe Ruth made a big mistake when he gave up pitching."

And finally, are you women ready for this last one? It was Grover Cleveland—a Republican I'm sorry to say—who rendered the view that "sensible and responsible women do not want to vote."

With that, let us get on to the proper business at hand—which is to get you graduates launched from academia into the world of work.

Work—that four-letter word that is no curse, but a blessing.

Work—the natural preoccupation of humankind and the one activity that keeps us all from mischief.

Work—that energetic enterprise your parents have involved themselves in to make possible the first-rate education you've had here.

The question I pose is what factors are stirring today that will define the scope and character of your work in years to come, be you doctor, dentist, nurse, pharmacist or other health professional?

I cannot—indeed I will not—gaze into any crystal ball.

But what I can do is to sketch out the changes stirring today that will shape your work and your workplace in all the tomorrows that lie ahead.

Many things are in motion today that will define these:

One is the reimbursement structure. Fixed-price reimbursement is upon us now. Indeed, with Medicare it is the law of the land. It is replacing the old blank-check system of the past—and it is destined to revolutionize how health care is delivered;

Competition in health care is another shaping factor. President Reagan has pointed us in this more promising direction. Out of it will come a pricing structure governed not by regulation but by the natural restraints of the marketplace;

Another element in the picture is the impact and thrust of medical advances. Price was once no object in the past—now it is. This age of fixed price reimbursement will compel a tough cost-effective look at every new development;

Finally, the issue of medical malpractice is once again getting the kind of attention it deserves. I've made malpractice reform a priority and set up a Department Task Force on malpractice to work closely with a White House group dealing with the broader issue of tort reform.

I have no fixed idea how these factors will interact or where they will take us—I hope they lead us toward better, more cost-effective health care.

But of this much I am sure: Nothing will ever take the place of caring.

If health care should become more impersonal, as some say it will, we shall have more need than ever for health care professionals who care deeply about their patients.

More than ever we shall need professionals who see themselves as the patient's champion and advocate, people who got into this field because they have a deep-down feeling for their fellow human beings.

No computer can ever take the place of that. No patient tracking system can replace it. And no management method can substitute for it.

These are useful tools—but no better than the human impulse that activates them.

Because the only safe repository for the future of health care are people who care: People who want to keep their patients healthy; people who are there to answer the cry of pain; people who, however much they understand the imperatives of cost, still recognize that the purpose of their work is not debits and credits but human beings.

I see a new spirit stirring among the young men and women of today who enter health care.

They are no longer content to work in the old way.

They are looking for a new way.

I see young physicians who have rightly come to regard the nurses who work by their side as partners in caring, and nurses who want to bring their profession back to its roots of personal service.

And pharmacists who understand they are much more than dispensers of pills—but colleagues who in the hospital setting can help physicians choose among the many options that the modern pharmacopeia offers.

Dentists who in the tradition of their professional forbearers push for reforms like fluoridation, even in the knowledge that this basic preventive measure would mean fewer young patients in their chairs.

And most of all, I perceive a new sense of comradeship among all those in the health professions from physician to orderly—a comradeship based on mutual respect for the other's contribution, coupled with the certain knowledge that if modern medicine means anything, it means teamwork.

There is indeed a growing sense today that we are all in this together.

And I believe that feeling will preserve the human face of medicine in the years ahead, come what may.

I feel that in my very bones.

Your professors and teachers feel it too. It is what they have tried so persistently to convey to you.

And the beliefs you carry forth from here and put into practice will be both the measure of their success and their enduring reward.

And what of government: where does it fit into all this? How will it shape the future?

My belief is this:

While government will play a role in shaping events, that role will be circumscribed by this administration's determination not to interfere unduly in the practice of medicine.

For the most part, we will be relying on competitive influences to hold cost down and keep quality up.

For to act in any other spirit would be both wrong and disastrous.

Technology will play a part, too. The medicine I began to practice 44 years ago is dramatically different from today's: There were no coronary bypasses then, now well over a 100,000 are done a year; in 1965 300 people received kidney dialysis; now they number in excess of 80,000.

And there is more to come: In 1983, only 172 heart and 163 liver transplants were performed. That number may some day climb to 10,000 heart and 5,000 liver transplants at a cost once estimated at well over $2 billion.

I think it clear that the cost issue will lead to restraints on the unfetterd use of technology. A heart transplant costs around $100,000 and the Massachusetts Blue Cross has already paid the stunning sum of $240,000 for a liver transplant.

And that's only the beginning because, as you know, we have entered an era of transplantable human parts that also includes kidneys, bone marrow, lungs, pancreas and even brain tissue—and by the way, I want to be first in line when the next Albert Einstein donates his.

I want to address in the briefest way the malpractice issue.

The A.M.A. has estimated that the defensive medicine practices provoked by malpractice fears add from $15 to $40 billion a year to health care costs.

There is no doubt that malpractice pulls physicians away from cost-effective medicine.

I'd like to see each state have a law like my home State of Indiana which deals with the malpractice issue and which has become a model. It limits the amount and the time and created a panel to review the case and issue an opinion, which is admissible in court. It has been most effective in keeping malpracticie premiums under control.

This Administration is also at work developing recommendations to deal with this issue.

But what I have to say today has nothing to do with that. I want to talk about the responsibility that you newly-minted physicians have.

Physicians need to invest more of their institutional resources into programs that will help to move the profession away from the costly practices of defensive medicine.

Another problem I would like organized medicine to take a bigger hand in solving is the problem of fraud and abuse.

The possible bad apples in your midst besmirch all of medicine; and if you are not careful, they will drag you down with them.

A few weeks ago, the physician heading up the Federation of State Medical Boards reported that there may be as many as

28,000 people practicing medicine without a license in this country.

In many cases, they have little or no medical training—and he says their number is growing.

State medical licensure boards are overwhelmed by the problem. They have neither the budgets nor the staff to cope with it.

I'm a believer in our federal system of governance and I think this problem ought to be tackled head-on at the state level.

Unlicensed medical practice makes a mockery of the tradition of excellence that distinguished schools like this stand for—and we ought to strike at its very roots without delay.

Act on this problem—I beg of you—before this problem acts upon all that you stand for.

CONCLUSION

I have only touched on a few of the issues that will shape your future.

How these issues actually "play out" and interact, no one can say. Anyone here might write their own scenario on that.

But this much I think is clear: the health care field will face problems of cost, access to care and quality for as far as the eye can see.

It has been the goal of this Administration to ensure access to quality care at an affordable cost; and we will pursue that goal relentlessly in the time given us.

But you must do your part as well. We are, all of us, in this together. And if your involvement in these larger issues asks much of you in the busy years ahead, I ask only that you keep in mind what the poet Robert Browning once wrote: "Man's reach must exceed his grasp, or what's a heaven for."

Thank you—every success in your new life ahead.

IN HONOR OF WARREN A. DOTSETH, OF BISMARCK, ND, ON THE OCCASION OF HIS RETIREMENT

Mr. ABDNOR. Mr. President, it is with great pleasure that I take this opportunity to express my appreciation to my good friend, Warren A. Dotseth, of Bismarck, ND, for his long and distinguished career with MDU Resources Group, Inc., and his contributions to the communities and families he has served.

Upon his retirement, effective June 1, 1986, Warren A. Dotseth concluded 43 years of service to MDU. Although for the past 15 years Warren has held the position of vice president of public affairs, he did not begin his career as a company executive. Rather, Warren began working for the company on October 1, 1943, in Minneapolis, MN, as a clerk in the company's auditing department. As Warren worked his way up the company ladder, he earned the respect and admiration of his colleagues.

Mr. President, during my years in elective office at the State and Federal levels, I have enjoyed working with Warren A. Dotseth. He is an honest man, a man who demonstrates through his daily life a genuine concern for others. I am proud to call Warren my friend.

Last June, I made a statement commending MDU, under Warren's direction, for its efforts to assist in the location of missing children. Warren A. Dotseth's attention to this serious problem does not come as a surprise to those of us who have had the pleasure of working with him throughout the years. While we are sad to see his career with MDU come to a close, we look forward to marking many more days, of many more years, as his friend.

Mr. President, I extend my sincere congratulations to Warren A. Dotseth upon the completion of his exemplary career with MDU and I ask that the resolution sponsored by his company and colleagues in recognition of his loyal service, be included in the RECORD.

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

WARREN A. DOTSETH RETIRES

(A concurrent resolution recognizing and congratulating Warren A. Dotseth upon his retirement after forty-three years of loyal and dedicated service to The Company)

Whereas, The Company recognizes and honors citizens of Mondakonia for their accomplishments; and

Whereas, Warren A. Dotseth's career began on October 1, 1943 in Minneapolis as a Clerk (and sometime chauffeur) in the Auditing Department and his proficiency with numbers became known; and

Whereas, Warren A. Dotseth's career began a meteoric rise in 1950 when he was promoted to Bookkeeper and subsequently Accountant in the Auditing Department; and

Whereas, it was determined in October, 1951 Warren A. Dotseth's talents could best serve The Company as a Salesman in Billings where his skillful and adept ability to persuade kept him for five years; and

Whereas, Warren A. Dotseth, then transferred to Williston, served as a Customer Service Representative for the Williston, Kenmare, and Wolf Point Divisions beginning July, 1956; and

Whereas, Warren A. Dotseth's exemplary performance entitled him to be named Manager of Community Relations on January, 1964; and

Whereas, Warren A. Dotseth's last move for The Company was to Bismarck as Manager of Community Relations in August, 1965; and

Whereas, Warren A. Dotseth's title was changed to Director of Community Relations in October, 1967, inferring a greater degree of responsibility; and

Whereas, Warren A. Dotseth was appointed Vice President, Public Affairs in April 1971, a position he has held with distinction; and

Whereas, Warren A. Dotseth's achievements have been long recognized by his peers and he has performed well his many responsibilities to fraternal, civic, and industry-related organizations too numerous to mention; and

Whereas, his accomplishments and his retirement merit recognition and congratulations by all the citizens of MONDAKONIA;

Now, therefore, be it resolved by MDU Resources Group, Inc., its Division, Montana-Dakota Utilities Co., and its Subsidiaries Knife River Coal Mining Company, Williston Basin Interstate Pipeline Company, and Fidelity Gas Company concurring therein:

That The Company takes great pride and pleasure in extending its heartfelt thanks and best wishes to Warren A. Dotseth upon the completion of a long and commendable career.

CONCERNING INITIATION OF SOFTWOOD LUMBER COUNTERVAILING DUTY CASE

Mr. BAUCUS. Mr. President, on May 19, 1986, the United States softwood lumber industry filed a countervailing duty petition against imports of subsidized softwood lumber from Canada. I applauded the filing of that case as progress toward a resolution of the problem of subsidized Canadian lumber imports which have unfairly thrown tens of thousands of United States employees out-of-work and closed hundreds of United States softwood lumber mills.

Since the filing of that petition, various Canadian officials and lumber industry representatives have claimed that since the United States lumber industry was unsuccessful in a 1982 countervailing duty action the current suit is harassment. There have also been threats to sue the United States at the GATT if our Commerce Department decides even to investigate the matter.

The Canadians have it backwards. It is the United States lumber industry which has suffered the harassing and injurious effects of subsidized Canadian lumber imports. Our mills are just as productive as Canadian mills; our forests are more bountiful; our mills are closer to the market; United States consumption is at a record level; yet it is Canadian manufacturers who are grabbing an ever larger share of the United States market while United States manufacturers lose money. This is only possible because the Canadian provinces, which own about 95 percent of the timber in Canada, subsidize Canadian lumber manufacturers by charging below market rates for timber—a small fraction of the timber's value.

Given the Canadian subsidies and their devastating effects on the United States lumber industry, there is no basis to suggest that the Commerce Department would be doing something illegal or harassing to investigate those subsidies. On the contrary, under U.S. law the Commerce Department has a duty to investigate any complaint, such as the petition of the United States lumber industry, that alleges all the elements of an unfair subsidiary.

In 1982 the United States Government investigated a variety of lumber subsidy charges against the Canadians. While it was found that the Canadian practices were injuring the

United States lumber industry, the United States Government failed to make a finding of subsidy against Canadian stumpage practices. Apparently the Canadians believe that this should forever end the issue. Yet several developments make it imperative that this issue be reexamined.

To begin with, the 1982 decision was in error, both on the law and the facts. The case was rejected by the Department of Commerce based on a technical reading of U.S. trade law that has not been accepted by the courts. The Department of Commerce found that since the Canadian government did not nominally prevent any industry from purchasing subsidized timber, the subsidy was not made available to only a specific group of industries as required by the trade laws. In essence, the Department said that since anyone could theoretically buy undervalued trees, undervalued timber was not a subsidy to the timber industry. Since then, the Commerce Department has recognized that if in fact only a limited group of industries, such as the forest products group, benefits from a subsidy, it is a distortion of the market and is subject to countervailing duties. The evolution of the Department's analysis and clarification of its interpretation of the law is consistent with the intent of Congress, and under such an analysis the Canadians are clearly subsidizing to the detriment of the United States softwood lumber industry.

Moreover, the situation in the North American industry has significantly changed since 1982. In its petition, the U.S. lumber industry presents new facts and facts which were not on the record at that time. Now, unlike in 1982, U.S. lumber demand is at peak levels and the U.S. softwood lumber industry is still ailing. It is necessary for the International Trade Commission and the Commerce Department to determine the cause of the injury to the U.S. industry. Further, the United States lumber industry presents new evidence showing that the Canadian lumber industry is the real beneficiary of Canadian timber subsidies, not the Canadian paper or furniture industries as suggested in 1982. I am certain that Canadian subsidies have caused the injury to United States manufacturers and a full investigation will bear that out. I believe that if this current petition had been presented to the Department in 1982, a different result would have been reached.

It would be totally inappropriate for the Department of Commerce to fail to investigate the Canadian subsidies because of an earlier decision. Indeed, given its mandate to investigate identified subsidies, the Department of Commerce must investigate the Canadian timber pricing subsidies. In previous cases, for example, Oil Country Tubular Goods from Israel, Certain Carbon Steel Products from Brazil and the annual review of Carbon Black from Mexico, the fact that a subsidy program had previously been found not countervailable did not prevent the Department from conducting an investigation if evidence of subsidization exists. If our trade laws are to be effective, the Department must initiate an investigation whenever there is evidence of subsidization. Such is clearly the case with respect to softwood lumber from Canada.

Finally, the Canadian threat to challenge United States action at the GATT is completely hollow. A United States countervailing duty against Canadian timber subsidies imposed pursuant to a countervailing duty proceeding would be entirely consistent with the GATT. The GATT specifically authorizes countervailing duties against domestic subsidies, and the GATT does not exclude Canadian timber pricing subsidies from its ambit. Canadian manipulation of the softwood lumber market is a violation of both the letter and spirit of the GATT. The Canadian provinces are causing serious prejudice to United States economic interests in violation of the GATT Subsidies Code. Further, in any case, a Canadian challenge at the GATT to United States action is premature. It is certainly not a violation of GATT merely to investigate Canadian programs.

Canadian threats should not deter United States officials from carrying out their statutory responsibilities to act against Canadian subsidies which have materially injured the United States lumber industry and decimated the economies of many United States lumber communities. I believe that the United States Government must proceed immediately to investigate these deleterious Canadian practices and take the appropriate action to remedy them.

MESSAGE FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mrs. 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 appropriate committees and a treaty.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 4:38 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has agreed to the following Concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 346. Concurrent resolution to correct technical errors in the enrollment of the bill S. 124.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WEICKER, from the Committee on Small Business, without amendment:

H.R. 2787. An act to extend through fiscal year 1988 SBA Pilot Programs under section 8 of the Small Business Act (Rept. No. 99-316).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WEICKER, from the Committee on Small Business, without amendment:

H.R. 2787. A bill to extend through fiscal year 1988 SBA Pilot Programs under section 8 of the Small Business Act (Rept. No. 99-316).

By Mr. HATCH, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute:

S. 2069. A bill to amend the Job Training Partnership Act (Rept. No. 99-317).

By Mr. WEICKER, from the Committee on Small Business, with an amendment in the nature of a substitute:

S. 2147: A bill to extend the authorization for not-for-profit organizations operated in the interest of handicapped and blind individuals to receive procurement contracts under the Small Business Act (Rept. No. 99-318).

By Mr. THURMOND, from the Committee on the Judiciary, without amendment and with a preamble:

H.J. Res. 479. Joint resolution to designate October 8, 1986, as "National Fire Fighters Day."

S.J. Res. 169. Joint resolution to commemorate the bicentennial anniversary of the first patent and the first copyright laws.

S.J. Res. 196. Joint resolution designating September 22, 1986, as "American Business Women's Day."

S.J. Res. 304. Joint resolution to designate the week of November 16, 1986 through November 22, 1986, as "National Arts Week."

S.J. Res. 346. Joint resolution to designate June 21, 1986, as "National Save American Industry and Jobs Day."

S.J. Res. 350. Joint resolution to designate 1987 as "The National Year of the Americas."

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary:

Alan E. Norris, of Ohio, to be United States Circuit Judge for the Sixth Circuit;

John G. Davies, of California, to be United States District Judge for the Central District of California;

Patricia C. Fawsett, of Florida, to be United States District Judge for the Middle District of Florida;

David Hittner, of Texas, to be United States District Judge for the Southern District of Texas;

Alfred J. Lechner, Jr., of New Jersey, to be United States District Judge for the District of New Jersey;

Nicholas Tsoucalas, of New York, to be a Judge of the United States Court of International Trade;

John Perry Alderman, of Virginia, to be United States Attorney for the Western District of Virginia for the term of 4 years;

Joe B. Brown, of Tennessee, to be United States Attorney for the Middle District of Tennessee for the term of 4 years;

William H. Ewing, Jr., of Tennessee, to be United States Attorney for the Western District of Tennessee for the term of 4 years;

J. Michael Fitzhugh, of Arkansas, to be United States Attorney for the Western District of Arkansas for the term of 4 years;

Hinton R. Pierce, of Georgia, to be United States Attorney for the Southern District of Georgia for the term of 4 years;

Joseph P. Stadtmueller, of Wisconsin, to be United States Attorney for the Eastern District of Wisconsin for the term of 4 years;

Brent D. Ward, of Utah, to be United States Attorney for the District of Utah for the term of 4 years;

Lynn H. Duncan, of Georgia, to be United States Marshal for the Northern District of Georgia for the term of 4 years;

Frederick N. Falk, of Wisconsin, to be United States Marshal for the Western District of Wisconsin for the term of 4 years;

Robert T. Keating, of Wisconsin, to be United States Marshal for the Eastern District of Wisconsin for the term of 4 years;

Bruce R. Montgomery, of Tennessee, to be United States Marshal for the Eastern District of Tennessee for the term of 4 years;

Warren D. Stump, of Iowa, to be United States Marshal for the Southern District of Iowa for the term of 4 years;

William S. Vaughn, of Missouri, to be United States Marshal for the Eastern District of Missouri for the term of 4 years.

By Mr. GOLDWATER, from the Committee on Armed Services:

Edward C. Aldridge, Jr., of Virginia, to be Secretary of the Air Force.

(The above nomination was reported from the Committee on Armed Services with the recommendation that it be confirmed, subject to the noninee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry:

George S. Dunlop, of North Carolina, to be an Assistant Secretary of Agriculture.

By Mr. GOLDWATER, from the Committee on Armed Services:

Walter J. Shea, of Maryland, to be a Member of the Board of the Panama Canal Commission.

(The above nomination was reported from the Committee on Armed Services with the recommendation that it be confirmed, subject to the noninee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. GOLDWATER. Mr. President, from the Committee on Armed Services, I report favorably the attached listing of nominations.

Those identified with a single asterisk (*) are to be placed on the Executive Calendar. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again.

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

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of May 14 and May 21, 1986 at the end of the Senate proceedings.)

**1. In the Navy there are 30 appointments to the permanent grade of commander and below (list begins with Michael J. Warden). (Ref. No. 1095)

*2. Gen. William R. Richardson, U.S. Army, to be placed on the retired list; Lt. Gen. Carl E. Vuono, U.S. Army, to be general and reassigned. (Ref. No. 1096)

*3. Lt. Gen. Edward C. Peter, II, U.S. Army, to be placed on the retired list; Maj. Gen. Frederic J. Brown, U.S. Army, to be lieutenant general and reassigned. (Ref. No. 1097)

*4. Lt. Gen. Robert W. RisCassi, U.S. Army, to be reassigned. (Ref. No. 1098)

*5. Lt. Gen. Robert W. RisCassi, U.S. Army, to be senior Army member of the Military Staff Committee of the United Nations. (Ref. No. 1099)

*6. Lt. Gen. David M. Twomey, U.S. Marine Corps, to retire. (Ref. No. 1103)

**7. In the regular Air Force there are five appointments to second lieutenant (list begins with Averett M. Allen). (Ref. No. 1108)

**8. In the U.S. Marine Corps there is one appointment to the grade of second lieutenant (James J. Justice). (Ref. No. 1109)

**9. In the U.S. Navy there are 499 promotions to commander (list begins with David B. Adams). (Ref. No. 1110)

Total: 542.

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. INOUYE:

S. 2514. A bill for the relief of Mr. Fu Chuan Lee and Ms. Shon Ning Lee; to the Committee on the Judiciary.

By Mr. WEICKER (for himself, Mr. KERRY, Mr. THURMOND, Mr. STAFFORD, Mr. INOUYE, Mr. KENNEDY, and Mr. HATCH):

S. 2515. A bill to reauthorize the Rehabilitation Act of 1973, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. GORE:

S. 2516. A bill to prohibit reprisal actions against officers and employees of Federal Government contractors for disclosing certain information to a Federal Government agency; to the Committee on Governmental Affairs.

S. 2517. A bill to require the National Aeronautics and Space Administration to list as a line item certain budgetary information; to the Committee on Governmental Affairs.

By Mr. BIDEN:

S. 2518. A bill to facilitate United States compliance with the numerical limitations of the SALT II treaty governing strategic nuclear weapons; to the Committee on Armed Services.

By Mr. EVANS (for himself and Mr. GORTON):

S. 2519. A bill to authorize certain elements of the Yakima River Basin Water Enhancement Project, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. SPECTER:

S. 2520. A bill for the relief of Ayrton Oliver Reid; to the Committee on the Judiciary.

By Mr. SASSER:

S. 2521. A bill to make permanent the duty-free importation of hatter's fur and for other purposes; to the Committee on Finance.

By Mr. WALLOP (for himself, Mr. MCCLURE, Mr. HATFIELD, Mr. JOHNSTON, Mr. BUMPERS, and Mr. ARMSTRONG):

S. 2522. A bill to provide standards for placement of commemorative works on certain federal lands in the District of Columbia and its environs, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. LONG (for himself and Mr. JOHNSTON):

S.J. Res. 355. A joint resolution to designate August 1986 as "Cajun Music Month"; to the Committee on the Judiciary.

By Mr. MATHIAS (for himself, Mr. THURMOND, Mr. DOLE, Mr. LAXALT, Mr. HOLLINGS, Mr. STENNIS, Mr. CHAFEE, Mr. ABDNOR, Mr. PELL, Mr. NUNN, Mr. EAST, Mr. WILSON, Mr. COHEN, and Mr. INOUYE):

S.J. Res. 356. A joint resolution to recognize and support the efforts of the United States Committee for the Battle of Normandy Museum to encourage American awareness and participation in development of a memorial to the Battle of Normandy; to the Committee on the Judiciary.

By Mr. THURMOND (for himself, Mr. HOLLINGS, Mr. DOLE, Mr. SIMON, Mrs. HAWKINS, Mr. NICKLES, Mr. BENTSEN, Mr. ROTH, Mr. TRIBLE, Mr. SPECTER, Mr. EAST, Mr. STAFFORD, Mr. LAXALT, Mr. MCCLURE, Mr. KENNEDY, Mr. DENTON, Mr. QUAYLE, Mr. GRASSLEY, Mr. WILSON, Mr. KERRY, Mr. LONG, Mr. CHILES, Mr. PRYOR, Mr. BURDICK, Mr. HEFLIN, Mr. STENNIS, Mr. NUNN, Mr. JOHNSTON, Mr. RIEGLE, Mr. BOREN, Mr. WEICKER, Mr. BUMPERS, Mr. LUGAR, Mr. SARBANES, Mr. ZORINSKY, Mr. HEINZ, Mr. WARNER, Mr. LEVIN, Mr. HART, Mr. MATTINGLY, Mr. HATCH, Mr. SASSER, Mr. GLENN, Mr. BIDEN, Mr. GRAMM, Mr. D'AMATO, Mr. MOYNIHAN, Mr. METZENBAUM, Mr. DECONCINI, Mr. COCHRAN, Mr. INOUYE, Mr. MATHIAS, Mr. HELMS, and Mr. CHAFEE):

S.J. Res. 357. A joint resolution to designate the week of September 15, 1986, through September 21, 1986, as "National Historically Black Colleges Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. GORE:

S. Res. 421. A resolution to encourage the Administrator of the National Aeronautics and Space Administration to centralize certain responsibilities and functions; to the Committee on Commerce, Science, and Transportation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WEICKER (for himself, Mr. KERRY, Mr. THURMOND, Mr. STAFFORD, Mr. INOUYE, and Mr. KENNEDY):

S. 2515. A bill to reauthorize the Rehabilitation Act of 1973, and for other purposes; to the Committee on Labor and Human Resources.

(The remarks of Mr. WEICKER and the text of the legislation appear earlier in today's RECORD.)

By Mr. BIDEN:

S. 2518. A bill to facilitate U.S. compliance with the numerical limitations of the SALT II treaty governing strategic nuclear weapons; to the Committee on Armed Services.

SALT II NUMERICAL LIMITATIONS COMPLIANCE ACT

Mr. BIDEN. Mr. President, 9 days ago the White House issued an announcement of historic consequence. The United States, we were told, would "no longer be bound" by the limitations of the SALT II Treaty.

The immediate impact of this announcement was lessened by word that the President had directed the dismantling of two Poseidon submarines, which will keep the United States in compliance with the major numerical limitations of SALT II until later this year. We were told, however, that this fall, when our 131st ALCM-equipped B-52 becomes operational, the administration does not intend to take the compensatory steps necessary to keep the United States within the limitation governing the aggregate of MIRV'd missile launchers and ALCM-equipped bombers.

We have thus been given early warning of a momentous and dangerous step which we still have time to avert. It is to prevent that step that I am today introducing legislation which would require that the United States remain within the major SALT II limitations. This legislation is simple and self-explanatory and, because it is brief, I shall read it here in full:

SECTION 1. SHORT TITLE

This Act may be cited as the "SALT II Numerical Limitations Compliance Act."

SECTION 2. FINDINGS CONCERNING LIMITATIONS ON STRATEGIC WEAPONS.

Congress hereby finds that—

(a) since the signing of the SALT II treaty in 1979 the United States and the Soviet Union have remained within the following overall limits specified by that agreement:

(1) launchers for no more than 820 land-based intercontinental ballistic missiles carrying multiple independently targetable reentry vehicles (MIRVs);

(2) launchers for an aggregate of no more than 1200 intercontinental ballistic missiles carrying MIRVs and submarine-launched ballistic missiles carrying MIRVs; and

(3) an aggregate of no more than 1320 launchers described in paragraph (2) above and heavy bombers equipped for air-launched cruise missiles capable of a range in excess of 600 kilometers; and

(b) continued mutual adherence to these limitations is in the national security interest of the United States.

SECTION 3. COMPLIANCE WITH NUMERICAL LIMITATIONS.

No funds may be obligated or expended for deployment or maintenance of weapons systems in excess of the limitations cited in section 2, except as provided by sections 4 and 5.

SECTION 4. TERMINATION OF LIMITATIONS.

The requirement of section 3 shall terminate upon the receipt by Congress of written certification by the President that the Soviet Union has exceeded the limitations cited in section 2.

SECTION 5. WAIVER OF LIMITATIONS.

The requirement of section 3 may be waived if—

(a) the President so requests in writing to the Congress, citing the national security reasons for such waiver; and

(b) Congress authorizes such waiver by bill or joint resolution.

Mr. President, I deeply regret having reached the conclusion that such legislation is necessary. I believe, as a matter of principle, that the President of the United States must be allowed as much flexibility as possible in conducting the foreign policy of the United States. In the case of SALT II, however, we face the functional equivalent of a national emergency.

The reasons are no secret, within this Government or within the Atlantic Alliance. Control over the arms control policy of the United States has fallen into the hands of a small group of right-wing radicals who have sought for years to topple the entire structure of arms control. With the President's decision of 9 days ago, as publicly elaborated and expanded on by those advisers, they are now well on their way to a victory that could inflict severe damage on the national security interests of the United States.

Accordingly, I believe that Congress must act, and act decisively, to ensure that a structure of arms control erected over a period of a quarter century is not wrecked by this dubious group. Under almost any analysis, adherence to the SALT II limits over the past 7 years has proven of major benefit to the United States, requiring large-scale dismantlement of Soviet weapons systems and very little adjustment in our own strategic arsenal. It was for precisely that reason that, in 1984 and again in 1985, the Senate by overwhelming majorities urged the President to continue the "no undercut" policy of compliance with the SALT II numerical limitations. With the White House decision of 9 days ago, we are now called upon for more decisive action.

In closing, Mr. President, let me dispose quickly of one "red herring" floated by the administration earlier today, which is the notion that any such legislation would be constitutionally improper because it seeks, through other means, to perform the function of a treaty. This is typical of the verbal chicanery by which the antiarms controllers which won their dubious place in history; and it is nonsense.

A treaty is a device by which nations are placed under bilateral or multilateral obligations within the context of international law. The legislation I have introduced today would place the United States under no such obligations. It would not even require that the United States comply with all of the provisions of the SALT II treaty. It would simply be a mechanism by which we would regulate our own behavior—in this case the deployment of strategic weapons systems—according to specified criteria. This is a perfectly appropriate function for the Congress to accomplish by law. To demonstrate the truth of this, one need only postulate that SALT II had never been negotiated; the establishment of certain ceilings on certain U.S. weapons systems, to be adhered to under certain circumstances, would still be both legislatively possible and legally valid. So let no one be diverted by any false pleadings for the sanctity of arms control treaties by persons whose only goal is to prevent and destroy such treaties.

Mr. President, I urge my colleagues to support this legislation, which I introduce here today as an independent bill, but which I shall propose to add as an amendment to appropriate legislation under consideration by the Senate in the near future.

By Mr. EVANS (for himself and Mr. GORTON):

S. 2519. A bill to authorize certain elements of the Yakima River basin water enhancement project, and for other purposes; to the Committee on Energy and Natural Resources.

YAKIMA RIVER BASIN WATER ENHANCEMENT PROJECT

● Mr. EVANS. Mr. President, today I am introducing with Senator GORTON a bill to authorize certain elements of the proposed Yakima River basin water enhancement project. Specifically, the bill would authorize the construction of several small projects to improve the operation of existing irrigation facilities within the Bureau of Reclamation's Yakima project, Washington. These projects would increase

the efficiency of existing irrigation facilities, thereby providing increased water supplies to supplement existing irrigation development, to increase irrigation on the Yakima Indian Reservation, and to increase instream flows to protect and enhance salmon and steelhead resources. Congressman MORRISON will introduce companion legislation today in the House of Representatives.

As a result of the development of its water resources, the Yakima basin has become one of the most productive agricultural areas in the United States. Yet chronic water shortages threaten the continued production of agricultural products in the Yakima basin. The Yakima River was once one of the most productive rivers in the country for anadromous fish as well. By 1982, however, as a result of blockage of migratory routes and dewatering of spawning and rearing habitats, the Yakima River salmon and steelhead runs declined to a fraction of their historical numbers.

Mr. President, the primary objective of this legislation is to help alleviate the water supply problems in the Yakima basin. The bill will provide supplemental water to presently irrigated land. The bill will help to irrigate new lands on the Yakima Indian Reservation. Finally, the bill will provide water for increased instream flows for anadromous fish resources.

Specifically, this bill would authorize a number of facilities to increase the efficiency of the Yakima project. The bill allows for the modification of existing radial gates at Cle Elum Dam, thereby increasing the storage capacity of that reservoir by 15,000 acre-feet. The bill authorizes the construction of a pipeline between Kachess Lake and Keechelus Lake, helping to balance storage between these two reservoirs. The bill authorizes the construction of a reregulating reservoir within the Roza irrigation system, and facilities to automate and improve canal operations of the Sunnyside division and the Wapato irrigation project. These facilities will increase the efficiencies of these irrigation projects by reducing average annual diversions by 72,000 acre-feet of water. Finally, the bill authorizes the subordination of hydroelectric power generation at the Federal Roza and Chandler powerplants. Subordination would result in the suspension of power generation during periods of low river flows to increase instream flows for anadromous fish resources.

The legislation we are introducing today is unique in several respects. First, the bill represents a consensus among user groups to further develop and conserve the water resources of the Yakima River basin. Second, the bill demonstrates that nonstorage facilities can be used to achieve water conservation, thereby reducing the need for storage facilities. Third, the bill demonstrates the commitment of non-Federal interests to contribute a substantial portion of the costs of the project. The total cost of these facilities is approximately $40 million. The non-Federal beneficiaries of the project will contribute 35 percent of the construction costs of the facilities, except for those to be located within the boundaries of the Yakima Indian Reservation.

Mr. President, this legislation represents the second step in the process of developing a physical solution to the water supply problems of the Yakima River basin. The first step was construction of fish passage facilitites at existing irrigation facilities on the Yakima River. These facilities were authorized in 1984, and will be completed during fiscal year 1988. The final step will be construction of a storage facility somewhere in the Yakima River basin. The selection of this facility should occur sometime next year, provided that the Bureau of Reclamation, the State of Washington, the Yakima Indian Nation, and others reach agreement on the site of the facility and the allocation of costs and benefits accruing from its construction.

The Yakima enhancement project is an equitable sharing of costs between the Federal Government and the non-Federal beneficiaries of the project. The development of this project will assure the delivery of irrigation water for one of the Nation's most productive agricultural areas. And it will help to restore an anadromous fishery resource of importance to the Pacific Northwest and the Nation. I heartily endorse this project and urge my colleagues to do the same.

Mr. President, I ask unanimous consent that a copy 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. 2519

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

SECTION 1. (a) That for purposes of protection and enhancement of fish and wildlife, irrigation, and water conservation, the Secretary of the Interior (hereafter, the Secretary) acting pursuant to Federal reclamation law (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof and supplementary thereto) and consistent with the Pacific Northwest Electric Power Planning and Conservation Act (94 Stat. 2697) is authorized to design, construct, operate and maintain the following facilities:

(1) modification of existing radial gates at Cle Elum Dam; a Kachess Lake to Keechelus Lake pipeline; a reregulating reservoir to increase water-use efficiency of the Roza Division; facilities to automate and otherwise improve canal operations of the Sunnyside Division; and

(2) facilities to automate and otherwise improve canal operations of the Wapato Indian Project.

(b) The Secretary is authorized to accept funds from any entity, public or private, to design, construct, operate, and maintain facilities authorized by this Act.

SEC. 2. The facilities authorized by this Act and fish passage facilities authorized by the Acts of August 17, 1984 (98 Stat. 1933) and August 22, 1984 (98 Stat. 1369) shall be considered features of the Yakima Enhancement Project (hereafter, Yakima Enhancement Project), if such project is authorized, and their operation and maintenance shall be integrated and coordinated with other features of the existing Yakima Project. The Secretary, as he or she deems appropriate, shall enter into agreements to provide for the operation and maintenance of such facilities. The Secretary shall insure that such facilities are operated in a manner consistent with the treaty rights of Yakima Indian Nation, Federal reclamation law, and water rights recognized pursuant to State law, including the valid contract rights or irrigation users.

SEC. 3. (a) The Roza reregulating reservoir shall become a feature of the Roza Division. Water savings resulting from construction and operation of the Roza reregulating reservoir shall be available for use as supplemental irrigation water for currently developed lands within the Roza Division.

(b) The facilities to automate and otherwise improve canal operations of the Wapato Indian Project shall become features of the Wapato Indian Project. Water savings resulting from construction and operation of such facilities shall be available for irrigation purposes and for the protection and enhancement of fish and wildlife within the boundaries of the Yakima Indian Reservation. Design, construction, operation and maintenance costs related to such facilities shall be reimbursable and returnable according to the provisions of the Leavitt Act (Act of July 1, 1932 (47 Stat. 564)).

(c) The facilities to automate and otherwise improve canal operations of the Sunnyside Division shall become features of the Sunnyside Division. Water savings resulting from construction and operation of such facilities shall be allocated to the protection and enhancement of fish and wildlife.

SEC. 4. The modification of existing radial gates at Cle Elum Dam and the Kachess Lake to Keechelus Lake pipeline shall become features of the existing Yakima Project. The Secretary shall operate and maintain such facilities in accordance with the purposes of this Act.

SEC. 5. (a) The Secretary shall operate and maintain the existing Federal Chandler and Roza powerplants in a manner that provides priority for protection and enhancement of fish and wildlife.

(b) The Administrator of the Bonneville Power Administration (hereafter, the Administrator) shall make available power and energy from the Federal Columbia River Power System to the Secretary to meet contractual obligations entered into by the Secretary for the delivery of power and energy from the Chandler and Roza powerplants.

(c) Except as otherwise provided by this section, the Secretary shall offer to amend, without imposing any other requirement as a condition to such amendment, all existing contracts for the sale of power and energy from the Chandler and Roza powerplants to relieve any outstanding obligations for the repayment of construction costs for such powerplants allocated to irrigation.

SEC. 6. There is hereby authorized to be appropriated to the Secretary of the Interior for planning, design, and construction of elements of the Yakima Enhancement Project authorized pursuant to this Act, $30,000,000 (January 1986 prices), plus or minus such amounts as may be justified by reason of ordinary fluctuations of construction costs indexes applicable to the type of construction involved herein. There are also authorized to be appropriated to the Secretary of the Interior such additional sums as may be required for the operation and maintenance of the three vertical feet enlargement of Cle Elum Lake and the Kachees Lake to Keechelus Lake pipeline, and that portion of the operation and maintenance cost of other facilities authorized by this Act determined by the Secretary to be a Federal responsibility, pursuant to the agreements specified in Section 2 of this Act.

SEC. 7. The construction of facilities authorized by section 1(a)(1) of this Act shall be initiated only after non-Federal interests have entered into binding agreements with the Secretary to fund 35 per centum of the total construction cost of such facilities.

SEC. 8. (a) Design, construction, operation and maintenance costs of facilities authorized by this Act allocated to fish and wildlife shall be reimbursable and returnable according to the provisions of the Federal Water Project Reclamation Act (79 Stat. 213), as amended: *Provided*, That design, construction, operation and maintenance costs related to anadromous fish shall be nonreimbursable and nonreturnable.

(b) Design, construction, operation and maintenance costs of facilities authorized by this Act allocated to irrigation and which are determined by the Secretary to be an irrigation obligation shall be reimbursable and returnable according to the provisions of section 9(d) of the Reclamation Project Act of 1939 (53 Stat. 1187). The Secretary shall offer to amend existing irrigation repayment contracts, without imposing any other requirement as a condition to such amendment, to provide for repayment of the irrigation construction costs of facilities authorized by this Act over a period of not more than forty years exclusive of any development period authorized by law.

SEC. 9. If the State of Washington, the Yakima Indian Nation, or any other entity, public or private, prior to an authorization or the providing of an appropriation of funds to the Secretary to construct the Yakima Enhancement Project, shares in the costs of or constructs any physical element of that project, the costs incurred by the State, the Yakima Indian Nation, or any other entity in the construction of such elements shall be credited to the total amount of any costs to be borne by the State, the Yakima Indian Nation, or any other entity as contributions toward payment of the cost of the Yakima Enhancement Project; except that no such credit shall be given for any element constructed by the State, the Yakima Indian Nation, or any other entity unless the element has been approved by the Secretary of the Interior prior to its construction. The Secretary shall grant such approval, when requested by the State or other entity, if the Secretary determines that the element proposed for construction would be an integral part of the Yakima Enhancement Project.

SEC. 10. (a) The Secretary is authorized and directed to conduct a feasibility of the following potential elements of the Yakima Enhancement Project:

(1) Kittitas Valley irrigation system improvements;

(2) consolidation of the Selah-Moxee Irrigation District, Union Gap Irrigation District, Moxee Ditch Company, and Hubbard Ditch Company diversions from the Yakima River for delivery from the Roza Canal; and

(3) development of ground water resources within the Roza Division for a supplemental irrigation water supply.

(b) There are hereby authorized to be appropriated to the Secretary for such feasibility study $500,000 (January 1986 prices): *Provided*, That the Secretary is authorized to accept funds from any entity, public or private, to assist in the financing of such feasibility study.

SEC. 11. Nothing herein shall be construed to—

(a) affect or modify any treaty or other right of the Yakima Indian Nation;

(b) authorize the appropriation or use of water by any Federal, State, or local agency, the Yakima Indian Nation, or any other entity or individual;

(c) affect the rights or jurisdictions of the United States, the States, the Yakima Indian Nation, or other entities over waters of any river or stream or over any ground water resource;

(d) alter, amend, repeal, interpret, modify, or be in conflict with any interstate compact made by the States;

(e) alter, establish, or affect the respective rights of States, the United States, the Yakima Indian Nation, or any person with respect to any water or water-related right; or

(f) alter, diminish, or abridge the rights and obligations of any Federal, State, or local agency, the Yakima Indian Nation, or other entity, public or private.●

● Mr. GORTON. Mr. President, today I am pleased to join with Senator EVANS in introducing legislation relating to the Yakima River basin water enhancement project.

The Bureau of Reclamation was given the authority during the 96th Congress to conduct a major feasibility study of water resources enhancement in Washington State. Phase I of the study was completed in August 1982. Phase II is currently underway to formulate a development plan to present to Congress and to Washington for implementation.

Although we expected the phase II report to be completed in January of this year, the divergent interests who have legitimate concerns about the future uses of water in the basin are still trying to work out their differences. However, the study team working on the project has identified certain specific project elements that have potential for early implementation. Moreover, the State legislature passed legislation in 1986 which directs the State department of ecology to work with members of the congressional delegation to identify and address these elements. These elements are contained in the legislation we are introducing today.

I believe that it is immensely important that Congress act on those portions of the project which have broad public support and acceptable cost-sharing arrangements, which meet the objectives of the study, and which have potential for early implementation. This bill identifies a number of these elements and outlines a responsible cost-sharing formula between the Federal Government and the State.

I look forward to receiving public comment on this legislation, which will provide a true gauge of its level of support in the State of Washington. Irrigators, cattlemen, sports fishermen, Indians, and power users all deserve the opportunity to comment on the bill. With this in mind, I urge all interested parties to review the legislation and make their views clearly known to Congress.

I urge my colleagues to support this important legislation.●

By Mr. SPECTER:

S. 2520. A bill for the relief of Ayrton Oliver Reid; to the Committee on the Judiciary.

RELIEF OF AYRTON OLIVER REID

● Mr. SPECTER. Mr. President, I am introducing today a private immigration relief bill on behalf of Mr. Ayrton Oliver Reid, a native of Jamaica and a resident of Philadelphia, PA, who is about to be deported by the Immigration and Naturalization Service. This deportation would break up the family consisting of Mr. Reid's wife and 10-year-old daughter and stepson, all of whom are American citizens except for Mr. Reid.

A few days ago, I was advised briefly of the proposed plan of the Immigration and Naturalization Service to deport Mr. Reid. Just this morning, I was informed that the Immigration and Naturalization Service plans to deport Mr. Reid today.

Accordingly, I am introducing this relief bill and have requested the distinguished Senator from Wyoming, Senator ALAN SIMPSON, chairman of the Subcommittee on Immigration and Refugee Policy, to request a report from the Immigration and Naturalization Service in order to have an opportunity to study this matter.

Prior to discussing this matter today with Senator SIMPSON, Neal Manne, Esq., chief counsel of my Judiciary Subcommittee, had requested that the Immigration and Naturalization Service defer the deportation order for a few days to look into this matter, but INS has declined to do so. I have since requested Senator SIMPSON to request an INS report since it is Senate procedure that such a request from the subcommittee chairman will stay the deportation proceedings.

The balance of the material in this statement is based on material provided to me which I have not had an opportunity to verify:

In 1969, Mr. Reid first came to this country pursuant to a visitor's visa. On March 25, 1972, Mr. Reid married Delores Gallman, his present wife, who is an American citizen. They have one

daughter, Tamara, who was born in Philadelphia, PA, on July 8, 1975, and is a U.S. citizen. Mrs. Reid's son by a previous marriage, Shawn Rubin Gallman, was born on April 7, 1968, in Philadelphia, and lives with Mr. and Mrs. Reid in their Philadelphia home. Today Shawn will graduate from high school. Mr. Reid returned to Jamaica briefly in 1974 at the instruction of the Immigration and Naturalization Service, in order to facilitate his obtaining permanent resident status in this country. He received permanent resident status, and returned to Philadelphia, shortly thereafter.

From 1974 to 1980, Mr. Reid was employed as a painter in Philadelphia. In 1980, he took a further step toward achieving the American dream, when he started "Allie Reid & Sons," his own painting contracting business.

With one exception, Mr. Reid has been a law-abiding citizen. Mr. Reid's business is a success.

A blemish on Mr. Reid's record in this country is a marijuana possession conviction, now more than a decade old. According to information provided to me, Mr. Reid was fined $200 and placed on probation for 2 years.

As of this moment, I do not know whether this conviction warrants expelling Mr. Reid from this country. In order to make that determination, I believe it is necessary to know the underlying facts and much more about the circumstances of the incident.

As of this moment, I have not made a final determination that private relief is appropriate for Mr. Reid. This matter came to me at the last minute, and I am advised that Mr. Reid will be deported forthwith unless some action is taken to forestall it.

My preference would be to have a short delay of deportation, so that I might meet with Mr. Reid and study the entire matter more closely. The INS, however, as noted above, has refused the request for such a delay.

As a matter of basic fairness to Mr. Reid and his family, I believe that there should be a review of the determination made by the Immigration and Naturalization Service. As the record shows, I have acted in support of many citizens to stay deportation until there has been an opportunity for a fuller study of individual cases. I am especially concerned that the deportation of a person, such as Mr. Reid, will work such a drastic hardship on his family.

I am sending the Immigration and Naturalization Service a copy of this statement and bill with the request that any report, which they may make, should be expedited so that a prompt determination may be made as to whether this bill should be pursued for ultimate passage.●

By Mr. WALLOP (for himself, Mr. McCLURE, Mr. HATFIELD, Mr. JOHNSTON, Mr. BUMPERS, and Mr. ARMSTRONG):

S. 2522. A bill to provide standards for placement of commemorative works on certain Federal lands in the District of Columbia and its environs, and for other purposes; to the Committee on Energy and Natural Resources.

STANDARDS FOR PLACEMENT OF COMMEMORATIVE WORKS IN THE DISTRICT OF COLUMBIA

● Mr. WALLOP. Mr. President, today I am introducing legislation to set standards for the establishment of memorials and monuments on certain Federal lands in the Nation's Capital. I am joined by Senator McCLURE, Senator HATFIELD, Senator JOHNSTON, Senator BUMPERS, and Senator ARMSTRONG in offering this proposal to provide for a statutory process by which subjects of lasting historical significance may be commemorated on Federal land in the District of Columbia and its environs, while also ensuring the continued public use and enjoyment of open space.

In driving through Washington, DC, particularly during these warmer months, one gains a great appreciation for the multitude of activities afforded by the open space design of this city. Local residents and visitors alike stroll through magnificent gardens, participate in recreational activities, rally for various causes, or gather to hear the National Symphony on the Capitol lawn.

The design of this city also has created outstanding areas which have been or may yet be used to honor those who have made lasting contributions to the history or our Nation. During the last century, 111 memorials, monuments and plaques have been erected on Federal land in the District of Columbia and its environs. These commemorative works honor U.S. Presidents, military units, those who served in the Vietnam war, heroes of the Revolutionary, Civil, and World Wars, U.S. citizens, individuals from foreign countries and various significant events. However, we have a legitimate and growing concern. It is this: There now remains but a limited number of sites for additional memorials and yet an infinite number of proposals to establish them. If we are to protect the concept of open space and dignity, which contributes so much to the beauty of the Nation's Capital, we must be selective not only in what we choose to commemorate but we must demand high standards in design and construction. Much American history remains to be created. Great events and great Americans are yet to come and our country will wish to honor them and have a place remaining in which to do so.

Mr. President, the Congress now has before it 18 proposals to establish memorials and monuments on Federal land in the District of Columbia—an unprecedented number. As the Chairman of the Subcommittee on Public Lands, Reserved Water, and Resource Conservation, I felt it was important to address the issues associated with locating memorials and monuments in the District of Columbia before acting on the individual proposals pending before the subcommittee. To this end, the subcommittee held an oversight hearing on March 18, 1986, to receive testimony from the members of the National Capital Memorial Advisory Committee and other witnesses on criteria for approval, jurisdiction, placement, design, funding, and maintenance of commemorative works. The testimony presented at the hearing indicated a clear need for legislative standards to guide us as we take up the 18 measures pending before this Congress and those to be considered in future years.

The legislation we are introducing today addresses many of the issues discussed and the recommendations made at the March 18 hearing. The House of Representatives recently passed similar legislation to govern the establishment of commemorative works on National Park Service land in the District of Columbia. The bill we are introducing today broadens the scope of the House-passed measure to include lands administered by the General Services Administration and the National Park Service in the District of Columbia and certain adjacent areas. The bill also modifies the site selection process in the House measure to require the land managers to make the initial recommendation to locate a commemorative work in the monumental core area. The Congress would then consider the appropriateness of that recommendation. Finally, the bill makes all individual proposals to authorize commemorative works now pending before the Congress subject to the provisions of this legislation.

It is my hope that the guidelines set forth in the legislation we are introducing today will ensure that future commemorative works in the Nation's Capital are appropriately designed, constructed, located and that their subjects are of lasting significance to the Nation. I believe such standards are necessary to assure that Federal lands in Washington, DC, will continue to be available for a variety of activities, and that there will be sites remaining for future generations to honor their own.

Mr. President, I ask unanimous consent that S. 2522 be printed in the RECORD following this statement.

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

S. 2522

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

PURPOSES

SECTION 1. The purposes of this Act are as follows:

(a) To preserve the integrity of the comprehensive design of the L'Enfant and McMillan plans for the Nation's Capital.

(b) To ensure the continued public use and enjoyment of open space in the District of Columbia.

(c) To preserve, protect and maintain the limited amount of open space available to residents of, and visitors to, the Nation's Capital.

(d) To ensure that future commemorative works in areas administered by the National Park Service and the General Service Administration in the District of Columbia and its environs (1) are appropriately designed, constructed, and located and (2) reflect a consensus of the lasting national significance of the subjects involved.

DEFINITIONS

SEC. 2. As used in this Act—

(a) The term "Secretary" means the Secretary of the Interior.

(b) The term "Administrator" means the Administrator of the General Services Administration.

(c) The term "commemorative work" means any statue, monument, sculpture, memorial, or other structure or landscape feature, including a garden or memorial grove, designed to perpetuate in a permanent manner the memory of a person, group, event or other significant element of history. The term does not include any such item which is located within the interior of a structure which is primarily used for other purposes.

(d) The term "Area I" and "Area II" mean those lands administered by the National Park Service and the General Services Administration within the District of Columbia and its environs as depicted on the map numbered 869/86501, and dated May 1, 1986.

(e) The term "person" means an individual, group or organization authorized by Congress to establish a commemorative work in the District of Columbia and its environs.

(f) The term "designated areas" means those lands and properties located in Areas I and II as depicted on the map referenced in subsection (d) of this section.

(g) Notwithstanding any other provision of law, the term "the District of Columbia and its environs" means those lands and properties located in Areas I and II as depicted on the map referenced in subsection (d) of this section.

CONGRESSIONAL AUTHORIZATION OF COMMEMORATIVE WORKS IN DESIGNATED AREAS

SEC. 3. (a) No commemorative work may be established in designated areas unless specifically authorized by act of Congress. All such authorized works shall be subject to applicable provisions of this Act.

(b) In considering legislation authorizing commemorative works within designated areas, the appropriated Congressional authorizing Committees shall solicit the views of the National Capital Memorial Commission.

NATIONAL CAPITAL MEMORIAL COMMISSION

SEC. 4. (a) The National Capital Memorial Advisory Committee as established by the Secretary is redesignated as the National Capital Memorial Commission.

(b) The National Capital Memorial Commission shall provide advice to the Secretary and the Administrator on policy and procedures for establishment of (and proposals to establish) commemorative works in the District of Columbia. The Commission shall meet at least twice annually.

AVAILABILITY OF MAP DEPICITING AREA I AND AREA II

SEC. 5. The Secretary and the Administrator shall make available, for public inspection at appropriate offices of the National Park Service and the General Services Administration, the map numbered 869/86501, and dated May 1, 1986.

SPECIAL CONDITIONS APPLICABLE TO AREA I AND AREA II

SEC. 6. (a) AREA I.—In addition to conditions set forth in subsection (b) of this section, no commemorative work may be located in Area I unless the Secretary and the Administrator (as appropriate), after consultation with the National Capital Memorial Commission, finds that the subject of the commemorative work is of preeminent historical and lasting significance to the nation. The Secretary or Administrator shall notify the Congress of his determination that a commemorative work should be located within Area I. Unless the Congress enacts a joint resolution approving such determination within 90 days of such notification, the determination shall be deemed disapproved.

(b) AREA II.—Commemorative works of lasting historical significance may be located in Area II, subject to the following conditions:

(1) A military commemorative work may be established in Area II only to commemorate a war or similar major military conflict or to commemorate any branch of the Armed Forces. No commemorative work commemorating a lesser conflict or a unit of an Armed Force shall be permitted in Area II.

(2) A commemorative work commemorating an individual or group of individuals shall not be permitted in Area II until at least 25 years after the death of the individual or the last surviving member of the group.

(3) A commemorative work other than a work referred to in paragraph (1) or (2) may be constructed in Area II only to commemorate a subject of lasting historical significance.

SITE AND DESIGN APPROVAL

SEC. 7. (a) Any person authorized by law to establish a commemorative work in designated areas shall comply with each of the following requirements before commencing construction of the commemorative work:

(1) Such person shall consult with the National Capital Memorial Commission regarding the commemorative work. Such consultation shall include consideration of potential sites in designated areas.

(2) Following consultation in accordance with subsection (1) of this section, such person shall submit site and design proposals to the Commission of Fine Arts and the National Capital Planning Commission and the Secretary or Administrator (where appropriate) for their approval.

(b) In considering site and design proposals, the Commission of Fine Arts, the National Capital Planning Commission and the Secretary and Administrator shall be guided by the following criteria:

(1) To the maximum extent possible, a commemorative work shall be located in surroundings that are relevant to the subject of the commemorative work.

(2) A commemorative work shall be so located as to prevent interference with, or encroachment upon, any existing commemorative work and to protect open space in a manner compatible with existing public use.

(3) A commemorative work shall be constructed of durable material suitable to the outdoor environment.

CRITERIA FOR ISSUANCE OF CONSTRUCTION PERMIT

SEC. 8. (a) Prior to issuing a permit for the construction of a commemorative work in a designated area, the Secretary or Administrator (as appropriate) shall certify that:

(1) the site and design have been approved by the Secretary or Administrator, the National Capital Planning Commission and the Commission of Fine Arts;

(2) knowledgable persons qualified in the field of preservation and maintenance have been consulted to determine structural soundness and durability of the commemorative work, and to assure that the commemorative work meets high professional standards;

(3) the person authorized to construct the commemorative work has submitted contracts for construction and drawings of the commemorative work to the Secretary or Administrator; and

(4) the person authorized to construct the commemorative work has available sufficient funds to complete construction of the project.

(b) In addition to the foregoing criteria, no construction permit shall be issued unless the person authorized to construct the commemorative work has paid an amount equal to 10 percent of the total estimated cost of construction to offset the costs of perpetual maintenance and preservation of the commemorative work. Notwithstanding any other provision of law, all monies provided by persons for such maintenance shall be credited to a separate account in the Treasury. Congress authorizes and directs that the Secretary of the Treasury shall make all or a portion of such monies available to the Secretary or the Administrator at his request for maintenance of commemorative works. Under no circumstances may the Secretary or Administrator request funds from the separate account exceeding the total monies deposited by persons establishing commemorative works in areas he administers. The Secretary and the Administrator shall maintain an inventory of funds available for such purposes. *Provided*, That such monies shall not be subject to deferral or rescission under the Budget Impoundment and Control Act of 1974, and such monies shall not be subject to annual appropriations. Further, the funds shall not be subject to sequestration under the requirements of Public Law 99-177.

MISCELLANEOUS PROVISIONS

SEC. 9. (a) DOCUMENTATION.—Complete documentation of design and construction of each commemorative work located in designated areas shall be provided to the Secretary or the Administrator and permanently maintained.

(b) EXPIRATION OF AUTHORITY FOR A COMMEMORATIVE WORK.—Any legislative authority for a commemorative work shall expire at the end of the 5-year period beginning on the date of the enactment of such authority, unless the Secretary or Administrator has issued a construction permit for the commemorative work during that period.

(c) MAINTENANCE OF COMMEMORATIVE WORKS.—Upon completion of any commemorative work within designated areas, the Secretary or Administrator (as appropri-

ate) shall assume responsibility for the maintenance of such work.

REGULATIONS

SEC. 10. The Secretary and the Administrator shall promulgate appropriate regulations to carry out this Act. The regulations shall be published in the Federal Register within 120 days after the enactment of this Act.

EFFECTIVE DATE

SEC. 11. This Act shall not apply to commemorative works authorized by a law enacted before the commencement of the 99th Congress.●

By Mr. LONG (for himself and Mr. JOHNSTON):

S.J. Res. 355. Joint resolution to designate August 1986 as "Cajun Music Month"; to the Committee on the Judiciary.

CAJUN MUSIC MONTH

● Mr. LONG. Mr. President, today, my Louisiana friend and colleague, BENNETT JOHNSTON, and I are introducing a joint resolution to designate the month of August 1986, as "Cajun Music Month."

Mr. President, music is an integral part of the Cajun way of life. This is evidenced by the many festivals held in the State of Louisiana, and also its popularity at home and in public places.

While Cajun music at one time was confined to south Louisiana, today it has gained recognition not only in the United States and Canada, but in Europe as well.

The French speaking Cajuns and black Creoles of Louisiana are presently in the midst of a major cultural and linguistic renaissance.

Mr. President, after their exile from Acadia [Nova Scotia] in 1755, many Acadians arrived in Louisiana and began the enormous task of resettlement in the virgin land west of the Mississippi.

After resettling in Louisiana, the Cajuns established a cohesive new society, much like that which was enjoyed in their former homeland.

Other ethnic groups who came to Louisiana were easily acculturated into Acadian society. These groups included Spanish and German immigrants.

It was in this new Cajun society that Cajun music was born. Bearing signs of strong black influence and often making heavy use of the newly borrowed German accordion in addition to the familiar fiddle, this essentially French folk music developed its own distinct identity as the Cajuns were developing a distinct identity as a social group.

In the late 1940's the Americanization of French Louisiana seemed well underway. Then in 1949, a young singer and accordion player, Iry LeJeune, recorded "La Branche Du Murier," entirely in the old Louisiana-French style. The song was an unexpected success.

Following the lead of Mr. LeJeune, Lawrence Walker, Austin Pitre, and Nathan Abshire began to perform and record traditional style Louisiana-French Cajun music.

Mr. President, other musicians who specialize in a Cajun style include, Paul Tate, Revon Reed, Dewey Balfa, and Varmon Daigle. Dewey Balfa has received national recognition in that he has been previously honored with awards by the National Endowment for the Arts.

Cajun music helps preserve the Cajun language and Cajun culture and unites not only Cajun people but people from varying backgrounds and cultures. Therefore, it is important to preserve the Cajun heritage and encourage appreciation of Cajun music.

Mr. President, my Louisiana colleague and I believe that designating August as "Cajun Music Month" will be a positive step toward encouraging and preserving Cajun music, which is an integral part of Louisiana's history.

Finally, Mr. President, I would like to encourage my colleagues to join us in sponsoring August, 1986 as "Cajun Music Month."●

● Mr. JOHNSTON. Mr. President, today Senator LONG and I are introducing a joint resolution to designate the month of August 1986, as "Cajun Music Month." The State of Louisiana has long enjoyed a culture characterized by the music and distinct identity of the Cajuns, the French-speaking immigrants who left Acadia in 1755 and settled in Louisiana. Since that time the Cajuns have grown to encompass other ethnic influences, all the while maintaining their unique musical and culinary expertise and celebrating their famous "joie de vivre" (love of life).

While the Cajuns are a tremendous natural resource of which Louisiana is very proud, their appeal stretches far beyond the borders of our State. Indeed, the music of the Cajuns is an infectiously entertaining and charming blend of cultures that can be enjoyed by Americans all over this Nation and individuals worldwide.

For this reason we have introduced this joint resolution to both honor the musical abilities of our native statesmen and share our cultural wealth with others. I urge my fellow colleagues to lend this joint resolution their full support.●

By Mr. MATHIAS (for himself, Mr. THURMOND, Mr. DOLE, Mr. LAXALT, Mr. HOLLINGS, Mr. STENNIS, Mr. CHAFEE, Mr. ABDNOR, Mr. PELL, Mr. NUNN, Mr. EAST, Mr. WILSON, Mr. COHEN, and Mr. INOUYE):

S.J. Res. 356. Joint resolution to recognize and support the efforts of the U.S. Committee for the Battle of Normandy Museum to encourage American awareness and participation in development of a memorial to the Battle of Normandy; to the Committee on the Judiciary.

BATTLE OF NORMANDY MEMORIAL

● Mr. MATHIAS. Mr. President, Santayana said, "Those who cannot remember the past are condemned to repeat it." Tomorrow marks the 42d anniversary of a part of the past that we hope we never have to repeat.

On the morning of June 6, 1944, the Allied Forces landed on the coast of France and entered into a battle that would become the turning point of World War II.

The battle of Normandy, which lasted through the summer months, was the beginning of the defeat of the Axis powers in World War II. Known as Operation Overlord, it involved 5,000 ships—the largest armada ever assembled—and was the greatest amphibious operation in history. It ultimately led to the end of the war on the European front.

Dwight D. Eisenhower, the Supreme Allied Commander, best summed up the significance of the battle in a stirring message delivered on June 6, 1944, the day the assault on Normandy began:

> People of Western Europe. A landing was made this morning on the coast of France by troops of the Allied Expeditionary Force. . . . The hour of your liberation is approaching.

World II was a fierce struggle to preserve humanity, democracy and freedom. And Normandy was one of the first successful allied military efforts of the war for these important ideals. As necessary as it was, however, we hope we never had to repeat that type of experience.

We must closely examine the causes of World War II if we are to avoid such confrontations in the future. Through a true understanding of the history of war, we may find some helpful guidance toward a future of peace.

To that end, the people of France are creating a Battle of Normandy Museum to provide future generations an opportunity to study and understand the causes of the European conflict and the role played by the allied governments, including the massive invasion of 1944.

The museum, financed by the French central, regional, and municipal governments, is being constructed in Caen, a town in the center of the region of Normandy. Caen, the site chosen as the headquarters of the German staff, was the pivot around which the 100 day Battle of Normandy was fought.

The design of the museum was selected in a national competition among French architects. The groundbreaking will take place this fall and completion of the facility is anticipated for 1988.

As a part of this initiative, a U.S. Committee for the Battle of Normandy Museum has been created to remind Americans of the significance of World War II and the Battle of Normandy and to encourage their support of ths important project. The United States committee, made up of French and United States citizens, will raise money through small donations to undertake a number of important activities.

The committee's plans include the creation of exhibits within the museum to tell the story of American involvement in the war. They also include the establishment of a student exchange program that will enable American students to study in Caen and work at the museum. The committee will gather documents for the museum's document center and establish a facility within the museum to welcome American visitors.

Today, I am proud to introduce a joint resolution endorsing the development of this memorial museum and study center in Normandy and American participation in its development. I ask unanimous consent that the text of the resolution be printed in the RECORD.

As the World War II recedes further and further into our past, we must continually search for ways to keep it from fading from our memory. These must be symbols to remind present and future generations of its harsh reality. This museum is such a symbol. We hope its message will be heard loud and clear throughout the world. I urge my colleagues to support this joint resolution.

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

S.J. RES. 356

Whereas the battle fought in Normandy, France, in the summer months of 1944 was the largest land battle in history and considered by many to be the turning point of World War II in Europe;

Whereas the Battle of Normandy is one of the first examples of successful Allied military efforts to defend liberty and perpetuate freedom;

Whereas the people of France are creating a memorial museum and study center in Normandy to commemorate the Allied effort and provide future generations of students and others an opportunity to study and understand the causes of the European conflict and the role played by the Allied Governments and military forces in the successful resolution of that conflict; and

Whereas a United States Committee for the Battle of Normandy Museum has been created to inform Americans and encourage support of the museum and study center: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Congress recognizes and supports the historic and educational purposes to be served by the museum and study center in Normandy, France, and of the United States Committee for the Battle of Normandy Museum to encourage understanding of and support among Americans for such an important memorial.●

By Mr. THURMOND (for himself, Mr. HOLLINGS, Mr. DOLE, Mr. SIMON, Mrs. HAWKINS, Mr. NICKLES, Mr. BENTSEN, Mr. ROTH, Mr. TRIBLE, Mr. SPECTER, Mr. EAST, Mr. STAFFORD, Mr. LAXALT, Mr. MCCLURE, Mr. KENNEDY, Mr. DENTON, Mr. QUAYLE, Mr. GRASSLEY, Mr. WILSON, Mr. KERRY, Mr. LONG, Mr. CHILES, Mr. PRYOR, Mr. BURDICK, Mr. HEFLIN, Mr. STENNIS, Mr. NUNN, Mr. JOHNSTON, Mr. RIEGLE, Mr. BOREN, Mr. WEICKER, Mr. BUMPERS, Mr. LUGAR, Mr. SARBANES, Mr. ZORINSKY, Mr. HEINZ, Mr. WARNER, Mr. LEVIN, Mr. HART, Mr. MATTINGLY, Mr. HATCH, Mr. SASSER, Mr. GLENN, Mr. BIDEN, Mr. GRAMM, Mr. D'AMATO, Mr. MOYNIHAN, Mr. METZENBAUM, Mr. DECONCINI, Mr. COCHRAN, Mr. INOUYE, Mr. MATHIAS, Mr. HELMS, and Mr. CHAFEE):

S.J. Res. 357. Joint resolution to designate the week of September 15, 1986, through September 21, 1986, as "National Historically Black Colleges Week"; to the Committee on the Judiciary.

NATIONAL HISTORICALLY BLACK COLLEGES WEEK

Mr. THURMOND. Mr. President, I rise today to introduce a joint resolution which authorizes and requests the President to designate the week of September 15, 1986, through September 21, 1986, as "National Historically Black Colleges Week."

This is the fourth consecutive year that I have authored this legislation. Once again, I am proud to have such a strong display of bipartisan support for this resolution as is demonstrated by the 53 original cosponsors. Several of these cosponsors do not have historically black colleges and universities located in their States. However, they appreciate, as do I, the great contributions made to our Nation by these institutions.

Six of the one hundred and one historically black colleges; namely, Allen University, Benedict College, Claflin College, South Carolina State College, Morris College, and Voorhees College, are located in my home State. These colleges are vital to the higher education system of South Carolina. They have provided thousands of economically disadvantaged young people with the opportunity to obtain a college education.

Mr. President, hundreds of thousands of young Americans have received quality education at these 101 schools. These institutions have a long and distinguished history of providing the training necessary for participation in a rapidly changing society. Historically black colleges offer to our citizens a variety of curriculums and programs through which young people develop skills and talents, thereby expanding opportunities for continued social progress.

Recent statistics show that historically black colleges and universities have graduated 60 percent of the black pharmacists in the Nation, 40 percent of the black attorneys, 50 percent of the black engineers, 75 percent of the black military officers, and 80 percent of the black members of the judiciary.

Mr. President, through passage of this joint resolution, Congress can reaffirm its support for historically black colleges, and appropriately recognize their important contributions to our Nation. I look forward to the speedy passage of this joint resolution, and ask unanimous consent that a copy of the joint resolution be printed in the RECORD.

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

S.J. RES. 357

Whereas there are one hundred and one Historically Black Colleges and Universities in the United States;

Whereas such colleges and universities provide the quality education so essential to full participation in a complex, highly technological society;

Whereas black colleges and universities have a rich heritage and have played a prominent role in American history;

Whereas such institutions have allowed many underprivileged students to attain their full potential through higher education; and

Whereas the achievements and goals of the Historically Black Colleges are deserving of national recognition: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of September 15, 1986, through September 21, 1986, is designated as "National Historically Black Colleges Week" and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States and interested groups to observe such week with appropriate ceremonies, activities, and programs, thereby demonstrating support for Historically Black Colleges and Universities in the United States.

ADDITIONAL COSPONSORS

S. 519

At the request of Mr. EVANS, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 519, a bill to require a study of the compensation and related systems in executive agencies, and for other purposes.

At the request of Mr. EVANS, the name of the Senator from Florida [Mrs. HAWKINS] was withdrawn as a cosponsor of S. 519, supra.

S. 1026

At the request of Mr. PRESSLER, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 1026, a bill to direct the cooperation of certain Federal entities in the implementation of the Continental Scientific Drilling Program.

S. 1093

At the request of Mr. MATHIAS, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 1093, a bill to amend the patent law to restore the term of the patent grant in the case of certain products for the time of the regulatory review period preventing the marketing of the product claimed in a patent.

S. 1771

At the request of Mr. CHILES, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of S. 1771, a bill to amend the Elementary and Secondary Education Act of 1965 to provide grants to local educational agencies for dropout retention and recovery demonstration projects.

S. 1826

At the request of Mr. KENNEDY, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 1826, a bill to protect the Social Security trust funds and other retirement funds from actions designed to avoid the statutory limit on the public debt.

S. 2111

At the request of Mr. ROCKEFELLER, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 2111, a bill to amend the Federal Unemployment Tax Act to provide for an additional limitation on the reduction in the credit applicable to employers in certain States which have outstanding loan balances but have a high rate of unemployment.

S. 2133

At the request of Mr. KASTEN, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 2133, a bill to amend the Social Security Act to safeguard the integrity of the Social Security trust funds by ensuring prudent investment practices.

S. 2278

At the request of Mr. DODD, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 2278, a bill to grant employees parental and temporary medical leave under certain circumstances, and for other purposes.

S. 2288

At the request of Mr. CHILES, the name of the Senator from Tennessee [Mr. SASSER] was added as a cosponsor of S. 2288, a bill to amend title XIX of the Social Security Act to permit States the option of providing prenatal, delivery, and postpartum care to low-income pregnant women and of providing medical assistance to low-income infants under 1 year of age.

S. 2333

At the request of Mr. KENNEDY, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 2333, a bill to amend title XIX of the Social Security Act to strengthen and improve Medicaid services to low-income pregnant women and children.

S. 2353

At the request of Mr. CHILES, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 2353, a bill to direct the Attorney General to develop a model statute for States to prohibit the establishment and use of freebase houses.

S. 2398

At the request of Mr. ROTH, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 2398, a bill to amend title 18 of the United States Code to ban the production and use of advertisements for child pornography or solicitations for child pornography, and for other purposes.

S. 2411

At the request of Mr. D'AMATO, the name of the Senator from Nevada [Mr. HECHT] was added as a cosponsor of S. 2411, a bill to prohibit possession, manufacture, sale, importation, and mailing of ballistic knives.

S. 2417

At the request of Mr. BYRD, the names of the Senator from Louisiana [Mr. LONG] and the Senator from New Jersey [Mr. LAUTENBERG] were added as cosponsors of S. 2417, a bill to establish the Aviation Safety Commission, and for other purposes.

S. 2447

At the request of Mrs. KASSEBAUM, the name of the Senator from Kansas [Mr. DOLE] was added as a cosponsor of S. 2447, a bill to provide for improved disclosure of certain rail transportation contracts.

SENATE JOINT RESOLUTION 244

At the request of Mr. SASSER, his name was added as a cosponsor of Senate Joint Resolution 244, a bill to designate October 8, 1986, as "National Fire Fighters Day."

SENATE JOINT RESOLUTION 314

At the request of Mr. QUAYLE, the names of the Senator from Kansas [Mr. DOLE], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from New Jersey [Mr. BRADLEY], the Senator from Rhode Island [Mr. CHAFEE], and the Senator from Alabama [Mr. DENTON] were added as cosponsors of Senate Joint Resolution 314, a joint resolution to designate the week beginning July 27, 1986, as "National Nuclear Medicine Week."

SENATE JOINT RESOLUTION 338

At the request of Mr. RIEGLE, the names of the Senator from Maryland [Mr. SARBANES], the Senator from Illinois [Mr. SIMON], and the Senator from Minnesota [Mr. DURENBERGER] were added as cosponsors of Senate Joint Resolution 338, a joint resolution to designate November 18, 1986, as "National Community Education Day."

SENATE JOINT RESOLUTION 345

At the request of Mr. DOLE, the names of the Senator from Indiana [Mr. LUGAR], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Montana [Mr. MELCHER], the Senator from Nebraska [Mr. ZORINSKY], the Senator from Ohio [Mr. METZENBAUM], and the Senator from Pennsylvania [Mr. HEINZ] were added as cosponsors of Senate Joint Resolution 345, a joint resolution to designate the week beginning November 9, 1986, as "National Reye's Syndrome Awareness Week."

SENATE JOINT RESOLUTION 350

At the request of Mr. LUGAR, the names of the Senator from Nevada [Mr. LAXALT], the Senator from Alabama [Mr. DENTON], the Senator from Colorado [Mr. ARMSTRONG], and the Senator from Alaska [Mr. STEVENS] were added as cosponsors of Senate Joint Resolution 350, a joint resolution to designate 1987 as "The National Year of the Americas."

SENATE RESOLUTION 212

At the request of Mr. GORTON, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of Senate Resolution 212, a resolution expressing the sense of the Senate concerning violence against health care facilities.

SENATE RESOLUTION 405

At the request of Mr. LAUTENBERG, the names of the Senator from New Jersey [Mr. BRADLEY], and the Senator from Rhode Island [Mr. PELL] were added as cosponsors of Senate Resolution 405, a resolution to express the sense of the Senate opposing the imposition of a Federal licensing fee for marine sportfishing.

SENATE RESOLUTION 421—ENCOURAGING NASA TO CENTRALIZE CERTAIN RESPONSIBILITIES AND FUNCTIONS

Mr. GORE submitted the following resolution; which was referred to the Committee on Commerce, Science, and Transportation.

S. RES. 421

Resolved, That it is the sense of the Senate that the Administrator of the National Aeronautics and Space Administration shall take such action, under the authority available to the Administrator, as may be necessary to assure that all responsibility for overall planning, coordination, and control, including quality assurance, reliability, and safety, of programs of the National Aeronautics and Space Administration is vested in, and exercised by, the Na-

tional Aeronautics and Space Administration Headquarters.

AMENDMENTS SUBMITTED

LITIGATION REFORM LEGISLATION

McCONNELL AMENDMENT NO. 2007

(Ordered referred to the Committee on the Judiciary)

Mr. McCONNELL submitted an amendment intended to be proposed by him to the bill (S. 2046) to provide limits and procedures in certain civil cases; as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Litigation Abuse Reform Act of 1986".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds and declares that—

(1) there are serious problems with the civil justice system under which tort claims are filed and resolved;

(2) the cost of litigation over the past 25 years has risen at a dramatic rate, and threatens to continue to rise at a similar rate for the foreseeable future;

(3) the size of judgments awarded in tort litigation has increased far beyond a reasonably or desirable level, and in some cases, far exceeds the level reasonably necessary to compensate victims of accidents or injury for the economic loss they have incurred;

(4) the cost of litigation and the size of settlements and judgments in tort litigation have direct and undesirable consequences on interstate commerce, and on the availability of products and services nationwide:

(5) the potential for unreasonably large settlements and awards for damages in litigation and the lack of predictability in the system has contributed to a crisis in the insurance industry nationwide, with necessary insurance unavailable at costs reasonably affordable by consumers;

(6) there is a need for reasonable limits on the potential exposure of individuals and businesses to liability for damages resulting from the sale of products, the provision of service, or the ownership of property, all of which contribute to the net economic output of the Nation's economy, and to the general welfare; and

(7) because of the interstate nature of the commerce, the civil justice systems of the several States are unable to provide just compensation to deserving claimants without threatening to inflict grievous and lasting injury on the economy, thereby diminishing the general welfare of the Nation and of the several States.

(b) It is the purpose of this Act to place reasonable limits on the amount of damage awarded for injuries, to provide changes in the tort system consistent with the need for restraint and uniformity in the use of litigation to provide compensation for accident or injury, and to promote the free flow of commerce and the availability of liability insurance.

APPLICABILITY

SEC. 3. (a) The provisions of this Act apply to any civil action against any person, in any State or Federal court, alleging negligence, strict or product liability, intentionally tortious conduct, or professional malpractice, in which damages for physical injury or physical or mental pain or suffering are sought.

(b) The provisions of this Act shall preempt and supercede State law to the extent such law is inconsistent with the limitations on liability contained in this Act.

(c) Nothing in this Act shall be construed to create or vest jurisdiction in the district courts of the United States over actions subject to this Act if such jurisdiction does not otherwise exist.

JOINT AND SEVERAL LIABILITY

SEC. 4. (a) Except as provided in subsection (b), no person liable for damages in any action subject to the provisions of this Act may be subject to joint and several liability. A person found liable for damages in any such action may be found liable only for those damages directly attributable to such person's pro rata share of fault or responsibility for the injury, and may not be found liable for damages attributable to the pro rata share of fault or responsibility of any other person (whether or not that person is a party to the action) for the injury, including any person bringing the action.

(b) Notwithstanding the provisions of subsection (a), any person found liable for damages in any action subject to the provisions of this Act may be deemed jointly and severally liable for any damages awarded if such person's pro rata share of the fault or responsibility is found to be 50 percent or more.

(c) This section shall not apply between persons acting in concert where the concerted action caused the injury for which one or more of such persons is found liable for damages.

APPLICATION OF COLLATERAL SOURCE BENEFITS

SEC. 5. (a) In any civil action to which the provisions of this Act apply, the total amount of damages awarded to an individual shall be reduced, pursuant to the provisions of subsection (c), by any other payment which has been, or will be made, to such individuals to compensate for the same injury sustained as a result of the conduct of the judgment debtor.

(b) The payments or benefits covered by this section are—

(1) any payment or benefit by or paid for in whole or in part by any agency or instrumentality of the United States, a State or a local government;

(2) any payment of benefit by a worker's compensation system or a health insurance program funded in whole or in part by an employer, except to the extent that such payment or benefit is the subject of a proper claim of subrogation, reimbursement or lien;

(3) any employer wage continuation plan; or

(4) any other form of State, local, or Federal government payment intended to compensate such individual for such injury.

(c) The amount by which an award of damages to an individual for an injury shall be reduced under subsection (a) shall be an amount equal to—

(1) the total amount of any payments which have been, or will be made to such individual to compensate such individual for such injury, minus

(2) the amount paid by such individual or the spouse, parent, or guardian of such individual to secure the right to the payments described in subsection (a).

PERIODIC PAYMENTS

SEC. 6. (a) In any action to which the provisions of this Act apply, if the court awards an individual future damages in excess of $100,000—

(1) the payment of such future damages shall be made in such amounts and at such intervals as determined by the court, over a scheduled period of time or over the estimated lifetime of such individual;

(2) such payments shall be made until the total amount of such award is paid to such individual, except that if such individual dies prior to the date on which the final payment is to be made, the party obligated to make the payments shall not be required to make any additional payments to the heirs or assigns of such individual unless directed to do so by the court; and

(3) the court shall require that such periodic payments be made through the establishment of a trust fund or the purchase of an annuity.

LIMITATION ON DAMAGES FOR NONECONOMIC LOSSES

SEC. 7. (a) Notwithstanding any other provision of law, in any action to which the provisions of this Act apply, the amount of damages for noneconomic losses resulting from the conduct of the judgment debtor shall not exceed $500,000.

(b) The limitation on damages set forth in subsection (a) shall be adjusted on the first day of the second calendar year following enactment of this Act, and on the first day of each subsequent calendar year, by an amount representing the change in the Consumer Price Index for the preceding 12-month period ending September 30, as determined by the United States Department of Labor.

LIMITATION ON CONTINGENCY FEE AGREEMENTS

SEC. 8. (a) Except as provided in subsection (c), in any action to which the provisions of this Act apply, and in which the plaintiff receives a settlement or an award of damages, the amount of payments to the plaintiff's attorney or attorneys shall be determined pursuant to this subsection. If the total award or settlement is—

(1) not more than $100,000, the attorney's fee shall not exceed 35 percent of such amount;

(2) more than $100,000 but less than $500,000, the attorney's fee shall not exceed $35,000 plus 25 percent of the excess over $100,000; or

(3) equal to or greater than $500,000, the attorney's fee shall not exceed $135,000 plus 10 percent of the excess over $500,000.

(b) Notwithstanding the provisions of this section or any other provision of law, no award of punitive damages shall be included in the computation of the total settlement or award to a plaintiff for purposes of awarding an amount of attorney fees.

LIMITATION ON AWARD OF PUNITIVE DAMAGES

SEC. 9. (a) Notwithstanding any other provision of law, punitive damages shall not be awarded to any plaintiff in any action to which the provisions of this Act apply unless the plaintiff establishes by clear and convincing evidence that the harm suffered by the plaintiff was the result of conduct, on the part of the defendant against whom punitive damages are sought, manifesting a conscious disregard for the safety of the plaintiff or a person the defendant reasonably should have anticipated would have been endangered by the conduct that is the subject of the action.

(b) Mere negligent conduct shall not be sufficient to establish conscious disregard for the consequences of an act. A failure to exercise reasonable care in choosing among alternative product designs, formulations, instructions or warnings, or a mere failure to warn of a product's conditions or propensities, shall not be sufficient to establish such conduct.

(c) Punitive damages awarded in any action to which the provisions of this Act apply shall be paid to the Treasurer of the State in which the action is pending, except that if the action is pending in a court of the United States, such damages shall be paid to the Treasurer of the United States.

SANCTIONS

SEC. 10. (a) In any civil action in which the provisions of this Act apply, any attorney or other person admitted to practice before the court, whose conduct in the course of the proceeding is calculated for delay, or is determined by the court, after consideration of the circumstances, to have been calculated to impede the just, speedy, and inexpensive resolution of the action, or to have been in bad faith, shall be subject to pecuniary sanctions by the court. Such sanctions shall not be less than the total amount of court costs, fees, and expenses, including attorney's fees, reasonably attributable to the conduct.

(b) In any proceeding in which the court finds that the action was initiated without a good faith belief by the attorney initiating the cause of action that there was a reasonable basis in law and in fact for recovery of the relief requested, or that the action was initiated merely for purposes of achieving a monetary settlement where there was no reasonable prospect for an award of damages, then such attorney shall be liable for the total amount of court costs, fees, and expenses, including double the attorney fees reasonably incurred to respond to or otherwise resist the action.

(c) In any porceeding to which the provisions of this Act apply in which the court finds that the attorney defending the cause of action denied the substantive averments of the complaint without a good faith belief that there was a reasonable basis in law and in fact for the avoidance of liability for the relief requested, or that the actions taken in defense of the action were intended merely to postpone for a period of time the imposition of a judgment for damages, then such attorney shall be liable for the total amount of court costs, fees, and expenses, including double the attorney fees reasonably incurred to prevail in the action.

ALTERNATIVE DISPUTE RESOLUTION

SEC. 11. (a) Because the traditional litigation process is unsuited to the timely, efficient, and inexpensive resolution of civil actions, it is the policy of the United States to encourage the creation and use of alternative dispute resolution techniques, to promote the expeditious resolution of such actions.

(b) In any action pending in a court of the United States in which the provisions of this Act apply, each attorney who has made an appearance in the case and who represents one or more of the parties to the action shall, with respect to each party separately represented, advise the party of the existence and availability, if any, of alternative dispute resolution options, including extrajudicial proceedings such as minitrials, and third-party mediation, court supervised arbitration, and summary jury trial proceedings.

(c) Each such attorney shall, simultaneous with the filing of a complaint or a responsive pleading, file notice with the court certifying that the attorney has so advised his client or clients, and indicating whether his client will agree to one or more of the alternative dispute resolution techniques.

(d) In any action pending in a court of the United States in which the provisions of this Act apply, if all parties to an action agree to proceed with one or more alternative dispute resolution proceedings, the court shall issue an appropriate order governing the conduct of such alternative proceedings. The issuance of an order governing such further proceedings shall constitute a waiver by each party subject to the order of the right to proceed further in court.

EFFECTIVE DATE

SEC. 12. This Act and the amendments made by this Act shall be effective on the date of enactment, and shall apply to all civil actions filed on or after such date, including any civil action in which the harm or the conduct complained of occurred before such effective date.

PROHIBITING DIAL-A-PORN OPERATIONS

HELMS AMENDMENT NO. 2008

(Ordered to lie on the table.)

Mr. HELMS submitted an amendment intended to be proposed by him to an appropriate measure; as follows:

At an appropriate place in the bill, add the following:

"SEC. . Section 223(b) of the Communications Act of 1934 is amended—

(1) in paragraph (1)(A), by striking out 'under eighteen years of age or to any other person without that person's consent';

(2) by striking out paragraph (2);

(3) in paragraph (4), by striking out 'paragraphs (1) and (3)' and inserting in lieu thereof 'paragraphs (1) and (2)'; and

(4) by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4), respectively.".

TAX REFORM ACT

GRASSLEY (AND OTHERS) AMENDMENT NO. 2009

(Ordered to lie on the table.)

Mr. GRASSLEY (for himself, Mr. LAUTENBERG, Mr. PROXMIRE, and Mr. DENTON) submitted an amendment intended to be proposed by them to the bill (H.R. 3838) to reform the internal revenue laws of the United States; as follows:

At the end of subtitle A of title IX of the Committee amendment, insert the following:

SEC. . DENIAL OF FOREIGN TAX CREDIT FOR TAXES PAID TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM.

(a) IN GENERAL.—Section 901 (relating to taxes of foreign countries and of possessions of the United States) is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) DENIAL OF FOREIGN TAX CREDIT, ETC. WITH RESPECT TO COUNTRIES WHICH SUPPORT INTERNATIONAL TERRORISM.—

"(1) IN GENERAL.—Notwithstanding any other provision of this part—

"(A) no credit shall be allowed under subsection (a) for any income, war profits, or excess profits taxes paid or accrued (or deemed paid under section 902 or 960) during the taxable year to any country identified under paragraph (2) as repeatedly providing support for acts of international terrorism, and

"(B) subsections (a), (b), and (c) of section 904 and sections 902 and 960 shall be applied separately with respect to income for such taxable year from sources within any country so identified.

"(2) IDENTIFICATION OF COUNTRIES.—Paragraph (1) shall apply to countries which the Secretary of State, pursuant to section 6(j) of the Export Administration Act of 1979, as amended, has designated as countries that repeatedly support acts of international terrorism.

"(3) PART-YEAR RULE.—If an identification under paragraph (2) is in effect for less than an entire taxable year, paragraph (1) shall be applied by taking into account only that proportion of the taxes and income described in paragraph (1) for the taxable year as the portion of the taxable year for which such identification is in effect bears to the entire taxable year.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to taxes paid or accrued after June 30, 1986, in taxable years ending after such date.

URGENT SUPPLEMENTAL APPROPRIATIONS, FISCAL YEAR 1986

HUMPHREY AMENDMENT NO. 2010

Mr. HUMPHREY proposed an amendment to the bill (H.R. 4515) making urgent supplemental appropriations for the fiscal year ending September 30, 1986, and for other purposes; as follows:

On Page 73, strike out lines 3 through 23 and insert in lieu thereof the following:

SEC. 209. (a) None of the funds appropriated or made available under this or any other Act may be used to divest Federal ownership, management, or control of the facilities or functions of a Federal Power Marketing Administration located in the contiguous forty-eight States unless and until—

(1) the terms and conditions of a divestiture proposal are specifically authorized by law; and

(2) any specific divestiture agreement resulting from that authorization is submitted to the Congress of the United States for review and is specifically authorized by law.

(b)(1) The limitation provided in subsection (a) shall not prohibit the conduct of divestiture studies or the preparation of proposals for submission to Congress with respect to the divestiture of Federal ownership, management, or control of the facilities or functions of a Federal Power Marketing Administration.

(2) If any divestiture of Federal ownership, management, or control of the facilities or functions of a Federal Power Market-

ing Administration results from any divestiture study or the preparation of a proposal, the costs of such study or proposal shall be paid by the person acquiring the assets. The costs payable under the preceding sentence shall be determined by the Secretary of Energy at the time the Secretary submits the agreement for such divestiture to Congress under subsection (a)(2).

(3) Nothing in this section shall be construed as indicating the intent of Congress with respect to the advisability or feasibility of the divestiture of any Federal Power Marketing Administration.

(c) The limitation provided in subsection (a) shall not apply to—

(1) the authority granted under section 2E of the Bonneville Project Act of 1937; and

(2) the authority of the Administrator of the General Services Administration pursuant to the Federal Property and Administrative Service Act of 1949, as amended, and the Surplus Property Act of 1944 to sell or otherwise dispose of surplus property.

BOREN (AND OTHERS) AMENDMENT NO. 2011

(Ordered to lie on the table.)

Mr. BOREN (for himself, Mr. GOLDWATER, Mr. HART, Mr. LEVIN, Mrs. KASSEBAUM, Mr. RUDMAN, Mr. STENNIS, Mr. DECONCINI, Mr. CHILES, Mr. BINGAMAN, Mr. BYRD, Mr. BIDEN, and Mr. LEAHY) submitted an amendment intended to be proposed by them to the bill H.R. 4515, supra; as follows:

At the appropriate place, insert the following new section—

SEC. . (a) Section 315(a)(1)(A) of the Federal Election Campaign Act of 1971 is amended by striking out "$1,000" and inserting in lieu thereof "$1,500".

(b) Section 315(a)(2) of the Federal Election Campaign Act of 1971 is amended—

(1) by striking out "or" at the end of subparagraph (B);

(2) striking out "$5,000." in subparagraph (A) and inserting in lieu thereof "$3,000;"; and

(3) by adding at the end the following new subparagraphs:

"(D) to any candidate and his authorized political committees with respect to—

"(i) a general or special election for the office of Representative in, or Delegate or Resident Commissioner to, the Congress (including any primary election, convention, or caucus relating to such general or special election) which exceed $100,000 ($125,000 if at least two candidates qualify for the ballot in the general or special election involved and at least two candidates qualify for the ballot in a primary election relating to such general or special election) when added to the total of contributions previously made by multicandidate political committees to such candidate and his authorized political committees with respect to such general or special election (including any primary election, convention, or caucus relating to such general or special election); or

"(ii) a runoff election for the office of Representative in, or Delegate or Resident Commissioner to, the Congress which exceed $25,000 when added to the total of contributions previously made by multicandidate political committees to such candidate and his authorized political committees with respect to such runoff election; or

"(E) to any candidate and his authorized political committees with respect to—

"(i) a general or special election for the office of Senator (including any primary election, convention, or caucus relating to such general or special election) which exceed the greater of $175,000 ($200,000 if at least two candidates qualify for the ballot in the general or special election involved and at least two candidates qualify for the ballot in a primary election relating to such general or special election) or the amount equal to $35,000 times the number of Representatives to which the State involved is entitled, when added to the total of contributions previously made by multicandidate political committees to such candidate and his authorized political committees with respect to such general or special election (including any primary election, convention, or caucus relating to such general or special election);

"(ii) a runoff election for the office of Senator which exceed the greater of $25,000 or the amount equal to $12,500 times the number of Representatives to which the State involved is entitled, when added to the total of contributions previously made by multicandidate political committees to such candidate and his authorized political committees with respect to such runoff election; or

"(iii) a general or special election for the office of Senator (including any primary election, runoff election, convention, or caucus relating to such general or special election) which exceed $750,000 when added to the total of contributions previously made by multicandidate political committees to such candidate and his authorized political committees with respect to such general or special election (including any primary election, convention, or caucus relating to such general or special election).".

(c) Section 315(a)(8) of the Federal Election Campaign Act of 1971 is amended—

(1) by striking out "person" the second place it appears and inserting in lieu thereof "person and also the intermediary or conduit".

(d) Section 315(a)(8) of the Federal Election Campaign Act of 1971 is amended—

"(1) by adding at the end of the paragraph the following subparagraph:

"(A) Notwithstanding any other provision of this Act, each multicandidate political committee which makes an independent expenditure in a federal election in connection with such candidate's campaign, shall not do so in any newspaper, magazine, broadcast or other media advertisement without the following notice placed on, or within such advertisement:

"This message has been authorized and paid for by (name of committee/or any affiliated organization of the committee), (name/title of treasurer and/or president). Its cost of presentation is not subject to any campaign contribution limits."

(e) Section 315 of the Communications Act of 1934 (47 U.S.C. 315) is amended—

(1) by redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), respectively; and

(2) by inserting immediately after subsection (a) the following:

"(b)(1) If any licensee permits a person to utilize a broadcasting station to broadcast material which either endorses a legally qualified candidate for any Federal elective office or opposes a legally qualified candidate for that office, such licensee shall, within a reasonable period of time, provide to any legally qualified candidate opposing the candidate endorsed (or to an authorized committee of such legally qualified candidate), or to any legally qualified candidate who was so opposed (or to an authorized committee of such legally qualified candidate), the opportunity to utilize, without charge, the same amount of time on such broadcasting station, during the same period of the day, as was utilized by such person.

"(2) For purposes of this subsection, the term 'person' includes an individual, partnership, committee, association, corporation, or any other organization or group of persons, but such term does not include a legally qualified candidate for any Federal elective office or an authorized committee of any such candidate.".

(f) Section 315(a) of the Communications Act of 1934 (47 U.S.C. 315(a)) is amended by striking "section" and inserting in lieu thereof "subsection".

(g) Section 315(e) of the Communications Act of 1934, as so redesignated by subsection (a) of this section, is amended to read as follows:

"(e) For purposes of this section—

"(1) the term 'authorized committee' means, with respect to any candidate for nomination for election, or election, to any Federal elective office, any committee, club, association, or other group of persons which receives contributions or makes expenditures during a calendar year in an aggregate amount exceeding $1,000 and which is authorized by such candidate to accept contributions or make expenditures on behalf of such candidate to further the nomination or election of such candidate;

"(2) the term 'broadcasting station' includes a community antenna television system; and

"(3) the term 'licensee' and 'station licensee' when used with respect to a community antenna system mean the operator of such system.".

(h) Section 301(17) of the Federal Election Campaign Act of 1971 is amended to read as follows:

"(17) The term 'independent expenditure' means an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate, or any authorized committee or agent of such candidate.

"(A) For the purposes of this subsection, 'cooperation or consultation with any candidate' with respect to an election cycle means, but is not limited to the following—

"(i) the person making the independent expenditure communicates with, advises, or counsels the candidate at any time on the candidate's plans, projects, or needs relating to the candidate's pursuit of nomination for election, or election, to Federal office, in the same election cycle, including any advice relating to the candidate's decision to seek Federal office;

"(ii) the person making the independent expenditure includes as one of its officers, directors, or other employees an individual who communicated with, advised or counseled the candidate at any time on the candidate's plans, projects, or needs relating to the candidate's pursuit of nomination for election, or election, to Federal office, in the same election cycle, including any advice relating to the candidate's decision to seek Federal office; and

"(iii) the person making the independent expenditure retains the professional services of any individual or other person also

providing those services to the candidate in connection with the candidate's pursuit of nomination for election, or election, to Federal office, in the same election cycle, including any services relating to the candidate's decision to seek Federal office."

(i) If any provision of this Act or the application of it to any person or circumstance is held invalid, the remainder of the Act and the application of the provision to any other person or circumstance shall not be affected by such invalidation.

(j) The amendments made by such sections (a) through (i) of this section shall apply with respect to general, special, and runoff election occurring after December 31, 1986.

GORTON (AND EVANS) AMENDMENT NO. 2012

Mr. GORTON (for himself and Mr. EVANS) proposed an amendment to the bill H.R. 4515, supra; as follows:

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

Upon the request of the Pike Place Market Preservation and Development Authority, Seattle, Washington, the Secretary of Commerce shall authorize the sale or lease to any person of the Fairley Group Building (project numbers 07-01-01890, as modified by 07-01-01890.01, and 07-11-02606) located in the Pike Place Market, King County, Washington, without affecting the federal assistance provided under the Public Works and Economic Development Act of 1965, if the transfer documents provide for the continued use of the Fairley Group Building as a market during the expected useful life of the building.

GORTON AMENDMENT NO. 2013

(Ordered to lie on the table.)

Mr. GORTON submitted an amendment intended to be proposed by him to the bill H.R. 4515, supra; as follows:

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

SEC. . None of the funds appropriated by this or any other Act shall be available for the payment of the salary of the acting Administrator of the Small Business Administration for a period longer than 30 days following the date of enactment of this Act unless, prior to the close of such 30-day period, the President nominates an individual to fill the vacancy in the position of Administrator of the SBA.

GORTON (AND EVANS) AMENDMENT NO. 2014

(Ordered to lie on the table.)

Mr. GORTON (for himself and Mr. EVANS) submitted an amendment intended to be proposed by them to the bill H.R. 4515, supra; as follows:

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

The authority to acquire new buildings and facilities, including necessary real estate, for the U.S. Army Engineer District, Walla Walla, Washington, as provided for in Public Law No. 99-88, 99 Stat. 293, 316, may be implemented by lease purchase contract or by any other appropriate means.

STEVENS AMENDMENT NO. 2015

Mr. STEVENS proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 26, line 1, delete all following "SEC. 7." through the end of line 2, and insert in lieu thereof.

Notwithstanding Section 8109 of the Department of Defense Appropriations Act, 1986, Public Law 99-190, funds appropriated or otherwise made available by such Act and which were not otherwise authorized by law, are authorized and shall be available to be obligated and expended as provided in such Act immediately upon enactment of this Act: *Provided*, That no funds made available under Section 8103 of the Department of Defense Appropriations Act, 1986, Public Law 99-190 shall be available for the Mariner Fund: *Provided further*, That the paragraph under the head "Aircraft Procurement, Air Force" in title III of the Department of Defense Appropriations Act, 1986, Public Law 99-190, is amended by striking ", of which $200,000,000 shall be available only to initiate the air defense aircraft competition authorized by law".

METZENBAUM (AND OTHERS) AMENDMENT NO. 2016

Mr. METZENBAUM (for himself, Mr. KASTEN, Mr. GLENN and, Mr. PROXMIRE) proposed an amendment to the bill H.R. 4515, supra; as follows:

In lieu of the language proposed to be stricken insert the following:

Using available funds authorized by section 5 of the Flood Control Act approved August 18, 1941, as amended, the Secretary of the Army shall, in consultation with State officials of the Great Lakes region, develop emergency contingency plans to prevent or control near term flooding along the Great Lakes. The Secretary shall report to Congress within sixty days after the date of enactment of this Act on the contingency plans. The Secretary is authorized to spend up to $1 million for the purposes of this provision.

BYRD AMENDMENT NOS. 2017 AND 2018

Mr. BYRD proposed two amendments to the bill H.R. 4515, supra; as follows:

On page 74, after line 25, insert the following:

SEC. . Notwithstanding the notice relating to applications for pinpoint disaster assistance (43 Federal Register 57194 (1978)) or any other provision of Federal law or regulation, the Secretary of Education shall accept an application from Preston County Board of Education, West Virginia, under section 16 of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress) filed after the date of enactment of this Act.

On page 59, line 23, strike out "$2,683,000" and insert in lieu thereof "$3,683,000".

On page 60, between lines 3 and 4, insert the following:

LIBRARY OF CONGRESS

Salaries and Expenses

For an additional amount for salaries and expenses under the headings "OTHER AGENCIES" and "LIBRARY OF CONGRESS", $1,000,000: *Provided*, That of such amount, $500,000 shall remain available until expended for the acquisition of books, periodicals, newspapers, and all other materials (including subscriptions for bibliographic services for the Library).

PROXMIRE AMENDMENT NO. 2019

Mr. PROXMIRE proposed an amendment to the bill H.R. 4515, supra; as follows:

At the appropriate place add the following:

SEC. . Notwithstanding any other provision of this Act, effective on and after January 1, 1987, section 908(b) of the Act entitled "An Act making supplemental appropriations for the fiscal year ending September 30, 1983, and for other purposes" (97 Stat. 337; 2 U.S.C. 31-1), is amended by striking out "40 percent" each place it appears in paragraphs (1) and (2) and inserting in lieu thereof "30 percent".

HATFIELD AMENDMENT NO. 2020

Mr. HATFIELD proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 8, line 1, after the word "or", strike "1444-1(c)(1))" and insert in lieu thereof "1441-1(c)(1))".

On page 8, line 3, strike "preventing" and insert in lieu thereof "prevented".

On page 8, line 13, strike "5152" and insert in lieu thereof "5121".

On page 8, strike lines 16 and 17 and insert in lieu thereof "(1) 40 percent of the projected payment rate; by".

On page 19, line 25, after "reserve" insert ", or which would have been placed in reserve,".

On page 20, line 1, strike all after "Liberty" through "adjustments" on line 2.

On page 21, strike "(RESCISSION)" at the end of line 23 and insert "(RESCISSION)" between lines 23 and 24.

On page 49, line 19, strike "530,000" and insert in lieu thereof "1,530,000".

On page 55, strike line 12 up to and including line 10 on page 57, and insert in lieu thereof the following:

SEC. 2. (a) Subsection (a) of section 110 of Public Law 97-12 (2 U.S.C. 58b(a)) is amended by—

(1) inserting "(1)" after "(a)"; and

(2) striking out the last three sentences of such subsection and inserting in lieu thereof the following:

"(2)(A) Each Senator, at his election, may, during any fiscal year (but not earlier than July 1 thereof) transfer from such Senator's clerk hire allowance to his Official Office Expense Account such amounts as the Senator shall determine, but not in excess of the balance as of the end of the month which precedes the month in which the transfer is made. Any amount so transferred to a Senator's Official Office Expense Account shall be available for expenses incurred during the calendar year in which occurred the close of the fiscal year in which the transfer is made. Each Senator electing to make such a transfer shall advise the Senate Disbursing Office in writing, not later than January 15 of the calendar year immediately following the calendar year in which occurs the close of the fiscal year in which the transfer is to be made, and such transfer shall be made on such date (but not earlier than July 1, nor later than December 31, of the calendar year in which the close of such

fiscal year occurs) as may be specified by the Senator.

"(B) Each Senator, at his election, may, during any calendar year (but not earlier than July 1 thereof) transfer from such Senator's Official Office Expense Account to his clerk hire allowance such amounts as the Senator shall determine, but not in excess of the balance as of the end of the month which precedes the month in which the transfer is made. Any amount so transferred to the Senator's clerk hire allowance during any calendar year shall be available for expenses incurred during the fiscal year which ends during the calendar year in which the transfer is made. Each Senator electing to make such a transfer shall advise the Senate Disbursing Office in writing, not later than September 30 of the calendar year in which the transfer is made. Each Senator electing to make such a transfer shall advise the Senate Disbursing Office in writing, not later than September 30 of the calendar year in which the transfer is to be made, and such transfer shall be made on such date (but not earlier than July 1 of such calendar year) as may be specified by the Senator.".

(b) Subsection (b) of section 110 of Public Law 97-12 is amended to read as follows:

"(b) Transfer of funds by a Senator under subsection (a) of this section shall be made between (1) the allowance of such Senator in the account (which is within the appropriation account under the headings 'SENATE' and 'Salaries, Officers and Employees') for 'Administrative, Clerical, and Legislative Assistance to Senators', and (2) such Senator's Senatorial Official Office Expense Account within the appropriation account for 'Miscellaneous Items' under the heading 'SENATE'

"(c) The amendments made by subsection (a) shall be effective in the case of elections made with respect to transfers of funds to be available for expenses incurred after December 31, 1984."

On page 64, line 13, strike "Section" and insert in lieu thereof "SECTION".

On page 64, line 18, strike "Section" and insert in lieu thereof "SEC.".

DANFORTH (AND OTHERS) AMENDMENT NO. 2021

Mr. DANFORTH (for himself, Mr. BINGAMAN, Mr. PROXMIRE, Mr. QUAYLE, Mr. ARMSTRONG, Mr. BENTSEN, Mr. BRADLEY, Mr. DIXON, Mr. EAGLETON, Mr. EVANS, Mr. GOLDWATER, Mr. LEVIN, Mr. LUGAR, Mr. WILSON, Mr. LAUTENBERG, Mr. MELCHER, Mr. ROTH, Mr. NUNN, Mr. PRYOR, Mr. GLENN, Mr. SASSER, Mr. WALLOP, Mr. DURENBERGER, Mr. BOSCHWITZ, and Mr. GRAMM) proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 25, strike out lines 1 through 7 and lines 12 through 15.

On pages 25 and 26, renumber sections 4, 6, 7, and 8 as sections 3, 4, 5, and 6, respectively.

BUMPERS AMENDMENT NO. 2022

Mr. BUMPERS submitted an amendment intended to be proposed by him to the bill H.R. 4515, supra; as follows:

On page 9, between lines 17 and 18, insert the following:

ELDERLY FEEDING PROGRAM

For an additional amount for reimbursement at a level of 56.76 cents per meal during fiscal years 1985 and 1986, determined under section 311(a)(4) of the Older Americans Act of 1965 (42 U.S.C. 3030a(a)(4)), for meals served under section 311 of such Act in such fiscal years, $8,500,000, to remain available until expended: *Provided*, That such funds shall be derived by transfer from funds previously appropriated or made available to the Secretary of Agriculture; *Provided further*, That such transfer of funds shall be sufficient to reduce by $8,000,000 fiscal year 1986 outlays which would otherwise occur in the account or accounts from which such funds are transferred.

GOLDWATER AMENDMENT NO. 2023

Mr. GOLDWATER proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 26, strike out lines 1 and 2 and insert in lieu thereof the following:

CHAPTER IIIA—AUTHORIZATION OF CERTAIN UNAUTHORIZED APPROPRIATIONS

SECTION 1. AUTHORIZATION OF CERTAIN UNAUTHORIZED FISCAL YEAR 1986 APPROPRIATIONS.

Except as otherwise provided in this chapter, funds appropriated or otherwise made available to or for the use of the Department of Defense by the Department of Defense Appropriation Act, 1986, (as contained in section 101(b) of Public Law 99-190), and which were not otherwise authorized by law, are authorized to be obligated and expended as provided in such Act.

SEC. 2. PROHIBITION AND LIMITATION ON OBLIGATION OF FUNDS FOR CERTAIN PURPOSES.

MARINER FUND.—Of the funds appropriated or made available by the Department of Defense Appropriation Act, 1986, none shall be available for construction of commercial type vessels, with or without military specifications, for lease to private shipping concerns under the Mariner Fund or any other program.

SEC. 3. AUTHORIZATION FOR OBLIGATION OF CERTAIN UNOBLIGATED FUNDS.

Of the funds appropriated by the Department of Defense Appropriations Act, 1986 (as contained in section 101(b) of Public Law 99-190), but which may not be obligated or expended for the purposes for which appropriated by virtue of section 2 of this chapter, and of the funds made available for obligation and expenditure from prior year unobligated balances by section 8103 of the Department of Defense Appropriation Act, 1986, the following amounts are authorized to be obligated and expended for the stated purposes:

(1) for military pay, $1,599,400,000

(2) for military retirement accrual payments, $2,156,000,000

(3) for Coastal Defense Augmentation, $140,000,000

(4) for the Expendable Launch Vehicle Program, $1,498,686,000

(5) Any amounts remaining available from such funds shall be available for readiness and for other purposes, including funds authorized for obligation and expenditure for purposes listed in clauses (1), (2), (3), and (4) not otherwise required for such purposes.

SEC. 4. REVISION OR REPEAL OF CERTAIN PROVISIONS OF PUBLIC LAW 99-190.

(a) AIR DEFENSE AIRCRAFT COMPETITION.—The paragraph under the heading "Aircraft Procurement, Air Force" in title III of the Department of Defense Appropriations Act, 1986 (as contained in section 101(b) of Public Law 99-190), is amended—

(1) by striking out "of which $200,000,000 shall be available only to initiate the air defense aircraft competition authorized by law" in the matter preceding the first proviso; and

(b) REVISION OF CONTRACTING OUT PROVISION.—Section 8089 of such Act is amended by striking out "ten" and inserting in lieu thereof "40".

SEC. 5. REMOVAL OF CERTAIN LIMITATION ON THE P-3 AIRCRAFT.

Funds made available for the procurement of P-3 aircraft for the Navy for fiscal year 1986 may be used for procurement of such aircraft for the active or reserve forces of the Navy, as determined by the Secretary of the Navy.

SEC. 6. TEMPORARY WAIVER ON POLYGRAPH EXAMINATION LIMITATIONS.

In computing the number of counterintelligence polygraph examinations that may be conducted during fiscal year 1986 under section 1221 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 726), there may be excluded from such computation any polygraph examination conducted during the period beginning on the date of the enactment of this Act and ending on September 30, 1986, if such examination—

(1) is conducted by the Air Force under an authorization granted by the Secretary of Defense on November 24, 1981; or

(2) is conducted under an authorization granted by the Secretary of Defense on August 31, 1982, and is conducted on a person who is participating in a national program—

(A) which has as its purpose the collection of specialized intelligence through reconnaissance;

(B) which is under the purview of the Director of Central Intelligence; and

(C) for which a polygraph examination was established on or before October 1, 1985, as a condition for participation in such program.

DOMENICI AMENDMENT NO. 2024

Mr. DOMENICI proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 74, immediately after line 25, add the following:

SEC. 212. The Administrator of General Services is authorized and directed to convey, for the sum of one dollar, to the City of Santa Fe, New Mexico, all right, title, and interest of the United States in the parcel of surplus property known as the Bruns Hospital Site, more specifically being the property designated with GSA Control Number for Disposal Purposes 7-G-NM-403, parcels F and H, consisting of approximately 4.37 acres, such property being a portion of the same property which the City of Santa Fe conveyed to the Department of the Army in 1944 for the amount of one dollar.

NICKLES (AND BOREN) AMENDMENT NO. 2025

Mr. NICKLES (for himself and Mr. BOREN) proposed an amendment to the bill H.R. 4515, supra; as follows:

In the appropriate place in the bill, insert:

SEC. . Of the amounts available to the Department of Defense, $5,000,000 shall be available for such claims arising from property losses caused by the explosion of Army munitions near Checotah, Oklahoma, on August 4, 1985. And claims determined by the Department to be bona fide shall be paid from the funds made available by this section.

MELCHER AMENDMENT NO. 2026

Mr. MELCHER proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 74, after line 25, add the following new section:

SEC. . Notwithstanding any other provision of law, the Hays-Lodge Pole School District Number 50 of Hays, Montana, is relieved of all liability to repay to the United States the sum of $181,557.13, together with any interest on such sum, representing interest earned on investments which were made from payments made under the Act of September 23, 1950 (Public Law 815, Eighty-first Congress) for a construction project initiated in 1975, and which were made after consulting with Federal officials. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for the amount for which liability is relieved by this section.

MELCHER (AND BAUCUS) AMENDMENT NO. 2027

Mr. MELCHER (for himself and Mr. BAUCUS) proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 53, between lines 14 and 15, insert the following:

Effective on October 1, 1980, section 3(d)(3) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended by redesignating subparagraph (C) as subparagraph (D), and by adding after subparagraph (B) the following new subparagraph:

"(C)(i) To the extent described in division (ii), the local contribution rate for a local educational agency shall include locally generated revenue in a State, without regard to the characterization of the locally generated revenue by the State, if the local educational agency receives amounts from such revenues for use by that agency and the remainder of such amounts are transferred to the State.

"(ii) For the purpose of clause (i) of subparagraph (A), the amount of revenues which are actually retained by a local educational agency described in division (i) may be counted in the determination of expenditures derived from local sources.".

MELCHER AMENDMENT NO. 2028

Mr. MELCHER proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 43, between lines 8 and 9, insert the following:

"CONSTRUCTION

For an additional amount for "Construction", $4,900,000, to remain available until expended.

(DEFERRAL)

Of the funds previously appropriated under the heading "Bureau of Indian Affairs' Construction" in Public Law 98-8 (90 Stat. 20), $4,900,000 shall not become available for obligation until October 1, 1986."

STEVENS AMENDMENT NOS. 2029 THROUGH 2031

Mr. STEVENS proposed three amendments to the bill H.R. 4515, supra; as follows:

AMENDMENT NO. 2029

On page 26, following line 8 insert the following new section:

SEC. . Of the appropriations available to the Department of the Army during the current fiscal year, $3,000,000, in addition to the appropriation "National Board for the Promotion of Rifle Practice, Army", may be used to conduct the 1986 National Matches at Camp Perry, Ohio, and such ammunition as may be necessary shall be made available for the matches.

AMENDMENT NO. 2030

H.R. 4515, title I, Chapter I is amended—by inserting at the appropriate place the following: Section 1201(a)(16) of Public Law 99-198 (99 Stat. 1505) is amended by inserting at the end thereof the following:

"For purposes of this Act, and any other Act, this term shall not include lands in Alaska identified as having high potential for agricultural development which have a predominance of permafrost soils.

AMENDMENT NO. 2031

On page 66, after line 19 insert:

ADMINISTRATIVE PROVISION

That section 3626(f) of title 39, United States Code, is amended to read as follows:

"(f)(1) In the administration of this section, the substitute minimum charge per piece for mail under former section 4358(g) of this title shall apply only where fewer than five thousand copies of a publication are addressed for delivery within counties adjacent to the county of publication.

"(2) Within any State or territory which has not organized itself into county (or parish) subdivisions, copies addressed for delivery within the entire State or territory, other than those copies eligible for rates under former section 4358(a)-(c), shall be deemed addressed for delivery within counties adjacent to the county of publication, for purposes of this subsection.".

The amendment enacted by the first section of this Act is effective October 1, 1986. From that date until changed pursuant to chapter 36 of title 39, United States Code, the rates for mail covered by such amendment shall be the rates which would have applied to mail under former section 4358(g) of title 39, United States Code, if section 15102(c) of the Consolidated Omnibus Budget Reconciliation Act of 1985 had not been enacted.

RUDMAN AMENDMENT NO. 2032

Mr. HATFIELD (for Mr. RUDMAN) proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 12, after line 5 add the following:

Of the funds appropriated to the Department of Justice in title II of Public Law 99-180, not to exceed $500,000 may be transferred to "Salaries and expenses, general legal activities" to pay expenses related to the activities of any Independent Counsel appointed pursuant to 28 U.S.C. 591, et seq. upon notification by the Attorney General to the Committees on Appropriations of the House of Representatives and the Senate.

HATFIELD AMENDMENT NO. 2033

Mr. HATFIELD proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 19, after line 2 add the following:

Notwithstanding the provisions of section 106(b)(1) of the Bankruptcy Amendments and Federal Judgeship Act of 1984, a bankruptcy judge serving on a part-time basis on the date of enactment of this Act may continue to serve as a part-time judge for such district until December 31, 1986, or until such time as a full-time bankruptcy judge for such district is appointed, whichever is earlier: Provided, That these provisions shall apply only to part-time bankruptcy judges serving in the district of Oregon, the western district of Michigan, and the eastern district of Oklahoma.

INOUYE AMENDMENT NO. 2034

Mr. JOHNSTON (for Mr. INOUYE) proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 50, line 16 immediately before the period insert: "to remain available until September 30, 1987."

HATFIELD AMENDMENT NO. 2035

Mr. HATFIELD proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 51, after line 6, insert the following:

NATIONAL INSTITUTES OF HEALTH

ADMINISTRATIVE PROVISION

Funds made available for fiscal year 1986 and hereafter to the Warren G. Magnuson Clinical Center of the National Institutes of Health shall be available for payment of nurses at the rates of pay and with the schedule options and benefits afforded nurses by the Veterans' Administration pursuant to 38 U.S.C. 4107.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. LUGAR. Mr. President, I ask unanimous consent that the Armed Services Committee be authorized to meet during the session of the Senate on Thursday, June 5, 1986, at 10 a.m. to hold a markup on S. 2199, the 1987 DOD authorization bill, and to discuss homeporting.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. LUGAR. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, June 5, in closed session, to receive a briefing on intelligence matters.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. LUGAR. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, June 5, to hold an oversight hearing to continue consideration of the implementation of the Public Utility Regulatory Policies Act of 1978.

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

ADDITIONAL STATEMENTS

THE DANGER OF NUCLEAR WAR LESSENED BY LANAC

● Mr. LEAHY. Mr. President, every year I speak on this floor about the danger of a lack of high level dialog between Soviet and American leaders, especially in the area of arms control.

We were all encouraged by the spirit of the Geneva summit last year, but events since then, including recent U.S. nuclear weapons tests and Secretaries Weinberger and Shultz's assertions that the United States is "no longer bound" to continue to observe SALT II, have rekindled the concern that I and many of my colleagues share that this administration is not serious about arms control.

During the past 6 years, President Reagan has often said that he wants to stop the arms race, yet during that same period we have witnessed the most massive buildup of nuclear weapons in our Nation's history. The administration's record on arms control, no matter how you look at it, has been a profound disappointment. The arms race continues and no new arms control agreements are in sight. Nor can we be confident that President Reagan and General Secretary Gorbachev will meet again this year. The overwhelming sentiment on the part of the American people and the Congress, is that the two leaders should meet and conclude an agreement that reduces the tension between our countries and lessens the risk of nuclear war.

While many of us have been discouraged by the lack of any progress on arms control, we have never lost hope. Groups of concerned citizens have continued to work for arms control. One such organization is the Lawyers Alliance for Nuclear Arms Control [LANAC], a group of distinguished attorneys who have taken the initiative to keep some semblance of dialog alive. Each year, representatives of LANAC and the Association of Soviet Lawyers have met in one of our two countries and prepared several constructive papers for improving United States-Soviet relations and stopping the arms race.

Recently, a Soviet delegation concluded another trip to the United States. The two groups agreed on new joint documents which I strongly recommend to my colleagues and their staffs as the Congress continues its debate on the 1987 defense budget. I especially urge my colleagues to read the document entitled "Improving the United States-Soviet Relationship: Some Suggestions," as I believe that if these suggestions were followed, we and the Soviets could look forward to a safe future for many generations.

LANAC and their Soviet counterpart's achievements are an inspiration to all of us, and they should both be commended for their continuing efforts to lessen the danger of nuclear war.

Mr. President, I ask that a letter from John Downs, distinguished constituent, valued friend and prominent member of LANAC, and the joint papers from the fourth conference of the Lawyers Alliance for Nuclear Arms Control and the Association of Soviet Lawyers be printed in the RECORD.

The document follows:

JOHN H. DOWNS,
St. Johnsbury, VT, May 15, 1986.

Senator PATRICK J. LEAHY,
Senate Office Building, Washington, DC.

DEAR SENATOR LEAHY: Delegates from the Lawyers Alliance for Nuclear Arms Control and the Association of Soviet Lawyers recently concluded their fourth annual conference on nuclear arms problems.

The 1986 deliberations resulted in the following joint documents, copies of which are attached.

1. Joint letter to United States and Soviet leaders commending them on the de facto anti-satellite weapons moratorium and urging them to maintain it in effect.

2. Paper on restraints in testing anti-satellite weapons so as to help prevent an arms race in outer space.

3. Paper on maintaining the strength of the Anti-Ballistic Missile Treaty.

4. Paper setting forth the obligations of the two countries to seek a comprehensive ban on the testing of nuclear weapons.

5. Paper with suggestions for improving the U.S.-U.S.S.R. relationship.

I believe that the contents of these documents will be of considerable interest to all Americans concerned with the control and reduction of nuclear weapons.

Sincerely yours,

JOHN H. DOWNS.

A JOINT LETTER TO UNITED STATES AND SOVIET LEADERS

MARCH 31, 1986.

Hon. RONALD REAGAN,
President of the United States,
Hon. STROM THURMOND,
President Pro Tempore of the Senate,
Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House
M.S. GORBACHEV,
General Secretary of the Central Committee of the CPSU,
A.A. GROMYKO, *Chairman, Presidium of the Supreme Soviet of the U.S.S.R.*

The delegates of the Lawyers Alliance for Nuclear Arms Control and the Association of Soviet Lawyers have just concluded our fourth meeting on the problems of nuclear arms control.

We discussed the importance of the United States and the Soviet Union refraining from tests of anti-satellite weapons. We noted the statement made by the Soviet Union in 1983 that it would not be the first to launch any types of anti-satellite weapons into outer space. We also noted legislation passed by the United States Congress and signed by the President in 1985 prohibiting tests of the U.S. anti-satellite weapon against an object in space unless the Soviet Union first tested a dedicated anti-satellite weapon against an object in space. These actions constitute parallel restraint on tests of dedicated anti-satellite weapons against objects in space. This can be regarded as a *de facto* moratorium.

We believe these actions are important steps. We believe they will help maintain outer space for peaceful purposes and contribute to preventing an arms race in that area, in the interests of all mankind. We believe they will facilitate limitation and reduction of nuclear arms.

The delegations commend both countries for these restraints. We urge the leaders and legislative bodies of each country to continue them in effect.

Respectfully yours,

Delegation of the Lawyers Alliance for Nuclear Arms Control:

ROGER FISHER,
Chairman.

Delegation of the Association of Soviet Lawyers:

VADIM SOBAKIN,
Chairman.

BIOGRAPHIES OF THE DELEGATES: THE LAWYERS ALLIANCE FOR NUCLEAR ARMS CONTROL DELEGATION

Roger Fisher, co-chairman: Williston Professor of Law, Harvard Law School, and Director of the Harvard Negotiation Project. Author of International Conflict for Beginners (1969); Points of Choice: International Crises and the Role of Law (1978); and Getting to Yes: Negotiating Agreement Without Giving In (1981). Co-chair of the Lawyers Alliance-Association of Soviet Lawyers arms control conference.

George Bunn: Stockton Professor of International Law, Naval War College. Dean, University of Wisconsin Law School, 1969-1983; General Counsel to the U.S. Arms Control and Disarmament Agency, 1961-1969.

Abram Chayes: Felix Frankfurter, Professor of Law, Harvard Law School. Author of The International Legal Process (1961) (with T. Ehrlich and A. Lowenfeld); ABM: An Evaluation of the Decision to Deploy an Anti-Ballistic Missile System (1969) (with J. Wiesner); The Cuban Missile Crisis, International Crisis and the Role of Law (1974);

International Agreements for Nuclear Fuel Reprocessing (1977) (co-editor with W. Lewis); and "An Inquiry into the Workings of Arms Control Agreements," 85 Harvard Law Review 5 (1972).

Antonia Handler Chayes: Chairman—Endispute, Inc. Director, United Technologies Corporation. Adjunct Lecturer, John F. Kennedy School of Government, Harvard University. Fellow, Center for International Affairs, Harvard University. Partner, Csaplar & Bok, Boston, MA, 1974-1977, 1981-1985. Assistant Secretary, 1977-1979, Undersecretary, 1979-1981, Department of the Air Force.

John C. Culver: Partner—Arent, Fox, Kintner, Plotkin & Kahn, Washington, DC. United States Senator from Iowa, 1975-1981; U.S. Congressman from the Second District of Iowa, 1965-1975.

Adrian W. DeWind: Partner—Paul, Weiss, Rifkind, Wharton & Garrison, New York, NY. President of the Association of the Bar of the City of New York, 1976-1978. Fellow of American Bar Foundation, New York Bar Foundation, and American College of Tax Counsel.

John H. Downs: Of counsel—Downs, Rachlin & Martin, Burlington, Vermont. President of the Vermont Bar Association, 1974-1975. Chairman of the Vermont House Ways and Means Committee, 1963-1964, and State Representative, 1961-1964.

Erwin N. Griswold: Partner—Jones, Day, Reavis & Pogue, Washington, DC. Dean Emeritus and Langdell Professor of Law Emeritus, Harvard Law School, 1967-present. Dean, Harvard Law School, 1946-1967. U.S. Solicitor General, 1967-1973.

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THE ASSOCIATION OF SOVIET LAWYERS DELEGATION

Vadim K. Sobakin, co-chairman: Professor of International Law, Moscow State Institute of International Relations; consultant to International Department of the Central Committee of the Communist Party of the Soviet Union; former U.S.S.R. Permanent Representative to UNESCO (Paris); co-editor of U.S.S.R. Constitution of 1977; vice-president of Association of Soviet Lawyers.

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PARALLEL RESTRAINTS IN THE TESTING OF ANTI-SATELLITE WEAPONS: A STEP TOWARD PREVENTING AN ARMS RACE IN OUTER SPACE

An arms race in space could launch a new rivalry more dangerous and costly than the battleship and air power race which followed the First World War and the nuclear and missile race which followed the Second. Space weapons (for example, anti-satellite weapons and space-based anti-ballistic missile weapons) should not become the battleships, strategic bombers and ICBMs of the future.

On March 11, 1985 in Moscow, delegates of the Lawyers' Alliance for Nuclear Arms Control and Association of Soviet Lawyers agreed as follows:

"The problem of prevention of an arms race in outer space is one of global concern, requiring bilateral and multilateral approaches. It could require not only adherence to and strengthening of the ABM Treaty but the conclusion of new treaties, in particular, a ban on the development of ASAT systems and the elimination of existing ASAT systems."

A moratorium on the testing of anti-satellite weapons in space or against space objects during the Geneva nuclear and space negotiations could significantly slow the development of anti-satellite weapons. Governments are unlikely to rely upon untested weapons. A ban on testing of anti-satellite weapons can therefore help to restrain the deployment of new weapons.

In addition, there is a close relationship between anti-satellite weapons and anti-ballistic missile (ABM) weapons which may result in circumventing or undermining the ABM Treaty. Anti-satellite weapons may use technologies similar to those of anti-ballistic weapons. Yet the prohibition in the ABM Treaty on testing ABM systems or components which are space-based, sea-based, air-based or mobile land-based does not apply to anti-satellite weapons unless they are tested in an ABM mode. As a result, tests of anti-satellite weapons which are not banned by the ABM Treaty can provide useful information about ABM technologies which would be illegal to test as ABM components in space.

At various times before 1983, both the USA and the USSR tested anti-satellite weapons in space. In 1983, the USSR stated that it would not be the first thereafter to launch any types of anti-satellite weapons into outer space. On July 6, 1985 General Secretary M.S. Gorbachev stated that this Soviet moratorium on launching anti-satellite weapons into space would be in force so long as other states did likewise. In September of 1985, the USA tested its anti-satellite weapon against a satellite in outer space. In December of 1985, the U.S. Congress passed and President Ronald Reagan signed legislation prohibiting tests of the U.S. anti-satellite weapon against an object in space unless the Soviet Union first tested a dedicated anti-satellite weapon against an object in space. Also in December, Soviet Foreign Minister E.A. Shevardnadze said the Soviet Union was showing restraint with respect to anti-satellite weapons in the hope that the USA would also stop this dangerous part of the arms race.

Based on these actions, the delegations from the Lawyers' Alliance and the Association of Soviet Lawyers agreed to recommend to the leaders and legislative bodies of the two countries that their parallel restraints be continued in effect. The joint letter of the delegations is attached.

We believe a joint moratorium on anti-satellite tests in space or against space objects is the most useful step that can be taken with respect to anti-satellite weapons at this time, pending the outcome of the bilateral Geneva nuclear and space talks. We hope the parallel restraints described in this paper can soon be broadened into such a moratorium.

MAINTAINING THE STRENGTH OF THE ANTI-BALLISTIC MISSILE TREATY

The Treaty between the United States of America and the Union of Soviet Socialist Republics on Limitation of Anti-Ballistic Missile Systems (ABM Treaty) is the keystone of the current regime limiting strategic weapons of the two countries. It is the only ratified bilateral arms control agreement in full force and effect between them. The Treaty is of unlimited duration, and the commitments and principles expressed in it are of continuing validity. In fact their significance is increasing, in view of the dynamics of the continuing arms race.

According to the Treaty, "effective measures to limit anti-ballistic missile systems would be a substantial factor in curbing the race in strategic offensive arms." The Treaty recognizes that if either country were to deploy ABM systems the other would be likely to increase its capacity to overcome those systems to ensure that it retained its retaliatory capability. Today, the viability of existing limitations on offensive nuclear forces and the prospects for significant reductions in the future depend on strict adherence to these commitments and principles. The acknowledgement of this inherent relationship between offensive and defensive strategic arms must be the basis for future negotiations.

The fundamental purpose of the Treaty, as expressed in Article I, is to prevent either party from deploying an ABM system for the defense of its national territory against strategic nuclear missiles and from establishing a base for such a system. It is designed to give each party the assurance that the other will not, by piecemeal development, testing, and deployment of an ABM system or components, be able to gain an advantage by breaking out of the Treaty constraints.

The limitations on development and testing are central to the Treaty regime. Devel-

opment, testing and deployment of ABM systems and components are forbidden, under Articles III, IV and V, except for fixed land-based systems. Article III permits each side to deploy a limited number of ABMs, using technologies mentioned in the Treaty, at a single site of limited area. Development and testing of fixed land-based systems is permitted, subject to strict limitations set out in Article IV. Deployment of fixed land-based systems using novel technologies is prohibited by Article III and Agreed Statement D unless and until the parties agree on appropriate limitations. Article IX prohibits circumvention of the Treaty by the transfer of ABM systems or components to other countries.

Since the Treaty was signed in 1972, both parties have maintained that the limitations on development and testing apply to systems using novel technologies such as lasers and particle beams. In October 1985, some U.S. officials proposed a "reinterpretation" under which these prohibitions would be eliminated. This reinterpretation misreads the Treaty. Article II establishes a functional definition of ABM systems, which covers any system to counter strategic ballistic missiles or their elements in flight trajectory. Thus, the prohibition in Article V against development and testing of space-based, sea-based, air-based or mobile land-based systems or components applies to systems using novel physical principles. This was the understanding of those who negotiated the Treaty, some of whom were at our session, and of the bodies in each country that participated in its ratification. Indeed, the basic purpose of the Treaty noted above would be frustrated if development and testing of futuristic systems were freely permitted.

Both parties, perhaps at a summit meeting, should affirm their continuing commitment to the ABM Treaty as it stands and as it has been traditionally interpreted. They should refrain from reinterpretations that emasculate the provisions of the Treaty.

Research programs undertaken with the purpose of achieving a deployable ABM system for the defense of the national territory are inconsistent with the fundamental purpose of the Treaty and thus can undermine the Treaty regime. Such programs are clearly banned by this Treaty to the extent that they take the form of development and testing of components that can be observed by national technical means of verification.

The evolution of technology in the fields of directed and kinetic energy devices, sensors and mirrors capable of reflecting energy from remote sources could threaten to undermine the basic assurance provided by the Treaty against an ABM system for defense of the national territory. Similar problems are raised by work on anti-tactical ballistic missile systems, anti-satellite weapons, and large phased array radars, which employ technologies that are also useful in ABM systems.

Time will be needed to develop durable solutions to the problems raised by these technologies. Efforts to deal with them may take different forms and proceed at different levels:

Many of these issues are now under discussion in the negotiations in Geneva on preventing the arms race in space and terminating it on earth; these talks should be accelerated in fulfillment of the joint statement of President Reagan and General Secretary Gorbachev in Geneva on November 15, 1985.

Questions about whether particular tests or activities now being conducted by the parties are acceptable might be remitted to the Standing Consultative Commission to be considered in confidence in accordance with the rules of the -Commission, and under instructions to report proposed resolutions to heads of governments within a time certain.

Problems posed by the new technologies could be addressed by joint teams of technical and legal experts designated by governments or under the sponsorship of the scientific academies of the two countries. Such studies should consider the possibility of new methods of verification for providing assurance of compliance by the parties with the provisions of the Treaty, including measures involving closer cooperation between the parties in monitoring activities that might be considered ambiguous.

In order to provide the necessary period for developing permanent solutions along the lines discussed above, both sides should refrain from activities that press against the limits of the Treaty language or threaten to carry technological developments beyond the stage where they are clearly in accord with Treaty requirements.

MOVING TOWARD A COMPREHENSIVE BAN ON THE TESTING OF NUCLEAR WEAPONS

I.

Over a quarter of a century ago, the United States and the Soviet Union embraced the fundamental principle that the cessation of testing of nuclear weapons would contribute to curbing and reversing the nuclear arms race. These two nations, together with the United Kingdom, were the original parties to the Limited Test Ban Treaty of 1963, which banned nuclear explosions in all environments except for underground. This treaty has now been signed and ratified by over one hundred other nations. The parties to the agreement stated in the preamble their commitment to seek "to achieve the discontinuance of all test explosions of nuclear weapons for all time," and their determination "to continue negotiations to this end."

These commitments and goals were recalled and reaffirmed in the preamble to the Non-Proliferation Treaty of 1970, which has entered into force, and in the texts of the Threshold Test Ban Treaty which was signed in 1974 and the Peaceful Nuclear Explosions Treaty which was signed in 1976.

Since the 1950s, the United States, Soviet Union, and United Kingdom have been engaged in trilateral negotiations with the goal of reaching agreement on banning nuclear weapons test explosions. By the late 1970s, the parties had made substantial progress and were approaching agreement on banning all such tests. On July 30, 1980, the representatives of the governments to these negotiations, in a joint report to the United Nations Committee on Disarmament, characterized the importance of their efforts in the following terms:

"4. The negotiating parties are seeking a treaty that for decades has been given one of the highest priorities in the field of arms limitation, and the Soviet Union, the United Kingdom and the United States continue to attach great importance to it. The desire to achieve an early agreement, which is so widely shared by the international community, has been repeatedly expressed at the highest level of all three governments."

After reviewing the status of the negotiations, the representatives concluded (in paragraph 25): "The three negotiating parties have come far in their pursuit of a sound treaty and continue to believe that their trilateral negotiations offer the best way forward. They are determined to exert their best efforts and necessary will and persistence to bring the negotiations to an early and successful conclusion."

Subsequent to this report, the trilateral negotiations were suspended. The Soviet Union has urged that they be resumed, and the United States has refused on the ground that discussion in the 40-member Geneva Disarmament Conference satisfy its obligations under the aforementioned treaties to continue to seek a comprehensive nuclear weapons test ban.

II.

The delegates of the Lawyers Alliance for Nuclear Arms Control and the Association of Soviet Lawyers believe that it is the legal obligation of the United States and the Soviet Union, pursuant to the Limited Test Ban Treaty and the subsequent agreements, to make every reasonable effort toward completion of a comprehensive test ban treaty. Taking note of the usefulness of the proceedings of the Geneva Disarmament Conference, the delegates nonetheless believe that the trilateral negotiations—which led to the successful conclusion of the Limited Test Ban Treaty and which had made substantial progress up to July 30, 1980—have been the principal vehicle for negotiations on a verifiable comprehensive test ban treaty and must not be abandoned.

III.

Several justifications have been given for the failure to date to reach agreement on a comprehensive nuclear test ban. Although the parties to the tripartite negotiations stated in 1980 that they had made substantial progress in resolving problem areas—for example, the issue of verification—they also recognized that work remained to be done. Since that time, research and technological developments on seismic and other monitoring devices have placed the resolution of such problems within the reach of parties pursuing negotiations in good faith. There is substantial and compelling scientific judgment to the effect that questions of verification, weapons reliability, and other issues do not pose significant obstacles at this time to a conclusion of a comprehensive nuclear test ban treaty. Moreover, the delegates are convinced that any residual technical questions could be resolved through cooperative means of verification.

IV.

By agreeing to seek a discontinuance of all nuclear test explosions for all time, the Soviet Union and the United States agreed that a mutual and verifiable termination of nuclear weapons development is imperative. Therefore, the fact that a test ban would stop nuclear weapons development is not an acceptable basis for opposition to negotiation of, and agreement on, a comprehensive nuclear test ban.

IMPROVING THE UNITED STATES-SOVIET RELATIONSHIP: SOME SUGGESTIONS

There are serious and substantial differences between the United States and the Soviet Union on important political matters. Existence of such differences, however, need not be regarded as an insurmountable obstacle to improving the relationship between them—provided that there is political will to do so. There are not only differences and controversies between the two countries, but also vital common interests—above all, the interest in removing the threat of nuclear war. Safeguarding and advancing those common interests requires purposeful

and determined actions by both sides including strict observance of the existing principles of international law and of the bilateral and multilateral treaties and agreements to which both countries are parties.

The level of tension between the USA and the USSR remains unacceptably high. US-Soviet summit meetings can serve to alleviate those tensions and enhance positive and constructive elements in the relationship. To achieve that purpose, future summit meetings should be aimed at bringing about practical results, particularly in the major area of arms limitation and reduction in accordance with the principles agreed on by the two sides at the summit meeting in Geneva in November of 1985. Those principles are as follows:

Nuclear war should never be fought and can never be won.

Any conflict between the USSR and the US may have disastrous consequences; thus it is imperative to strive to prevent any war between them—be it nuclear or conventional.

Neither of the parties will try to gain military superiority.

In Geneva, the two sides listed specific areas of arms control in which practical steps should be taken. They have agreed that:

It is necessary to accelerate the Geneva negotiations aimed at preventing the arms race in space and its cessation on Earth, at limiting and reducing nuclear weapons and strengthening strategic stability. In particular, speedy progress should be achieved in those spheres where points of agreement exist.

Both sides are interested in strengthening and making more effective the regime of nuclear non-proliferation.

Both sides favor a general and complete ban on chemical weapons and destruction of their stockpiles, and commit themselves to intensifying efforts aimed at concluding an effective and verifiable international convention to this effect.

Both sides attach importance to the Vienna talks on mutual and balanced force reduction in Central Europe and are determined to reach positive results in their course.

It is important to facilitate a speedy conclusion of the Stockholm Conference on confidence and security building measures and disarmament in Europe; accordingly, a document should be adopted which would not only include mutually acceptable measures in this area but also make the principle of non-use of force more concrete and effective.

The two sides should study the question of nuclear risk reduction centers, taking into account the issues and developments in the Geneva negotiations.

As the United States and the Soviet Union review the November 1985 summit and look forward to the future, they jointly face three issues of process:

1. How should our two governments deal with each other?

2. How should they negotiate over their substantive differences?

3. How should they conduct future summit meetings?

A summit should not be treated as a public relations event but rather as an opportunity to make a real difference—to improve the ability of the two governments to advance their shared interests in reducing the risk of war, and to deal wisely with the important differences that divide them. The summit gives both governments an opportunity to improve the relationship and facilitate progress in substantive negotiations. To understand how summit meetings can best accomplish those two objectives, it is necessary to consider:

1. What kinds of relationship is desirable for the two governments, and

2. What kind of substantive negotiations will yield better substantive results.

BETTER RELATIONS

Some people associate "good relations" with affection and approval. Others concentrate entirely on reaching agreement on matters of substance. Both approval and substantive agreements may be desirable, but they do not define the relationship goal of the United States and the Soviet Union. The more we disapprove of each other's conduct and the more serious our disagreements, the more important it is that the two governments maintain a relationship that allows them to deal wisely and carefully with those disagreements. The goal of the two governments should be an effective, problem-solving, working relationship.

To some extent the features of a good working relationship can be defined by looking at those of a bad working relationship. In such a relationship each party may be able to say:

1. We are being rejected as inferior.

2. We are misunderstood.

3. They are trying to coerce us.

4. They are trying to deceive us.

5. They are ignoring our legitimate concerns.

In such a situation, each government is tempted to respond in a "tit-for-tat" manner.

Neither government can afford to gamble its future on the good intentions of the other. But it is in the interest of each to take those steps that will both improve the working relationship and strengthen its own ability to influence the other even though the other may not fully reciprocate. This principle suggests that each government should take into account principles applied with success in other contexts:

1. Accept the other as an equal negotiating partner:

We should be free to judge each other's conduct without judging the other people as somehow morally inferior. We should recognize that countries tend to compare their own national ideals with the other country's faults—and that such comparisons mislead those who make them and offend the others. We should respect others' right to differ without insisting that by some higher standard we are always right and they are always wrong.

Nothing is lost by such acceptance. On the contrary, we are more likely to persuade those whom we accept as equals than we are to persuade those whom we prejudge as inferior.

During the November 1985 summit, President Reagan and General Secretary Gorbachev, by their conduct, demonstrated mutual acceptance as equal negotiating partners. The November summit was a significant success in improving this aspect of the working relationship.

2. Seek to understand accurately their concerns and their perceptions:

Conflicts of interest lie both in objective reality and in the values and perceptions of the parties. Our ability to deal with each other will be enhanced the better we understand how the other side sees a situation. Unless we know how the other side thinks, we cannot know how best to persuade them. Understanding the other side strengthens our hand even if they do not try to understand us. It is they who will suffer from their ignorance, not us.

Trying honestly to understand the other side's point of view helps build a working relationship. In such circumstances, the other side is more likely to believe that we are listening to their interests and working seriously on substantive problems than if they believe we reject their views without understanding them.

Future summits might well try to strike a better balance between telling and listening. Understanding the other side's view is more important than judging the other's views. The better we understand the way they see their interests the better equipped we are to deal with them.

3. Be open to persuasion. Try to persuade, not coerce:

In international relationships, threats and attempts to coerce each other are likely not only to fail, but to make persuasion more difficult. Politically it is far easier to be open-minded and generous than to yield to a threat.

On the other hand, if one leader does not appear open to persuasion, the other may feel he has no choice but to coerce him. If a leader announces in advance of a summit that a given subject is closed and non-negotiable, he is hardly likely to promote constructive dialogue.

Each leader should, of course, be free to indicate in advance of a summit serious concerns and his present state of mind. But each would be well advised to insist that he is coming to a summit prepared to listen and to consider seriously any point raised by the other.

4. Demonstrate reliability.

Honesty is an essential ingredient in a working relationship. In international relations as elsewhere, there should be no expectation of, nor is there a need for, full disclosure. In military and political areas some matters will naturally be confidential. But affirmative lying and deception, and the making of promises one does not intend to keep, make joint problem-solving extremely difficult.

Each government tends to see the issue of trustworthiness in terms of whether or not the other side can be trusted. In deciding whether or not to enter into a given undertaking, that issue may be more constructively addressed as a matter of risk analysis.

5. Consult the other side.

Perhaps the simplest and most basic guideline to building and maintaining a good working relationship is to consult the other party, whenever feasible, before making a decision that may significantly affect their relationship. A handy rule to remember is "ACBD—Always Consult Before Deciding."

By entering into consultation we suggest (1) that the other party is someone worth talking to, (2) that we have an interest in their concerns, (3) that we want them to give us their honest opinions, (4) that we are open to persuasion, and (5) that their views deserve to be taken into account.

And except for the time and effort required, there is little cost. In fact, consulting in advance may well reduce the total time and effort devoted to an issue since, whether or not the practice is reciprocated:

we reduce the chance of making a mistake;

we can better shape a decision to meet the legitimate concerns of the other side;

we become better prepared to deal with objections that may be made; and

the process by which the decision is reached is less vulnerable to legitimate criticism.

To make a summit of maximum benefit to the US-Soviet relationship, consideration will need to be given to what is best said and done—in advance, at the summit, and after it. One useful step may be to establish a small joint staff to prepare recommendations for how the next summit meeting might best help build the working relationship between the two governments.

BETTER SUBSTANTIVE NEGOTIATIONS

Beyond improving the way our two governments deal with each other, summit meetings should strive to improve the way our two governments deal with their substantive differences, both through formal and regularly scheduled negotiations like those in Geneva, Vienna and Stockholm, and through diplomatic channels.

There are at least three ways in which summit meetings can improve the effectiveness of the substantive negotiations taking place between the two governments:

1. By resolving important substantive points;

2. By giving agreed instructions to the negotiators on how they should proceed; and

3. By shattering unduly adversarial working assumptions that have constrained the negotiation process.

Each of these deserves consideration.

1. Resolving substantive points at a summit:

A summit meeting can be used to resolve at a high level security issues that negotiators in Geneva have not resolved. Ideally, any major issue that was impeding agreement on a comprehensive test ban, nuclear and space weapons, or other critical issues would be presented to the leaders in readily decidable form with clear alternatives worked out. The necessity for such work defines the second critical way in which a summit meeting can help substantive negotiations.

2. Giving agreed instructions to the Geneva negotiators on how to proceed:

If a summit is to be able to resolve a large number of important substantive issues, the previous summit should give clear instructions to the Geneva negotiators that they have the task of organizing the choices and presenting them for decision.

The most important ingredient of such instructions might be to authorize negotiators on both sides to discuss options and prepare drafts without committing their government in any way. All negotiators might be instructed that they could, without prejudice, explore any option advanced by the other side, and could themselves suggest possibilities without committing their government. They might also be asked to help each other draft and put into practical and operational form any idea that the other side thought worthwhile.

3. Shatter limiting working assumptions:

The third and perhaps the most important way in which a summit meeting can improve negotiations over matters of substance is to provide a "paradigm shift"—to change fundamental assumptions underlying the negotiation process.

Those planning a summit should consider how it can be conducted in ways that will best destroy outdated working assumptions and redirect the work of negotiators in ways that will recognize and develop the shared interests of the two countries. The best way to change working assumptions is to act inconsistently with them and in accordance with better and more realistic assumptions.

Negotiations can be perceived in the following terms:

The parties are pursuing perceived goals;

The negotiators are fulfilling perceived roles;

The interactions involve a great many standard moves;

And everyone operates within accepted limitations.

The assumptions of governments define the framework in which negotiations can be conducted. If two sides see their relationship as an adversarial contest, in which a loss of security by the other enhance one's own security, then neither will perceive large benefits from cooperative problem-solving behavior. But to the extent that the two share interests, including interests in the security of the other, then cooperative problem-solving assumptions are necessary to efficiently realize those interests.

Goal's Negotiations should not proceed as though the goal of each side was to "win" in a way that caused the other side to "lose." In today's context, the shared interest in reducing the risk of nuclear war far outweighs any conflicting interest. The primary goal of negotiators on both sides should be to enhance the security of both countries.

Roles: Some negotiators have perceived their role as that of soldier in a cause, sent off to do battle against the foreign foe. A more constructive image of each negotiator's role is that of fellow problem-solver. If leaders at summit talks demonstrate through example, as well as through instructions to their negotiators, that our purpose is not to attack the other party, but rather to jointly solve a common problem, the negotiations may be more fruitful.

Standard moves: Some negotiations proceed like a ritual totally divorced from reality. Sides open with negotiating positions that are well-padded on all sides. Each may then compete to see who can be more stubborn than the other. Proposals to which no objection can be found are subjected to rigorous questioning until at last some answer is given that provides a basis for rejection. Negotiators argue about what they are willing or unwilling to do rather than jointly considering what they should do. Each decides unilaterally on matters of mutual concern without consulting the other. Each talks about what is wrong with the other side's ideas rather than about what is right. Each attacks the trustworthiness of the other rather than trying to improve their own reliability.

Each might better clarify its interests, nominate issues to be included in an agreement, brainstorm options that yield joint gain, generate standards on which to make a fair decision, and develop a range of alternative framework agreements to pass on to superior authorities. Both parties should encourage rather than discourage wide-ranging discussion of possible solutions. A discussion of interests and constructive changes to the other's proposals may yield better results than negative criticism.

Accepted limitations: The fears associated with adversarial assumptions lead to limits on our behavior that also tend to inhibit a problem-solving relationship. The negotiating teams are reluctant to disclose true interests and accurate facts, fearing that the adversary will exploit this information. Neither consults with the other, fearing that such behavior will give the opposition time to react to block desired action.

The taboos associated with adversarial assumptions lead to an inefficient working relationship. Disclosure of true interests will help the other side understand legitimate concerns. Consulting, where feasible, before deciding will convey a sense of acceptance and respect that will improve the working relationship as well as avoid serious conflicts and unexpected reactions.

ALABAMA WINNER IN NATIONAL HIGH SCHOOL ESSAY CONTEST

● Mr. DENTON. Mr. President, after competing successfully at the regional level and qualifying for the finals, an Alabama high school student, Mark Walton of Hoover, AL, recently placed in the "Land of Freedom" high school essay contest.

Mark put a great deal of work into his essay, "How Freedom Affects Progress." He qualified for an 11-day study tour to the Republic of China, and earned the right to compete for a scholarship to the college of his choice.

The contest was run by a national organization, the Friends of Free China. It is a bipartisan, nonpolitical, tax-exempt organization dedicated to the preservation of freedom and the promotion of understanding between the people of the United States and the people of the Republic of China. The rules of the contest specify only that the contestant write an essay of 1,000 to 1,500 words on "How Freedom Affects Progress," and relate it in some way to the people on Taiwan.

Mr. President, I am proud that a young Alabamian wrote well and competed effectively in the contest. Because it may be of interest to my colleagues and to all Americans, I ask that Mark's essay be printed in full in the RECORD.

The essay follows:

HOW FREEDOM AFFECTS PROGRESS

"China! Made in China," the sales clerk said proudly, as I examined a colorful bowl.

"Which China?" I asked, "the People's Republic or the Republic of China?" (I don't buy communist products.)

"Just . . . China," he replied, puzzled.

"But," I persisted, "communist China or free China on Taiwan?"

The sales clerk shrugged his shoulders. "Does it really matter?"

This essay seeks to show how much it matters—in the daily lives of over a quarter of the world's population.

With centuries of mutual history—the same cultural heritage—the same religious and social customs—the two Chinas offer a unique opportunity to compare life in a democracy with that in a communist state. Let's examine three areas: economic progress, cultural enrichment, and family life.

ECONOMIC PROGRESS

As a tourist in communist mainland China, I have sipped tea in a "briefing room" as a tour guide fed us progaganda and numerous statistics about the higher standard of living now enjoyed by the people.

Then we saw their "higher standard of living." We saw the same dark blue clothes on all men and women, the sparsely furnished concrete houses and apartments.

And we saw their faces. The streets alive with bicycles contrast sharply with pictures I have seen on TV and in books of Taiwan's busy cities and expressways. Though I have not seen Taiwan personally, photographs show cities and highways comparable to the best of the Western world. But on the mainland, drivers of limousines for high-ranking officials, the so-called "Red Flags," are not even required to brake for pedestrians!

After World War II, third-world policy makers showed more concern with rapid economic growth than with improved income distribution, more concern with industrialization and development of natural resources than with the affect this had on the life-style of the people.

Taiwan was the exception. There exist few examples—anywhere—of developing societies that have grown rapidly and at the same time markedly improved their income distribution. In fact, the Republic of China experience on Taiwan has become a model for other third-world nations.[1]

This has been accomplished mostly through a four-stage land reform program, hand-in-hand with increased industrial development.

By first reducing land rents, then forcing sale of private and tenanted lands to the government, Taiwan was able to offer land for resale to small farmers according to family size. By 1968, 90% of farms were operated by owners themselves. Crop production increased substantially. The free Chinese now produce not only sufficient food and clothing for their own needs but enough to export.[2]

A Four Year Economic Development Plan promoted small-to-medium size basic industries which required no great outlay of capitol and used local raw materials. By 1956, over 2,000 factories were in operation. This success prompted further four-year programs. Unemployment is virtually eliminated. Per capita income rose from $70 at the close of World War II to $2,280 by 1980. After 1960, the population grew at a 2% rate while the Gross National Product rose to 9.9 in the '70's.[2]

One of the great advantages of a free democratic society as opposed to a controlled communist economy is the lure of private foreign investments. Since 1960, such investments have flowed into Free China and contributed to the absorption of the labor force. An American manufacturer of picture framing tells us that the cooperation of the government and lack of "red tape" makes it a joy to work in Taiwan.

CULTURAL ENRICHMENT

The stressful situation of any nation find expression through cultural mediums. (Such as the "muckrakers" in American literature—the movies centered around war themes.) So both mainland and Free China have had periods of literature, art, and theater stressing the political sentiments of the respective governments.

Before World War II, many Chinese writers were leaning toward the styles of Henrik Ibsen, Bernard Shaw, Berthold Brecht, T.S. Eliot, and Eugene O'Neill. While old literary formats may be yielding in mainland China, the incessant need for veiled propaganda for the communist way of life tends to stifle real creativity.

Cultural productivity on Taiwan for awhile tended to center around the lament of the loss of the mainland, and for many, their homeland. but two writers, the brothers Xia Ji An and Xia Zhi Qing, led the way to freedom of expression by setting up literature studies at National Taiwan University. They were followed by Wan Wen Xing, Bai Xian Yong, and Chen Ro Xi.[3]

Today, Taipei's two major newspapers have a literature page each day, something even American papers lack. This allows many young writers to get into print, Literary contests feature a variety of judges, encouraging writers to think on their own, but without losing touch with ancient Chinese culture.

Confucius stated that music in an integral part of a nation's framework, training citizens in necessary disciplines and teaching appreciation for conformity. Under communist rule, these beliefs are used to regiment people.[4] In Taiwan, the same principles stimulate a more vigorous culture.

Other forms of cultural expression—dance, opera, theater, all forms of art—have enjoyed the same growth in variety. They permit new ideas tied to the roots of the past, but always unhampered by censorship, or the need to serve as a government messenger.

Perhaps the greatest tribute to life in a free society is the number of pure research organizations that have sprung up in so short a time. The Academia Sinica, at Nankang, offers serious scholars a beautiful haven in which to concentrate. Its institutes cover mathematics, history, philology, chemistry, zoology, ethnology. Other research groups include the Tsing-hua University Atomic Research Institute and the Chiao-t'ung University Electronics Research Institute.

FAMILY LIFE

A higher standard of living provides opportunity for family vacations and other forms of "togetherness." The turning point (when real wage starts to rise with labor productivity) of Taiwan's economy was reached in 1968.[5] Since then, real wages have increased at a higher rate than productivity—providing an increasingly greater buying power for each family. Both urban and rural families save to own their own homes, appliances, and automobiles. Religious freedom is guaranteed; while in Red China doctors have been known to have menial jobs of their religious convictions.

It is no accident that Taiwan has one of the world's lowest delinquency rates. A voluntary youth organization, the China Youth Corps, includes over a million young people who give time to worthy projects.

A goal of both Chinas is to promote smaller families. In Taiwan, the stress in on voluntary limitation through government sponsored family planning centers. In communist China the government poses severe economic penalties on families with more than one child. One documentary television program showed a tearful mother pleading for a divorce—she was afraid her husband might kill their little girl in order to qualify legally for another chance to have a son!

The feelings of a closely knit family extend beyond the personal group. They encompass a spirit of unity among the entire population. At no time was this better demonstrated than in 1978 when President Carter abrogated the Mutual Defense Treaty with Taiwan, also breaking diplomatic relations. Rather than waste time on criticism and bitterness, the people formed the Self-Reliance and National Salvation Fund. They worked longer hours to contribute money to pay for 18 jet fighter planes. These were presented to the Air Force on Double Ten Day, the national holiday. This confirmed the truth of President Chiang Kai-shek's words, "Under all conditions only our own strength is real strength."

The Republic of China hopes to reclaim the mainland through example. They offer a free society based on the Three Principles of the People (Nationalism, Democracy, and the People's Livelihood).

In review, the Republic of China owes its amazingly rapid progress to its founding in the principles of freedom. Economic growth and income equity have become complimentary and mutually reinforcing—rather than competitive—goals. Taiwan has become the repository of the Chinese cultural heritage, as well as the innovator of new art forms. The individual family has a new closeness based on "togetherness."

So—does it really matter if we fill our stores with merchandise from countries that do not offer their people such freedoms? President Chiang Ching-kuo has said: "Our interests and those of America cannot be divided."

I have walked among the people of mainland China. They smiled at me in mute friendship. I love them. It saddens me that most of them will live out their lives in a small, controlled world, without the joy of knowing other peoples, other cultures. I would like to think that if I bought its creator's life a little better. But it won't. The money will go not to him, but to his communist government—perhaps to buy guns to keep him in ignorance and servitude.●

[1] John C.H. Fei, Gustav Ranis, and Shirley W.Y. Kuo, *Growth with Equity: The Taiwan Case* (London: Oxford University Press, 1979)

[2] Immanuel C.Y. Hsu, *The Rise of Modern China*, (New York: Oxford University Press)

[3] Paul Handley, *Chinese Culture in the 20th Century*, (Pacific Cultural Foundation, Taipei, Taiwan)

[4] Richard Hayman, *Music as the Spirit of the Nation*, (Pacific Cultural Foundation, Taipei, Taiwan)

[5] Seymour Topping, *Journey Between Two Chinas*, (Harper Row Publishers, New York)

HEBREW TEACHER TRIAL IN SOVIET UNION

● Mr. LEAHY. Mr. President, I rise today to bring to the Senate's attention a matter of great urgency and concern. On June 6, 1986, a 27-year-old Jewish teacher of Hebrew, Aleksey Magarik, will be tried on drug charges in the Soviet Union.

Mr. Magarik lives in Moscow with his wife Natalia and their infant son. On March 14, 1986, he was boarding an airplane in Tbilisi for Moscow. His baggage was taken out of his presence by Government authorities and then returned and searched. A cigarette package with four grams of hashish was found, and he was arrested and charged with possession and distribution of drugs.

Mr. President, if that were all there is to this case it would not warrant our attention. I am not here to speak on behalf of any person, Soviet or otherwise, who uses or traffics in drugs. But Mr. Magarik, whose 1983 application for an exit visa to Israel was denied, had been active in the Jewish movement in the Soviet Union for several years. His case is the most recent of several similar cases involving drug

charges against Soviet Jews, and of approximately 20 cases against teachers and students of Hebrew and Jewish culture since July 1984. I am very concerned that these charges may be fabrications to justify severe penalties against these individuals for their Jewish activity.

Soviet Jews who have been similarly charged and convicted have been sentenced to 3 years in prison among the common criminal population, and denied rights of visitation by their families. Mr. Magarik's trial is scheduled to begin tomorrow. I have today sent telegrams to Soviet authorities, including Andrei Gromyko, President of the Supreme Soviet, urging their personal intervention in this case to insure that Mr. Magarik receives full and fair treatment, and that he is not being persecuted for his Jewish activity or denied the right to emigrate as guaranteed under the Helsinki accords. I understand that the State Department has taken steps to convey its concern about Mr. Magarik's case to Soviet authorities, and I urge my colleagues to do the same while there is still time.●

THE NEED FOR PRODUCT LIABILITY REFORM

● Mr. KASTEN. Mr. President, a recent article in the Washington Post describes some of the frightening consequences to which our current product liability laws may lead. Although it presents the issue in an entertaining fashion, I feel that this article reemphasizes the need to examine not only the past and current product liability laws but also where these laws may lead. Because these laws are rapidly changing in unpredictable directions, many of the awards which would have shocked a reasonable person 10 years ago have become commonplace today. These awards threaten the survival of both the individual defendants and other businesses which have felt the repercussions of these suits through the inability to obtain adequate product liability coverage.

From my own State of Wisconsin, I have received letters complaining of this problem. Dee Davis, from New Richmond, WI, wrote that his company, which manufactures swimming pool ladders, is being sued for the death of 3-year-old child who fell into a neighbor's pool. The company's ladder had been removed from the pool prior to the accident. The suit is based on the manufacturer's failure to warn the pool owners that they should not remove the ladder without replacing it with a similar ladder. The company has been forced to lay off employees and forgo liability insurance because it has been denied coverage from all the insurance companies it has consulted. The company feels that it will soon be out of business if it cannot find a solution to it's insurance problems.

This small business is only one of many around the country which is threatened by the current product liability system. Clearly, we need to reform these laws to avoid the types of suits which ultimately injure consumers through higher product prices and reduced product offerings. I ask that the text of this article be printed in the RECORD. I hope that it will provoke my colleagues' consideration of the urgent need for product liability reform. The article follows:

[From the Washington Post, May 28, 1986]

LAND OF THE LIVING INSURED

In an effort to keep liability insurance rates from getting out of hand, high diving boards are being removed from most swimming pools. The liability crisis continues to take strange and unpredictable turns, but the removal of the diving boards gives us some idea of how it's likely to proceed in the summer of 1986. We've seen enough to venture this scenario:

Sometime in June a prominent insurance executive comes to the realization that while swimming pools are definitely safer without the high boards, they still aren't as safe as they could be. "They're filled with water," he tells a meeting of the board of directors. "You can drown in that." By early July most pools are drained, and Americans are somewhat reluctantly adopting the new pastime of "dry swimming," which consists of going through the motions of aquatic sport in an empty pool. "How does it feel?" asks a TV reporter kneeling at the side of a dry pool filled with sweaty, irritable children. "It's not so bad," says one boy. "You can do a lot of the same things you could when the pool was filled." By way of demonstration he pushes the head of a smaller boy about a foot under where the water's surface would have been. "Hey, no ducking!" shout 12 of the 65 lifeguards required by insurance regulations.

Meanwhile, a shock wave passes through the food industry as the first malpractice verdict is handed down against a pizza delivery man. "The pizza was cold by the time we got it, which was directly responsible for the termination that very evening of one of the best relationships I'd ever had," says the plaintiff. The jury agrees, awarding her $1.8 million after deliberating only 25 minutes. "Less time," the judge remarks, "than it took to deliver that pizza."

Soon all pizza and Chinese places have stopped delivering. Then restaurants begin to find it difficult to get insurance unless a waiter stands at the table and cuts the diner's meat into little pieces for him. Supermarkets become increasingly wary of the potential for litigation in their products and tend more and more to carry only pureed foods in tamper-proof containers.

Most large gatherings in America are banned because of the high cost of insurance, and television programs become increasingly bland and inoffensive lest they be accused of stimulating someone out of his TV-room torpor and into a litigable action. Bored and homebound in their own land, afraid to travel abroad because of terrorism, Americans find that their only outlet in the summer of '86 is a night at the ballpark, the national game having been inexplicably spared the ravages of the liability crisis. Then a delegation from the insurance industry visits the commissioner of baseball.

"You're setting yourself up for real trouble playing the national anthem before every game," says one of the insurance men. "The stuff about 'the land of the free' is kind of an incitement, but the real problem is the part about the 'home of the brave.' somebody's going to walk out of the stadium all puffed up with that business and pick a fight in a bar with the first guy he thinks is questioning his bravery. He gets beat up and then comes back and sues you for $50 million."

"So what do we do to keep from getting our rates boosted?" asks the commissioner.

"Simple enough. Just change it to 'the land of the not-responsible-for-theft-damage-or-injury and the home of the very prudent.' "●

SALUTE TO ALFRED PETERSAM

● Mr. SARBANES. Mr. President, I want to bring to our colleagues' attention the long record of dedicated public service of Frederick Alfred Petersam—know to his many friends as "Al" or "Pete"—who is retiring after more than 43 years of commitment to the people of Maryland and the Nation.

Al Petersam entered the Immigration and Naturalization Service as an inspector in December 1942. He has served in a variety of increasingly responsible positions in both Baltimore and Washington, becoming Deputy District Director in 1971. It is from this important position that he is soon retiring.

Mr. President, for these 43 years Al Petersam has served the citizens of this Nation, and those who sought to become citizens, with skill, dedication, and integrity. His career has reflected his commitment to public service as an instrument for improving the public welfare.

As a naturalization examiner, and later as general attorney and Deputy District Director, Al has administered and enforced the immigration and naturalization laws effectively and evenhandedly. Marylanders and all Americans have been well served by his efficient management, sensitivity, fairness, and spirit of compassion.

Al Petersam has also served as a leader in a wide variety of professional and community activities, including service as president of the Baltimore Federal Bar Association, president of the Maryland Law Enforcement Officers Association and president of the Federal Criminal Investigators Association. His community service includes leadership in the Federal Executive Board, the Combined Federal Campaign and as chairman of the U.S. Savings Bond Drive.

Mr. President, his associates and friends will soon be honoring Al Petersam as he steps down as Deputy District Director. I ask my colleagues to join me in saluting this outstanding public servant and in wishing him well in the future.●

HIGHER EDUCATION AMENDMENTS

GRADUATE EDUCATION

● Mr. WEICKER. Mr. President, I believe that this bill, the higher education bill, provides for some enhancements in the Federal support for higher education. However, there are many in the academic community who are concerned about the continuing needs in graduate education. This Nation's future strength in science and technology depends in large measure on the quality of our graduate education. In spite of growing competition from abroad, there is reason to believe support for graduate education in this country is declining in both quantity and quality. Recent information indicates:

Federally funded fellowships and traineeships dropped from approximately 60,000 in 1969 to fewer than 13,000 in 1981.

Between 1980 and 1983, the number of full-time science and engineering students receiving Federal support declined by approximately 10 percent.

Between 1974 and 1984, the percentage of Federal support for graduate and professional students that comes as loans increased from 26 to 73 percent.

Ninety percent of financial assistance for graduate and professional students provided through the Department of Education is provided as loans; less than 2 percent of the Department's nonloan assistance is provided to graduate students.

By the mid-1990's, an increase in college enrollments and an unusually high rate of faculty retirements will create a sharp demand for new faculty. Our economic competitiveness, the health and security of our citizens, and the quality of our intellectual and cultural life depends in part on the Nation's capacity to sustain the quality of both its undergraduate and graduate education enterprises.

I hope we will keep in mind such concerns as we continue to shape the future of higher education programs for now and in the future.

● Mr. PRESSLER. Mr. Chairman, I strongly endorse the comments of my colleague from Connecticut on the importance of graduate education to the Nation. On February 27, I introduced the "Strategic Defense Education Act of 1986." S. 2117, which calls for inclusion in the Higher Education Act of H.R. 2199, introduced by Representative COLEMAN and adopted in the House version of the Higher Education Amendments of 1985. This bill would provide competitively funded graduate fellowships in areas of national need such as engineering, computer and mathematical sciences, and language and area studies.

This type of graduate student assistance program is called for in the recently released report of the White House Science Council, "A Renewed Partnership." As noted in that report, the proportion of foreign students in our graduate programs has increased dramatically in a number of critical fields. By 1983, foreign students represented 42 percent of all full-time graduate enrollments in engineering, 40 percent in mathematics, 38 percent in computer sciences, and 29 percent in the physical sciences; by 1984, over half of the doctoral recipients in engineering were foreign nationals.

This trend is due not so much to an increase in numbers of foreign students but rather to a marked decrease in the number of U.S. students pursuing graduate degrees in these fields. Simply put, we are failing to attract talented U.S. students into graduate science and engineering programs in sufficient numbers.

Providing graduate fellowships in areas of national need will help reverse the increasing dependence on loans cited by Senator WEICKER and encourage talented students to pursue careers in teaching and research in these critical fields. I hope that the final bill reauthorizing the Higher Education Act will include such a program.

● Mr. STAFFORD. I share my colleagues' concern for graduate education. Given the budgetary strictures under which we worked in putting together this bill, we were unable to do all I would have liked to do in graduate education. I should point out that we have strengthened support for students underrepresented in graduate education through improvements in the GPOP Program and have made some administrative changes in the National Graduate Fellows Program that should facilitate its operation. But we have not been able to provide any new grant programs that address the documented needs in graduate education. I agree that this should be a priority concern.●

● Mr. DURENBERGER. Mr. President, the Senate just passed legislation reauthorizing the Higher Education Act of 1965, and strengthening and improving the Federal programs which benefit post-secondary students, colleges, and universities. During a time of severe budgetary constraints, the chairman of the Subcommittee on Education, Arts, and Humanities, Senator STAFFORD, and the ranking member, Senator PELL, have crafted a bill which includes increases in a variety of higher education programs. However, the Federal Government's limited resources have prevented us from fully addressing our country's needs in graduate education.

I am confident that our commitment to graduate education will not allow current Federal programs to fall by the wayside. However, we must renew that commitment to ensure that the stream of top-notch scholars, engineers, scientists, and researchers continues to flow from our universities. As we seek to refocus limited education dollars, we must examine where the public role in graduate education lies, as well as the public benefit received for those dollars.

Through my chairmanship of the Senate Finance Subcommittee on Health I have examined and offered reforms in the relationship between teaching hospitals and Medicare. Clearly, however, graduate training of tomorrow's professionals does not only affect the Federal Government's role in health. The Federal Government will continue to look to colleges and universities for research in every facet of American life, ranging from agriculture to our national defense.

A group in my State has already started studying some of the questions I have raised. The Minnesota Higher Education Coordinating Board has undertaken a study of graduate education in Minnesota to determine not only how graduate degrees are being financed, but to determine who benefits, as well.

I encourage this sort of study as well as a commitment on the part of our universities to attracting the top students into graduate fields which have dwindled in the past 15 years. During his term as acting president of the University of Minnesota 2 years ago, Kenneth Keller produced a blueprint for the university's future, "A Commitment to Focus." A major effort was begun to strengthen the university's already excellent graduate programs. President Keller looked to the future and saw the shrinking numbers in graduate education dollars and students.

Today, President Keller calls for a concerted focus on graduate education. The University of Minnesota already provides the State, the country, and many foreign countries with qualified scientists, engineers, and scholars. In order to continue competing in an international marketplace, however, the United States and the University of Minnesota alike will have to maintain high quality graduate programs. These programs must offer the incentives necessary to continue drawing the best students from each undergraduate crop. This is quite a tall order for the University of Minnesota and other great graduate institutions, and they cannot do it alone.

Our financial and philosophical commitment to graduate education should mirror the needs of the public and the needs of the universities. Often those needs are the same. Federal involvement in graduate education should be in those areas of national need. Scarce public resources should be directed to graduate education in areas which will have the greatest return on the public dollar. Let us commit ourselves to edu-

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cating our country's future scientists and scholars. Our international competitiveness depends on them.●

UNITED STATES BECOMING MORE SECRETIVE

● Mr. SIMON. Mr. President, Francis Bacon said, "knowledge is power," a saying that still rings true today. But knowledge is a precious commodity, especially if it is information which affects peoples' lives.

The recent nuclear plant disaster at Chernobyl brought to my attention the disturbing possibility that the U.S. Government is becoming more secretive. We are keeping some things secret from the American people that don't need to be.

In a weekly column that I write for the papers in my State, I focused on that problem and I ask that it be printed in the RECORD.

The column follows:

"TOP SECRET": NATIONAL SECURITY OR SELF-INTEREST?

(By Paul Simon)

The unwillingness of the Soviet government to promptly disclose details of the Chernobyl nuclear disaster has caused genuine concern in the family of nations, and I hope it also causes us to stop the slow move toward non-disclosure that our own government is now following.

We are an infinitely more open society than the Soviets'. People in Peoria knew more about the nuclear disaster than did people in Kiev, 70 miles from the nuclear meltdown.

So we were critical, as were the people of other nations. Poland, suffering the most from radiation, learned about the accident through *Tass*, the Soviet news agency. How much needless exposure there was in Poland no one knows, but it is clear that thousands of lives may have been shortened by it.

Also troubling is the gnawing uncertainty that now hangs over so many millions of people.

Our free system would have required much earlier disclosure, much more detailed disclosure.

But before we get too enamored with ourselves, let me add that we are slowly but measurably slipping down the path toward excessive secrecy.

When I go to a Top Secret briefing in the specially designed room on the top of the Capitol—designed so that it cannot be "bugged" by electronic devices—I almost always come away with the feeling that our government is keeping secret some things we should not keep secret.

For example, after the Chernobyl nuclear accident, I was shown pictures of the damage taken by our satellite. Great pictures. Amazingly clear and rich in detail. But they are labelled "Top Secret." We cannot show these pictures to the American public. Why not? The Soviets obviously have the information. The Soviets know that we have satellite cameras. They know that our cameras have amazing detail ability, that we can get the number of a Soviet license plate and can tell if a man crossing the street in the Soviet Union has a mustache. Then why not let the American public see the pictures?

In the defense budget, most Americans don't know that this year the Pentagon has asked for $22 billion to work on projects that are so secret they are not labelled. These are given code-names and sometimes we are not even given a budget figure.

In 1981, $5.5 billion was buried beyond congressional reach in these programs. Now it is $22 billion. Congressman Les Aspin of Wisconsin and William Dickinson of Alabama—the top Democrat and Republican in the House on defense matters—say that two-thirds of these super-secret projects should be put into the budget openly.

I served in the Army in the old Counter-Intelligence Corps, cleared for Top Secret information. So I have had almost three decades of observation of this problem of keeping things secret. Here are my general observations:

1. By classifying too much information as secret, we make it more difficult to keep the things that really should be kept secret under wraps. It is not uncommon to read "secret" information on the front pages of newspapers.

2. Frequently what is classified as secret is just embarrassing to an administration.

3. Things that are genuinely secret are available to too many people. The recent spy trials show that. Common sense tells me the same.

4. We use secrecy to cover things we should not be engaged in. When the CIA mined the harbor in Nicaragua, the United States violated international law and common sense. If the CIA had not had the shelter of thinking it could get by with this without anyone knowing it, the mining probably would not have happened.

Administrations of both political parties have the same tendency to overclassify. It will take a tough president to turn that around. But it should be done.●

PUBLIC MEETING ON SHOREHAM NUCLEAR POWERPLANT

● Mr. D'AMATO. Mr. President, I rise today to provide my colleagues with further evidence, as if they needed any, of how hard it sometimes is to get the Federal bureaucracy to deal sensibly with even the most important of issues—in this case, the safety of our citizenry. To do this, I ask unanimous consent to insert into the RECORD a series of letters I have sent to the Federal Emergency Management Agency and the Nuclear Regulatory Commission regarding the Shoreham nuclear powerplant on Long Island. I have been extremely frustrated, as a representative of the people living near Shoreham, regarding FEMA's refusal to hold a public meeting following the February 13 evacuation pseudodrill. I have expressed my opinion on several occasions that FEMA should hold such a meeting in accordance with part 350 of their regulations so that the residents near the plant may have an opportunity to express their views on this drill. FEMA has refused this request. In followup correspondence to the NRC, I have indicated my belief that the NRC should not even consider FEMA's postexercise assessment without the benefit of a public meeting.

Mr. President, it is an insult to the people on Long Island for FEMA to refuse them the same right afforded citizens living near other nuclear facilities. I ask that my letters to FEMA dated March 27, 1986, and April 3, 1986, FEMA's reply of April 21, 1986, and my letter to the NRC dated June 4, 1986, be inserted in the RECORD.

The letters follow:

U.S. COURT,
Washington, DC, March 27, 1986.

Hon. JULIUS W. BECTON, Jr.,
Director, Federal Emergency Management Agency,
Washington, DC.

DEAR GENERAL BECTON: I am writing as a follow-up to the question I submitted for the record at your fiscal year 1987 appropriations hearing on March 5. Specifically, I ask for your assurance that FEMA will conduct a public meeting concerning LILCO's February 13 exercise before reaching conclusions on the exercise. Your reply was as follows:

FEMA regulation 44 CFR 350 provides for the conduct of a meeting after an exercise, involving the exercise participants, Federal agencies, and the public and media. Such a meeting was held on February 15, 1986, at the Holiday Inn used as the Joint News Center for the Shoreham exercise. Members of the press and public were present. The purpose of the meeting was so that FEMA could share its initial impressions on how the exercise went. After FEMA's presentation, made by the Chairman of the Regional Assistance Committee, members of the press asked questions informally. At least one member of the public also asked questions.

While I appreciate that FEMA held the February 15 meeting, that meeting is not the "public meeting" to which my question refers. The February 15 meeting was required by subsection 9 of the regulation you cite, 44 CFR 350, which provides: "Within 48 hours of the completion of the exercise, a briefing involving the exercise participants and Federal observers shall be conducted by the Regional Director to discuss the preliminary results of the exercise."

The "public meeting" addressed by my question is required by a separate subsection of the same regulation. Section 350.10(a) requires that, prior to the evaluation of the exercise, the FEMA Regional Director "shall assure that there is at least one public meeting conducted in the vicinity of the nuclear power plant." The purpose of the meeting shall be (1) to acquaint the members of the public with the conduct of the exercise; (2) to answer any questions about the exercise; (3) to receive suggestions from the public concerning improvements or changes that may be necessary for emergency preparedness; and (4) to describe to the public the way in which the emergency plan is expected to function in the event of an actual emergency.

Section 350.10(b) underscores the importance of the public meeting:

This meeting shall be noticed in the local newspaper with the largest circulation in the area, or other media as the Regional Director may select, on at least two occasions, one of which is at least two weeks before the meeting takes place and the other is within a few days of the meeting date . . .

Public input from the meeting is considered by FEMA to be so important that Section 350.10(b) further states that no FEMA approval of an emergency plan can be made unless such a public meeting is held. And, under Section 350.11(c), the Regional Direc-

tor must include "a summary of the deficiencies identified during the public meeting" in the evaluation of the exercise he transmits to FEMA Headquarters.

The facts are as follows:

FEMA has complied with only a part of the regulation cited in your letter by conducting on February 15 the briefing required by Section 350.9;

FEMA has not complied with a more important requirement of the regulation you cite: the public meeting mandated by Section 350.10. Indeed, FEMA has still not even issued the advance notice of such a public meeting required by Section 350.10(b);

Before the Regional Director can conclude his evaluation of the February 13 exercise, he must consider input from the public meeting required by Section 350.10. (See Section 350.11(a)); and

In the evaluation of the February 13 exercise that the Regional Director will transmit to FEMA Headquarters, he must summarize the deficiencies identified during the public meeting. (See Section 350.11(c)).

There is no justification for FEMA to ignore or discriminate against the people who live near Shoreham or to deny them the same treatment that FEMA gives to people living near other nuclear power plants. The reason FEMA has held a public meeting after every other exercise is to gather information from the public that can improve emergency preparedness. The people of Long Island have just as much to offer FEMA as people living elsewhere; and FEMA should seek them out as it has done with local residents in every other case. A refusal by FEMA to do this here would be a slap at Long Island's citizens and a violation of the regulation you have cited in your reply to me.

In the case of Shoreham, where a utility is attempting to supplant the emergency response function of State and County governments which have a good faith determined not to adopt emergency plans, it is even more compelling for FEMA to reach out for the public's views and insights. It is significant that you cite and acknowledge the control of 44 CFR 350, but what is even more important is that you be willing to acknowledge the vulnerability of the public at Shoreham and not shortchange them on procedures which have become standard for FEMA everywhere else. Indeed, this is a case where FEMA should take every reasonable measure to gather practical information and insights from the public so as to assure that it is not imperiling the safety of the people who live near the Shoreham plant.

Therefore, I ask that you instruct your Regional Director to hold a public meeting with the people of Long Island in accordance with FEMA's standard practice and regulations. Until that meeting is held and FEMA receives and meaningfully considers the public's input, the Regional Director should withhold judgments concerning the February 13 exercise.

Thank you for your attention to this matter

Sincerely,

ALFONSE D'AMATO,
U.S. Senator.

U.S. SENATE,
Washington, DC, April 3, 1986.

Hon. JULIUS W. BECTON, Jr.,
Director, Federal Emergency Management Agency, Washington, DC.

DEAR GENERAL BECTON: This is a follow-up to my letter to you dated March 27, 1986. In that letter, I requested that you direct FEMA's Region II Director to conform to FEMA's standard practice by holding the normal post-exercise public meeting regarding Shoreham, and to withhold judgment on LILCO's February 13 exercise until the public's input is received and meaningfully considered.

I am writing today in reference to statements of FEMA's spokesman, William McAda, quoted in Newsday of April 2. Mr. McAda said that FEMA's regulations (i.e., 10 CFR 350) requiring a post-exercise public meeting do not apply at Shoreham because this situation is "unique." I am outraged by that statement.

First, your own response to the Senate Appropriations Subcommittee on HUD and Independent Agencies to my March 5 question for the record applied 10 CFR 350 to the Shoreham situation. You not only cited this regulation, but went so far as to contend that FEMA dutifully complied with it on February 15. It is inappropriate for your spokesman now to try to back away from what you told me in a considered written response. I trust that you will back up your own words.

Second, Mr. McAda's position that the "uniqueness" of the Shoreham situation justifies cutting the citizens of Suffolk County out of FEMA's normal public meeting process is insulting. Congress has funded FEMA to help protect the public, not to use the Agency's resources to run roughshod over them. Unfortunately, it is becoming clear that the major "uniqueness" at Shoreham is FEMA's unwillingness to treat the people who live near Shoreham the same way FEMA treats people living near every other nuclear power plant. I remind you that at both Indian Point and Ginna in New York, FEMA's Regional Office held public meetings following the emergency preparedness exercises and prior to concluding the evaluations. Suffolk's residents have the same concerns for the safety of their families as the people near Indian Point and Ginna. FEMA cannot treat them as second-class citizens.

Mr. McAda's efforts to undo your written response to me is particularly disturbing in light of the importance FEMA has placed on having a public meeting following the exercise at every other plant. For example, after the Indian Point exercise, FEMA's spokeswoman told the press that public meetings are held, not only because they are required, but also because "frequently, people have offered valid criticism and good suggestions. Then the plan is modified accordingly." This is precisely what happened at Ginna, where the plan was adjusted to accommodate public input concerning the need to sound sirens earlier than was done in the exercise.

Finally, it is unconscionable that Mr. McAda would even attempt to justify denying Suffolk's citizens the public meeting that FEMA routinely offers people everywhere else. I remind you that, when FEMA adopted 10 CFR 350, FEMA specifically rejected a proposal to eliminate public meetings. FEMA stated at page 44335 of the September 28, 1983, Federal Register:

Despite the deficiencies of public meetings as evidenced by poor attendance in some cases, FEMA believes that it is essential to provide an opportunity to the public living around or near a nuclear power plant to be informed about specific emergency response plans and preparedness as well as to discuss specific concerns with responsible officials. Therefore, the public meeting requirement should be retained. Also, in order to make public meeting more meaningful, the language in the rule has been revised in order to have public meetings held after the initial exercise. Thus, in addition to discussions on the emergency response plans, the opportunity is provided to the public to also discuss the exercise.

Suffolk County residents are concerned with safety issues surrounding Shoreham. Given this fact, and given the intense commitment by FEMA to the concept of post-exercise public meetings and, indeed, FEMA's practice of holding such public meetings everywhere else, I ask for your prompt assurance that FEMA will hold the standard public meeting in Suffolk County, and that you will instruct your Region II Director in accordance with the request set forth in my letter dated March 27, 1986.

Sincerely,

ALFONSE D'AMATO
U.S. Senator.

FEDERAL EMERGENCY MANAGEMENT AGENCY,
Washington, DC, April 21, 1985.

Hon. ALFONSE D'AMATO,
U.S. Senate, Washington, DC.

DEAR SENATOR D'AMATO: Director Becton has asked me to respond to your letters of March 27, 1986 and April 3, 1986, concerning your request that the Federal Emergency Management Agency (FEMA) conduct a public meeting in connection with its evaluation of LILCO's February 13 exercise at the Shoreham nuclear power plant.

At the outset it should be emphasized that the requirements of Part 350 of 44 CFR, Review and Approval of State and Local Radiological Emergency Plans and Preparedness, are not applicable to this case.

Under FEMA rule 44 CFR 350.10 the only provision for a public meeting on offsite planning and preparedness relates to a meeting (in practice normally sponsored by a participating State) held to explain State and local government emergency plans to the public and to receive public comments on those plans. In the case at hand, State and local governments have no plans to explain and have opted not to participate in a 44 CFR 350 process.

The exercise evaluation conducted by FEMA for the Shoreham fixed nuclear generating facility has been conducted pursuant to the Memorandum of Understanding (MOU) between FEMA and the Nuclear Regulatory Commission (NRC) which governs such activities.

A "public meeting" on the exercise conducted by FEMA similar to the type specified in 44 CFR 350.10 to explain State and local plans would not be consistent with FEMA's role in the licensing process in this case. FEMA's evaluation and report have been prepared at the NRC's request for use in that Agency's licensing proceedings. In light of the pending litigation, it would be inappropriate for FEMA to discuss its report outside the context of the NRC licensing process. Indeed, to do so would be an unprecedented act.

It is anticipated that the hearings before the ASLB will be extensive. Every legitimate issue will be open to litigation by the parties. Hearings normally are preceded by extensive discovery. Under NRC rules, the right of the parties to explore the basis for the evaluation and report is extensive. Key FEMA staff involved in the evaluation will be made available for cross-examination under oath. There will thus be ample oppor-

tunity for the State, Suffolk County, and Long Island Lighting Company (LILCO) to examine the basis for the FEMA evaluation.

Further, under NRC procedures, the ASLB has considerable discretion to accommodate the expression of local public interest and the desires of local citizens to be heard during its licensing proceedings.

I regret that FEMA's response to the Senate Appropriations Subcommittee on the HUD-Independent Agencies Appropriation Act concerning a hearing for Suffolk County on the Shoreham exercise was somewhat confusing. Our answer explaining that the meeting FEMA held for the benefit of the public and the participants after the February 13 exercise was similar to those held shortly after exercises of State and local plans at other nuclear facilities could be construed as saying that 44 CFR 350 procedures applied to FEMA's evaluation of the Shoreham exercise. As I explained above, this is not so.

Please be assured that FEMA is committed to carrying out its assigned role in these licensing proceedings in a responsible manner. If I can be of further assistance, please advise.

Sincerely,

SPENCE W. PERRY,
Acting General Counsel.

U.S. SENATE,
Washington, DC., June 4, 1986.

Hon. NUNZIO J. PALLADINO,
Chairman, Nuclear Regulatory Commission, 1717 H Street, NW., Washington, D.C.

DEAR MR. CHAIRMAN: As you know, an issue of ongoing concern to Long Island, New York, residents has been FEMA's recent actions with respect to the Shoreham nuclear power plant. FEMA has refused to hold a public, post-exercise meeting to receive citizen input regarding the evacuation plan required to be developed, tested, and certified before the Shoreham nuclear power plant can begin full-scale operation. I ask that the Commission intervene to request that FEMA conduct this public meeting in accordance with Part 350 of their regulations.

By letters dated March 27, 1986, and April 3, 1986, I requested General Becton, Director of FEMA, to conduct this public meeting. Copies of my letters and FEMA's reply are enclosed for your convenience. You will note that FEMA has refused this request. I do not believe that FEMA should be permitted to deny residents living near Shoreham the same rights it has afforded citizens living near Ginna, Indian Point, and other nuclear facilities. I believe this is an insult to those living near Shoreham.

Currently, FEMA's Post-Exercise Assessment is before the NRC. I ask that the NRC not consider FEMA's Assessment until the standard public meeting is held. I ask that the NRC return FEMA's Assessment with the direction that a new Assessment be prepared after the required public meeting is held and the essential public input received. Nothing short of that can fulfill the Commission's responsibility to the public on Long Island.

When FEMA's Region II Director, Frank Petrone, resigned from FEMA, he expressed concern over FEMA headquarters' failure to permit him to hold a public meeting at Shoreham. Public participation is not something to be used by FEMA only when it serves that agency's convenience or some public relations purpose. In the Soviet Union, the people of Chernobyl did not have the chance to participate as our Constitution guarantees United States citizens. In the wake of Chernobyl, the value of the right of public participation is more evident than ever.

Finally, I have reviewed the supplementary motion filed on June 3 by New York State, Suffolk County, and the Town of Southampton. There is no conceivable reason why the Commission should not grant their reasonable request for FEMA to conduct its standard public meeting. The fact is that FEMA's stubborness has put the NRC in the position of having to make an important decision without proper input and information. The only proper course for the NRC is to face FEMA's omission squarely and to correct it promptly.

Thank you for your attention to this matter.

Sincerely,

ALFONSE D'AMATO,
U.S. Senator.●

TO RESTORE 1987 FUNDING TO USDA MARKET DEVELOPMENT COOPERATOR PROGRAM

● Mr. WILSON. Mr. President, I wish to express my strong support for the Department of Agriculture's foreign market development programs. The cooperator program is one of the oldest Foreign Agricultural Service market development efforts abroad. Projects are conducted by FAS, in cooperation with 55 nonprofit commodity trade associations, to promote a wide range of American food and agricultural products, such as soybeans, raisins, and wine.

The purpose of these cooperator projects is to acquaint potential foreign customers with U.S. agricultural products and to show them how these products might be used to their benefit. This creates and stimulates demand for U.S. agricultural exports. The private sector cooperators carry out these market development projects under FAS supervision.

The program has evolved over 30 years into a productive partnership for opportunity and market growth. It combines the efforts—and investments—of individual producers, the Federal Government and so-called third party contributors, often private importers in the targeted countries.

Cooperator programs benefit farmers in every State. FAS cooperators are a diverse group, including the USA Poultry and Egg Export Council, the U.S. Meat Export Federation, the American Soybean Association, the National Sunflower Association, the U.S. Feed Grains Council, the U.S. Wheat Associates, the Cotton Council International, the Leaf Tobacco Exporters Association, and the National Forest Products Association.

Additionally, many of the cooperators who receive Federal dollars to match their own expenditures for export promotion are California farm organizations. The products they promote—including grapes, raisins, peaches, avocados, citrus, pistachios, walnuts, and almonds, among others—are unsubsidized commodities that wisely rely upon market development, not government subsidies, for future growth.

Mr. President, let me describe a few success stories from the cooperator program's achievements. In 1984, the California Pistachio Commission received a $30,000 market development award from USDA that it matched with $30,000 contributed by my State's pistachio growers. California's only competitor for pistachio exports is the Government of Iran. As you know, our Government has determined that Iran has a 240 percent export advantage because of its predatory dumping practices. The California pistachio industry could not have competed alone against these unfair Iranian trade practices.

But with the help of matching funds from the market development program in Singapore, California pistachio exports there increased by 500 percent (from 10 to 55 metric tons) in 1 year!

The California Cling Peach Advisory Board, a long-time cooperator, informed me recently of several success stories in the Japanese market. Earlier this year, the canning peach industry established a retail program with the largest chain store in Japan. In just 6 months, 40,000 cases, worth over $600,000, have already been merchandised. Peach exporters have also begun to freeze their product for remanufacture in Japan, while going to smaller can sizes. These kinds of new market developments hold long term potential.

Peach growers and canners in California assure me that FAS cooperator funds have enabled them to develop markets in the Pacific Rim to offset markets that they have lost due to unfair trading practices by the European Community. Indeed, without the industry's participation in the FAS cooperator program and its work with USDA's representatives in the Orient, U.S. canned peach exports in the past 2 years would have been zero.

The 1984 Wine Equity and Export Expansion Act helped the wine industry establish foreign market promotion activities under the cooperator program. Matching FAS funds of about $600,000 were used in 1985 to promote wines in four countries. The majority of these funds has been used in Japan, increasing sales of our wines by 138 percent from 1984 to 1985. In dollar terms, the FAS seed-money of less than $400,000 resulted in additional sales of almost $3 million, or $7.50 in increased exports for every $1 spent. And that was in the startup year of the program. Imagine the sales potential if we could break down the Japanese trade barriers to wine imports!

The California Avocado Commission, an advertising and promotional organization created in 1976 by the California State Legislature, exemplifies successful market development through the FAS cooperator program. In 1976, the Commission began a major marketing program in Japan. 500,000 pounds of avocados were shipped that year. Over the next 9 years, the industry and FAS each spent $1 million developing the Japanese market. The result is that in 1985, total avocado shipments to Japan reached 4.4 million pounds. This represents an 800 percent increase!

The Cotton Council International [CCI] was established by the National Cotton Council of America in 1956 as the first FAS cooperator. CCI supervises activities in 45 countries, including market research, sales promotion, advertising, trade servicing, publicity, and fashion campaigns. Combined with the new tools in the 1985 farm bill and the activities of CCI, the U.S. share of the world cotton market could triple, to about 36 percent during this crop year compared to about 10 percent last year. CCI, through market research and trade servicing is developing new markets for U.S. cotton. With the help of GSM credit and Public Law 480, this FAS cooperator is opening new markets in African countries such as Egypt, Zaire, and Ghana. Last year, these new markets imported 165,000 bales of U.S. cotton, compared to 18,000 the year before, more than an 800 percent increase.

The U.S. Feed Grains Council, another FAS cooperator, has conducted many projects over the past decade to increase exports of feed grains through increased demand in the importing countries. In its Taiwan Duck Project, the Council and Taiwanese participants have worked for 8 years to develop the domestic duck industry. The increase in U.S. feed grain exports due to increased consumption by ducks in Taiwan went from 1,000 metric tons in 1977 worth $123,000 to nearly 45,000 tons in 1985 worth over $6 million in 1985. That particular project produced a $399 return for every dollar invested!

These examples clearly demonstrate to me that the cooperator program is a sterling example of successful, and minimal, government involvement in agriculture.

Regrettably, the administration's fiscal year 1987 budget proposes a 32-percent reduction in funding for these highly successful and cost-effective foreign market development programs. The FAS cooperator program, specifically, faces a 50-percent funding cut in 1987 to $18.7 million from the $37.5 million it receives in fiscal year 1986. By way of comparison, other USDA programs, on average, will be cut by only 18 percent.

Although I am a strong advocate of reducing the Federal deficit, I fail to understand why the administration is proposing a disproportionately large cut in a relatively small program with one of the best track records in Government. While the proposed $18.8 million cut is not a significant amount in dealing with the budget deficit, it will cost the United States many more millions of dollars in lost agricultural exports in the years ahead. This appears to be a short-sighted decision, which contradicts the stated goal of the Agriculture Department to increase American exports.

This 50-percent-funding reduction also contradicts the emphasis on promoting exports in the 1985 farm bill. Conferees specifically included section 1126 to express the sense of the Congress:

> That the Cooperator Market Development Program of the Foreign Agricultural Service should be continued to help develop new markets and expand and maintain existing markets for United States agricultural commodities . . . with emphasis on funding an export market development program for value-added farm products and processed foods at a higher funding level than that provided during fiscal year 1985.

I certainly share the views of the administration that every item in the budget requires careful scrutiny at this time. I do not propose exemptions for these programs from the Gramm-Rudman-Hollings law. I simply do not understand why this program—which supports one of the basic goals of the new farm bill as well as of the administration's trade policy—has been targeted for a disproportionately large budget cut.

Market development is a long-term process. Largely as a result of the competitive tools that Congress included in the trade title of the new farm bill, as well as the decline in the value of the dollar, American agricultural exports may finally begin to recover this year. In my view, now is not the time to jeopardize a program that brings substantial long-term returns to the American economy and to our Nation's farmers through increased agricultural exports.

For these reasons, I urge the Department of Agriculture and the Office of Management and Budget to review carefully the costs and benefits associated with the FAS Cooperator Programs. Similarly, I believe that the congressional appropriation committees should restore funding to the fiscal year 1986 level. Indeed, I have already conveyed that recommendation to the distinguished chairman of Agricultural Appropriations Subcommittee, Senator COCHRAN.

NOTICE OF DETERMINATIONS BY THE SELECT COMMITTEE ON ETHICS

● Mr. RUDMAN. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee has received a request for a determination under rule 35, for Mr. Thurgood Marshall, Jr., a member of the Governmental Affairs Committee staff of Senator ALBERT GORE, Jr., to participate in a program in Taipei, Taiwan, sponsored by Tamkang University, from May 23-30, 1986.

The committee has determined that participation by Mr. Marshall in the program in Taipei, Taiwan, at the expense of Tamkang University, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Leonard Weiss, a member of the Subcommittee on Energy, Nuclear Proliferation, and Government Processes staff of Senator JOHN GLENN, to participate in a program in the People's Republic of China, sponsored by the Chinese Institute of Foreign Affairs in conjunction with the United States-Asia Institute, from June 29-July 17, 1986.

The committee has determined that participation by Mr. Weiss in the program is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Phillip P. Upschulte, a member of the staff of Senator JOHN GLENN, to participate in a program in the People's Republic of China, sponsored by the Chinese Institute of Foreign Affairs in conjunction with the United States-Asia Institute, from June 29-July 17, 1986.

The committee has determined that participation by Mr. Upschulte in the program is in the interest of the Senate and the United States.●

S. 2513—WORK OPPORTUNITIES AND RETRAINING COMPACT OF 1986

● Mr. MOYNIHAN. Mr. President, yesterday, June 4, 1986, I introduced S. 2513, the Work Opportunities and Retraining Compact of 1986. I was joined by my colleagues Senators BRADLEY, KENNEDY, and KERRY.

The text of the bill was inadvertently omitted from the CONGRESSIONAL RECORD on June 4.

I ask that the text of S. 2513 be included in the CONGRESSIONAL RECORD.

The text follows:

S. 2513

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 ["Work Opportunities and Retraining Compact (WORC) of 1986".]

SEC. 2. STATEMENT OF PURPOSE.

It is the purpose of this Act to establish a comprehensive and flexible work, training, and education opportunities program for AFDC recipients so that they may be prepared for entry into the labor force where they can earn an adequate income and thus no longer be dependent on welfare.

SEC. 3. STATE PLAN REQUIREMENTS; REGISTRATION OF AFDC APPLICANTS AND RECIPIENTS FOR WORK-RELATED COUNSELING, ASSESSMENT, AND ASSIGNMENT.

(a) REQUIREMENT OF REGISTRATION.—Section 402(a)(19) of the Social Security Act is amended—

(1) in subparagraph (A)—

(A) by striking out "shall register" and all that follows down through "regulations issued by him," in the matter preceding clause (i) and inserting in lieu thereof "shall register with the State agency, in accordance with regulations issued by the Secretary, for work-related counseling, assessment, and assignment to manpower services, training, employment, and other employment-related activities as described in section 416(b),";

(B) by striking out clause (iii) and inserting in lieu thereof the following:

"(iii) a person so remote from any available employment or training project that his or her effective participation in such a project is precluded;";

(C) by inserting ", unless the State otherwise provides" immediately before the semicolon at the end of clause (v);

(D) by striking out "to participate under a work incentive program or accept" in clause (vi) and inserting in lieu thereof "to participate in good faith in counseling and assessment with the State agency under section 416 and in employment, training, or education pursuant to an assignment under that section, or to accept"; and

(E) by striking out "any individual referred to in clause (v)" in the matter following clause (ix) and inserting in lieu thereof "any individual exempt from registration under the preceding provisions of this subparagraph";

(2) in subparagraph (B), by striking out "or the individual's certification" and all that follows and inserting in lieu thereof "or the individual's certification to the State agency under subparagraph (G) of this paragraph, or by reason of an individual's participation in employment, training, or education pursuant to an assignment made by such agency under section 416(b)(6);";

(3) in subparagraph (C), by striking out "a non-Federal contribution to the work incentive programs" and all that follows and inserting in lieu thereof "a non-Federal contribution by appropriate State and local agencies and private organizations to the work incentive programs established by part C, and to any other work-related programs to which individuals are assigned by the State agency under section 416, equal to the portion of the cost of such programs not specifically financed by Federal contributions;";

(4) in subparagraph (D), by striking out "under section 434" and "a program established by section 432(b)(2) or (3)" and inserting in lieu thereof "under a program to which individuals are assigned by the State agency under section 416" and "such a program", respectively;

(5) in subparagraph (F)—

(A) by striking out "that if" and all that follows down through "purposes of part C" (in the matter preceding clause (i)) and inserting in lieu thereof "that if (and for such period as is prescribed under regulations of the Secretary) any child, relative, or individual required to register under subparagraph (A) has been found by the Secretary to have refused without good cause to so register, or has refused without good cause to participate in good faith in counseling and assessment with the State agency under section 416 or in employment, training, or education pursuant to an assignment made by such agency under section 416(b)(6),"; and

(B) by adding after and below clause (v) the following:

"and for purposes of this subparagraph a refusal by an individual to accept employment shall be considered to have been made with good cause if the acceptance of such employment would result in a net loss of income by such individual;".

(6) in subparagraph (G)—

(A) by striking out "for the administration of programs established pursuant to section 432(b)(1), (2), or (3)" and inserting in lieu thereof "by the State agency established or designated under section 416";

(B) by striking out "the order of priority listed in section 433(a)" and inserting in lieu thereof "any order of priority which may apply under the work-related program involved";

(C) by striking out "under section 432(b)(1), (2), or (3)" each place it appears and inserting in lieu thereof "under the work-related program involved";

(D) by striking out "the Secretary of Labor" each place it appears and inserting in lieu thereof "the State agency";

(E) by striking out "accepts employment" and "retain such employment" and inserting in lieu "accepts employment, training, or education" and "retain such employment or continue in such training or education", respectively; and

(F) by striking out clause (iii) and redesignating clause (iv) as clause (iii); and

(7) in subparagraph (H), by striking out "under section 432(b)(1), (2), or (3)" and inserting in lieu thereof "under section 416".

(b) REQUIREMENT OF CONSOLIDATED ADMINISTRATION OF WORK-RELATED PROGRAMS.—Section 402(a) of such Act is further amended.—

(1) by striking out "and" after the semicolon at the end of paragraph (38);

(2) by striking out the period at the end of paragraph (39) and inserting in lieu thereof "; and"; and

(3) by inserting immediately after paragraph (40) the following new paragraph:

"(40) consolidate the administration of the State's work-related functions under this part, by providing for the assignment of registered individuals by the State agency to employment and training programs as described in section 416 and for the performance by such agency of its other duties under that section and under paragraph (19) of this subsection.".

SEC. 4. CONSOLIDATED ADMINISTRATION OF WORK-RELATED PROGRAMS.

Part A of title IV of the Social Security Act is amended by adding at the end thereof the following new section:

"CONSOLIDATED ADMINISTRATION OF WORK-RELATED PROGRAMS

"SEC. 416. (a)(1) The State agency administering or supervising the administration of the plan approved under this part shall perform the functions specified in this section and in section 402(a)(19).

"(2) It shall be the general purpose of the State agency, in carrying out its duties under this section and section 402(a)(19), to assist applicants for and recipients of aid to families with dependent children in finding gainful employment and in obtaining any training and education which may be necessary to enable them to perform such employment, with the objective of reducing the number of individuals on the welfare rolls by providing such applicants and recipients with a realistic opportunity to become self-sufficient.

"(b) In carrying out the purpose described in subsection (a)(2), the State agency (in addition to performing its other duties under this part) shall—

"(1) establish a single intake and registration process for all applicants for and recipients of aid to families with dependent children, consistent with section 402(a)(19);

"(2) assess the employment capabilities of each registered applicant and recipient in order to determine whether immediate employment is a realistic possibility or whether training or education is needed in order to prepare such applicant or recipient for employment;

"(3) provide in-depth counseling for each such applicant and recipient with respect to his or her potential for such immediate employment or such training or education and with respect to the program or programs (Federal, State, local, or private) which might be available to such applicant or recipient and most appropriately serve his or her interests;

"(4) administer, or enter into arrangements with administering authorities for, the participation of such applicants and recipients in appropriate employment, training, and education activities in furtherance of the objective stated in subsection (a)(2), including activities authorized in—

"(A) the work incentive program under part C of this title,

"(B) the work incentive demonstration program under section 445,

"(C) the State's community work experience program under section 409,

"(D) the State's work supplementation program under section 414,

"(E) a work demonstration program under section 1115;

"(F) any program under the Job Training Partnership Act,

"(G) any program of job search and related services, including services offered by vocational education agencies and the public employment offices of the State, and

"(H) any other program (Federal, State, local, or private) which could be made effectively available to such applicants and recipients and participation in which would further such objective;

"(5) develop an employment plan for each such applicant and recipient, in partnership with the administering authorities of the programs with respect to which arrangements have been entered into under paragraph (4);

"(6) assign each such applicant or recipient to one or more of the programs with respect to which arrangements have been entered into under paragraph (4) and which are determined by the State agency, on the basis of the assessment made under paragraph (2) and the counseling provided under paragraph (3), to be appropriate for such applicant or recipient, and provide all possible assistance to such applicant or recipient in preparing for, enrolling in, and participating in such program or programs; and

"(7) take all other actions, not inconsistent with the provisions of this section or of the law governing the program or programs involved, which may be necessary or appropriate to achieve the objective stated in subsection (a)(2).

"(c)(1) The terms and conditions of participation in employment, training, and education activities as described in subsection (b)(4), and the manner in which the provisions of the programs involved are to apply with respect to applicants and recipients registered under section 402(a)(19), shall be determined (subject to the specific requirements of this title and of such programs) by the State agency in consultation with the administering authorities of such programs.

"(2) To the maximum extent possible, the steps taken in providing for participation in employment, training, and education activities as described in subsection (b)(4) shall include coordination of the services furnished and activities conducted under the various programs involved with respect to registered applicants and recipients in order to avoid inefficiency and duplication of effort and to assure the widest possible availability to such applicants and recipients of services and activities which will further the objective stated in subsection (a)(2).

"(d) The State agency shall provide registered applicants and recipients who are assigned for employment, training, or education under subsection (b)(6) with such child care services and transportation, and such other assistance not inconsistent with law, as may be necessary or appropriate to achieve the objective stated in subsection (a)(2).

"(e)(1) Notwithstanding any other provision of law, the Federal contribution to the costs incurred by the State agency in counseling, assessing, and assigning individuals under this section in any fiscal year, and to the costs incurred by any other State agency or entity in carrying out a program referred to in subparagraphs (A) through (G) of subsection (b)(4) with respect to individuals assigned to that program under subsection (b)(6) (other than costs described in paragraph (7)) in any fiscal year, shall be equal to the applicable percentage of such costs as determined under this subsection.

"(2) For purposes of paragraph (1) (but subject to paragraph (3)), the applicable percentage of the costs described in that paragraph which are incurred by any agency or entity in any fiscal year shall be 70 percent.

"(3) In any fiscal year after the fiscal year 1987, the applicable percentage of the costs described in paragraph (1) which are incurred by agencies and entities in any State shall be increased to 75 percent if such State, in carrying out the program or programs involved in such fiscal year with respect to registered individuals assigned under subsection (b)(6), meets or exceeds the performance standards which are developed and prescribed as provided in paragraph (4) and applied in the State in accordance with paragraph (6).

"(4) The performance standards referred to in paragraph (3) shall be developed and prescribed by the Office of Technology Assessment in consultation with the Secretary of Health and Human Services, the Secretary of Labor, appropriate State officials designated for purposes of this paragraph by the Governors of the several States, and other appropriate experts. Such performance standards (which shall be coordinated with the corresponding performance standards under the Job Training Partnership Act)—

"(A) shall be measured by outcomes and not by levels of activity or participation, and shall be based on the degree of success which may reasonably be expected of States (in carrying out their work-related programs with respect to registered individuals assigned under subsection (b)(6)) in helping such individuals to achieve self-sufficiency and reducing welfare costs,

"(B) shall take into account job placement rates, wages, job retention, reduced levels of aid under the State plan, case closures, improvements in registered individuals' educational levels, and the extent to which registered individuals are able to obtain jobs providing health benefits,

"(C) shall encourage States to give appropriate recognition to the greater difficulties in achieving self-sufficiency which face individuals who have greater barriers to employment, and

"(D) shall include guidelines permitting appropriate variations to take account of the differing conditions (including unemployment rates) which may exist in different States.

"(5) Measures for the performance standards referred to in paragraph (3) shall be established within 6 months after the date of the enactment of this section; and the standards themselves shall be established, prescribed, and published no later than 18 months after the establishment of such measures.

"(6) The performance standards developed and prescribed under paragraph (4) shall be varied in any State, to the extent permitted under paragraph (4)(D), to the extent necessary to take account of specific economic, geographic, and demographic factors in the State, the characteristics of the population to be served, and the types of services to be provided.

"(7) The Federal contribution to the administrative costs incurred by any agency or entity of a State in performing its duties under this section and to the costs of providing child care, transportation, and other support services, with respect to individuals for whom work-related services are being provided by the State agency or by an agency or entity administering a program to which such individuals have been assigned pursuant to subsection (b)(6), shall be 50 percent.

"(f) Under regulations prescribed by the Secretary, this section and all functions performed by State agencies and entities under this section shall be coordinated with the work and training requirements which apply to applicants for and recipients of benefits under the Food Stamp Act of 1977.".

SEC. 5. TECHNICAL, CONFORMING, AND MISCELLANEOUS AMENDMENTS.

(a) AMENDMENTS TO PART A OF TITLE IV.—(1) Section 402(a)(8)(A)(iv)(II) of the Social Security Act is amended by striking out "under the programs established by section 432(b)(2) and (3)" and inserting in lieu thereof "under any training, education, or public service employment program to which such child or relative has been assigned pursuant to section 416(b)(6)".

(2) Section 403(c) of such Act is amended by striking out "certified to the local employment office of the State as being ready for employment or training under section 432(b)(1), (2), or (3)" and inserting in lieu thereof "assigned by the State agency for employment, training, or education pursuant to section 416(b)(6)".

(3) Section 407(b)(2)(C)(i) of such Act is amended by striking out "for the work incentive program" and all that follows and inserting in lieu thereof ", and".

(4) Section 407(d)(1) of such Act is amended by striking out "a community work experience program under section 409, or the work incentive program established under part C" and inserting in lieu thereof "a program with respect to which the State agency has provided under section 416(b)(4) for participation by registered individuals in employment, training, and education activities".

(5) Section 407(e) of such Act is amended—

(A) by striking out "and the Secretary of Labor shall jointly" and inserting in lieu thereof "shall";

(B) by striking out "for the work incentive program" and all that follows down through "or in connection" and inserting in lieu thereof "and in connection"; and

(C) by striking out "both the work incentive program" and inserting in lieu thereof "both the programs referred to in section 416(b)(4)".

(6) Section 414(h) of such Act is amended by striking out "or part C".

(b) AMENDMENTS TO PART C OF TITLE IV.—(1) Part C of title IV of such Act is amended—

(A) in section 431, by striking out the text of the section and inserting in lieu thereof the following:

"SEC. 431. There is hereby authorized to be appropriated to the Secretary for each fiscal year a sum sufficient to carry out the purpose set forth in section 430 with respect to individuals assigned to the work incentive program pursuant to section 416(b)(6). The sums made available under the preceding sentence shall be used for making payments to States in accordance with this part.";

(B) in section 432(a), by striking out "The Secretary of Labor (hereinafter in this part referred to as the Secretary)" and inserting in lieu thereof "The Secretary";

(C) in section 436(b), by striking out "prescribed jointly by him and the Secretary of Health and Human Services" and inserting in lieu thereof "prescribed by him";

(D) in section 439—

(i) by striking out "and the Secretary of Health and Human Services" where it first appears, and

(ii) by striking out ", jointly by the Secretary and the Secretary of Health and Human Services," and inserting in lieu thereof "by the Secretary";

(E) in section 441, by striking out "(jointly with the Secretary of Health and Human Services)";

(F) in section 443—

(i) by striking out "of Health and Human Services" in the first and second sentences, and

(ii) by striking out "and shall be paid by the Secretary of Health and Human Services to the Secretary" in the fourth sentence;

(G) in section 444(a), by striking out "by the Secretary of Health and Human Services"; and

(H) in section 445—

(i) by striking out "of Health and Human Services" each place it appears in paragraphs (1) and (2) of subsection (b) and in subsection (e), and

(ii) by striking out paragraph (3) of subsection (b).

(2) Section 433(a) of such Act is amended—

(A) by striking out "certified to him by a State, pursuant to section 402(a)(19)(G)" and inserting in lieu thereof "assigned to the work incentive program pursuant to section 416(b)(6)"; and

(B) by striking out "certified to him under section 402(a)(19)(G)" and inserting in lieu thereof "assigned to the work incentive program pursuant to section 416(b)(6)".

(3) Section 433(b)(3) of such Act is amended by striking out "certified to him pursuant to section 402(a)(19)(G)" and inserting in lieu thereof "assigned to the work incentive program pursuant to section 416(b)(6)".

(4) Section 433(g) of such Act is amended by striking out "certified to the Secretary pursuant to section 402(a)(19)(G)" and inserting in lieu thereof "assigned to the work incentive program pursuant to section 416(b)(6)".

(5) Section 435(a) of such Act is amended by striking out "shall not exceed 90 per centum of the costs of carrying out this part" and inserting in lieu thereof "shall be equal to the applicable percentage of the costs of carrying out this part as determined under section 416(e)".

(6) Section 444(a) of such Act is amended by striking out "individuals certified" and all that follows and inserting in lieu thereof "individuals assigned to the work incentive program pursuant to section 416(b)(6).".

(7) Section 444(d) of such Act is amended by striking out "certified to the Secretary by such agency under section 402(a)(19)(G)" and inserting in lieu thereof "assigned to such agency under section 416".

(8) Section 445 of such Act is amended—

(A) by striking out "Not later than June 30, 1984, the" in subsection (b)(1) (in the matter preceding subparagraph (A)) and inserting in lieu thereof "The";

(B) by striking out ", and shall be required to participate in," in subsection (b)(1)(B); and

(C) by striking out "shall be in force for a three-year period" in subsection (d) and inserting in lieu thereof "shall be in force for such period as may be specified in the letter of application submitted under subsection (b)(1), and may be renewed (upon the submission by the Governor of an appropriate letter of application, subject to approval in the manner described in subsection (b)(2)) for an additional period or periods".

(c) RELATIONSHIP WITH OTHER WORK-RELATED PROGRAMS.—Whenever a provision of section 416 of the Social Security Act, or any other provision of such Act which is amended by the preceding provisions of this Act, is determined to be inconsistent with a provision of any of the work-related programs referred to in section 416(b)(4) of such Act or of any other work-related program which may involve or affect individuals who have registered under section 402(a)(19) of such Act and are assigned to such program under section 416(b)(6) of such Act, the provision of section 416 of the Social Security Act (or other provision of such Act as amended by this Act) shall govern.

SEC. 6. EFFECTIVE DATE.

Except to the extent otherwise specifically provided, the amendments made by this Act shall take effect October 1, 1986.

SID ABEL RETIRES

● Mr. LEVIN. Mr. President, one of the beauties of sport is the way fans can watch a player mature as an athlete and as a person. As a fan of the Detroit Red Wings—who once were and will be again one of the great teams in the National Hockey League—I had the opportunity to observe Sid Abel go through that process of maturation. I saw him as a player: over a 12-year career, he scored 184 goals, had 279 assists, played on three Stanley Cup winning teams, was elected to the NHL Hall of Fame. After his playing days were done, I saw him as a coach: He coached the Red Wings for all or part of 12 seasons; his teams won 340 games and made the Stanley Cup finals four times. Then, in 1976, he left the bench and went to the broadcast booth, and I saw and heard him as a member of the Red Wings' broadcast team. Paired with the great Bruce "He shoots; he scores" Martyn, Sid Abel shared his knowledge and love of the game with the fans who followed the Wings.

And now, after an association with the Wings which has spanned six decades, 1938-85, Sid Abel is hanging them up and retiring. I admire him enough to forgive him for leaving Michigan and moving down South where he "can roam the beaches," as he recently put it.

Well, maybe Sid Abel wants to go to Florida and walk with the waves—and maybe I ought to see that decision as just another stage in the maturation process. But, to tell the truth, maybe I have not matured enough to accept it, because I do not see Sid Abel on the beaches; I see him on the ice. I see his skates flashing and his stick moving and the puck rising over yet another goalie who has gone down too soon. I see Sid Abel as he was: as a young man centering Howe and Lindsay on the production line. And, perhaps, I also see myself as a kid again, hanging over the rail in the upper reaches of Olympia Stadium, thinking that there was magic in the world and a moral mandate for a Red Wing victory.

So I join thousands of others who thank Sid for the memories and wish him well.●

IN CELEBRATION OF ITALIAN INDEPENDENCE DAY

● Mr. RIEGLE. Mr. President, June 2, 1986, marked the 40th anniversary of Italy's transition to a democratic republic. In the four decades since the Italian nation emerged from the destruction of fascism and achieved its independence, the world has witnessed Italy's emergence as one of the world's great democracies.

This anniversary gives us the opportunity to celebrate the enormous contributions the Italian nation has made to human progress. Dante, Alighieri, Michelangelo, Giotto, Leonardo da Vinci, Galileo, Guiseppi Verdi, Guglielumo Marconi, and Machiavelli all made outstanding contributions to the development of mankind. The Renaissance, one of the most creative eras in human history came to its earliest and fullest fruition on the Italian peninsula.

Honoring 40 years of the strong and resilient Italian democracy also provides us with an opportunity to acknowledge the important contributions which more than 12 million Italian-Americans have made in building and strengthening our own Nation. The story of the voyages of hundreds of thousands of Italians to America during the late 19th and early 20th century is a familiar one. Many of these immigrants endured significant hardships and difficulties in search of a new future for themselves and for their children. Supported by a strong value system, centered on their families and a commitment to hard work, Italian immigrants have used their special talents to make their vision of a better life a reality.

Today, we continue to benefit from the contributions of Italian-Americans. Lee Iaccoca brought the Chrysler Corp. from the brink of bankruptcy and has admirably chaired the Statue of Liberty/Ellis Island restoration effort. Geraldine Ferraro charted unexplored territory by becoming the first woman in American history to run on the national ticket of a major political party. Governor Cuomo of New York has made his State a model in efficient administration and has become a national leader in his own right.

Just as the Italian culture provides a link for Italian-Americans to their homeland, so too can it provide a bridge for others seeking a better understanding of the Italian people and their past. Italian-Americans are anxious to share their heritage with others, and are doing so through activities such as those sponsored by the Italian-American Cultural Society in Warren MI.

The United States and all the world owes a great debt of gratitude to the Italian people for the many ways in which they have enriched our lives. In appreciation, I offer congratulations on their magnificent achievements and on Italy's well-earned prosperity, stability, and international respect.●

SENATOR LEVIN ADDRESSES THE ALLIANCE FOR JUSTICE

● Mr. LEVIN. Mr. President, recently I had the privilege of addressing the Alliance for Justice, an organization with a great interest in the process by which judicial candidates are nominated by the executive branch and considered by the legislative. My remarks focused primarily on the advice and consent process and in them I attempted to explain the way I view the Senate's role in the process.

The Senate may soon be asked to consider a series of judicial nominations. Many of them have already received a fair amount of press coverage and promise to produce some heated debate here on the floor. Clearly, our deliberations need to be based on an evaluation of the qualifications of the candidates—but that evaluation needs to be conducted in the context of an overall understanding of the Senate's role in the advice and consent process. We must, then, have a clear understanding of the criteria which ought to be used in considering any nomination.

In the hope that my remarks to the Alliance for Justice may help identify some of those criteria, I ask that they may appear in the RECORD.

The remarks follow:

(By Senator Carl Levin)

ALLIANCE FOR JUSTICE

Thank you. Its a pleasure to be with you today.

For years, the advice and consent power conferred on the Senate was just a subject for polite scholarly disputes; now it is a topic for sharp political debate. That debate focuses on the role of ideology in the advice and consent process. And that, in a moment, is what I want to talk about today. But let me, if I may, begin with a few more general observations.

Since my favorite president was Franklin D. Roosevelt, I always look around for some statement of his which is appropriate for a speech. When I was getting ready for these remarks, I remembered something he once said about the role of ideology in the courts. As a young man hoping to become a lawyer, I was impressed with FDR's claim that "in our courts we want a government of laws and not of men." I forget if he said that just before or after he proposed a plan to pack the Supreme Court, to make sure that his laws would be the government policy no matter what nine old men thought. Regardless of the circumstances, though, even we might all agree that it expresses a noble sentiment. We would also agree that it is pretty naive and perfectly unrealistic.

No, as much as I respect and revere FDR, I'm afraid that if we want more realistic wisdom on this topic, we have to turn to another Roosevelt. It was the Republican Theodore, who once observed that "the decisions of the courts on economic and social questions depend on their economic and social philosophy." Or, if that is too bald for your taste—though I am rapidly approaching a state where I think that nothing should be too bald for anybody's taste—you might want to consider this more restrained observation from Justice Stone: "While unconstitutional exercise of power by the executive and legislative branches is subject to judicial restraint, the only check upon our own exercise of power is our own sense of self-restraint."

Now, the point of all that is to demonstrate—yet again—that while The Law exists as a body of knowledge and series of precedents, individual human beings apply that knowledge and interpret those precedents. As a result, there is an inherent link between—and an inherent interest in—the "economic and social" philosophy of a judge and his or her legal inclinations.

In that context, I believe it is important for us to understand the factors considered by the President and the Senate in the nomination process. They are not, I want to suggest, always the same.

Clearly, the President, of the United States is free to attempt to find judicial candidates who share his general philosophy. That has been common practice since the founding of our Republic and it is a fact of life and human nature which we ought to accept. It may not always work out the way the President expects it to—witness Earl Warren and Dwight Eisenhower—but, within certain bounds, the President is free to make that effort.

But there are bounds. For example, the President should not ignore the concept of competence in the search for an acceptable ideological inclination.

Yet under this administration, that is precisely what is happening.

President Reagan has been blessed with a number of opportunities to make judicial nominations. But his blessing may damn the rest of us for decades. Too many of his nominees have had mediocre records at best: a recent study indicated that since January of 1985, one-half of his nominees were given a rating of just "qualified"—the lowest passing rating available—by a majority of the members on the ABA's Standing Committee on the Federal Judiciary. And in three quarters of the cases where the candidate was able to skim through with a "qualified," a minority of the Committee was unwilling to be that generous—they voted to label the nominee "unqualified." The reports I have seen indicate that this is the largest of merely "qualified" judges who have ever been nominated.

Now, I am not suggesting that record results from the President's desire to get philosophically compatible people on the bench. Surely there are some intelligent members of the legal community somewhere who have found some respectable reason to share the President's policy orientations. But no matter what the reason, I find that record disturbing.

However, what I find just as disturbing is this: of those candidates presented to the full Senate for consideration all were confirmed and all are now serving—for life—on the federal bench.

There are indications that efforts are under way now to change that record. Increasingly, members of the Judiciary Committee, on both sides of the aisle are demanding more. They seem to recognize that the men and women we put on the bench, for life, ought to have demonstrated some personal and professional qualities which justify their elevation and give us some reason to believe—rather than hope—that they will discharge their responsibilities with distinction. We are moving, correctly I believe, toward a new standard of competence. There may be mediocre people in the world, as former Senator Hruska once said, and they may deserve representation. But they'll just have to find it in the Congress rather than the courts. The power we give to judges is too pervasive to permit us to accept mediocrity on the bench. We can and should require judges to meet a higher standard.

But in addition to looking at the traditional "qualifications" of a nominee, there is, as I mentioned before, also an increasing amount of attention being focused on their ideology.

Interestingly enough, when the ABA evaluates judicial nominees, it considers only competence, integrity and judicial temperament. It does not look at his or her political philosophy, nor does it seek to assign an ideological score to their prior conduct or views. The ABA is not a "rating group" in the sense that Americans for Democratic Action or the AFL-CIO or the Taxpayer's Union are; it does not make judgments based on the bottom line of how a judge ruled or will rule, but rather on whether his or her reasoning and views reflect an appropriate judicial temperament, approach and style.

In recent years, that had been the standard accepted by the Senate. The Senate seemed to recognize the fact that a President would look at a candidate's ideological orientation, while rejecting any claim that we should. Now, however, that position is being challenged by people on both the right and the left of the political spectrum.

On the right we have had several Senators circulate questionnaires designed to elicit the views of nominees—prior to confirmation—on issues ranging from abortion to capital punishment to prayer in the schools. While that specific practice has now been discontinued, we should remember just how far it went. For example, one question directed to nominees was phrased this way: "Do you believe that there should be any limits placed on the use of he Exclusionary Rule? If so, do you believe that S. 1764 or this type of limitation is appropriate?" Clearly, the attempt here was to give Senators a sense of how a judge would rule once on the bench. And, just as clearly, that is unacceptable.

In fact, everyone seemed to recognize that. After the effort was publicized, it was discontinued. But a new type of test for purity soon replaced it. Now we have Senators requesting that potential candidates be eliminated from consideration because they had—in a wild moment of madness, no doubt—made a contribution to Planned Parenthood or some other subversive group. Of course, at the same time, I suspect that contributions to—and membership in—approved groups, like the John Birch Society, would not be seen as disqualifying factors.

All that activity from the Right, of course, produced a response. Some public interest groups as well as some scholars are suggesting that perhaps "the other side" also ought to create some ideological tests for confirmation. For some, the test is a general one, an attempt to determine if a nominee's views are in the "mainstream." Other groups, however, are moving toward a more detailed definition of what constitutes an acceptable river of thought. And, in that context, they see efforts to determine a nominee's views on a number of specific issues as a legitimate area of inquiry and a legitimate factor in the confirmation decision.

The issue of ideology, then, is before us. And we need to address it.

In general terms, I approach the issue of ideology from a dual perspective. To begin

with, I recognize that there are ideological extremes on both the left and the right which are repugnant to the values of our society and the principles of our law. Nominees who hold such views cannot be rewarded by elevation to the bench. If a nominee indicates that he or she believes that blacks are inferior to whites, or Jews to Christians, or women to men and, as a result, are less worthy of protection under the law, then that nominee ought not be confirmed and obviously ought not to have been nominated.

When ideology, then, offends the basic values of our system or is inconsistent with the basic principles of American law, then ideology is clearly a disqualifying factor in the advice and consent process.

That, it seems to me, is an easy decision to make. But what are we to do when a nominee is "in the mainstream"—but not moving with the current the way we would like?

Assume, for example, that we determine that a nominee's values fall within the acceptable parameters of American values. Are we entitled to try to understand and predict how those values might shape specific decisions?

Discussing the kind of questionnaires I quoted from a moment ago, Chief Justice Burger once said that if he had been asked to answer such questions when he was up for confirmation, he would "decline to answer." And Justice O'Connor said that "I do not believe that as a nominee I can tell you how I might vote on a particular issue which may come before the Court, or endorse or criticize specific Supreme Court decisions presenting issues which may well come before the Court again. To do so would mean that I have prejudged the matter, or have morally committed myself to a certain position."

Indeed, I would say, if a nominee answered a questionnaire asking about their views on specific issues likely to be central in decisions before the court, I'd be inclined to vote against them on that basis. A response would indicate to me that he or she did not understand that decisions should be driven by specific facts and arguments. A response would also indicate that the candidate is so driven by ideology or ambition that he or she could not give fair and impartial hearing to facts and arguments presented to them on certain issues.

You see, in my mind, once it is established that a nominee's beliefs fall within the reasonable norms of American life, there are real limits about how far we can or should push our inquiry. Given the conditions I have described, a nominee's beliefs are their own business—as long as they keep them their business.

I began this speech by recalling Theodore Roosevelt's honest assertion that judicial decisions reflect the personal philosophies of judges. I believe that is true—and I believe it is inherent. But there is, I would submit, a difference between decisions which are controlled by ideology and those which are merely influences by it.

That is a crucial distinction for me and I want to try to draw the difference as clearly as I can. We have seen judges and politicians who personally do not sanction abortion but who, as a matter of law or public policy, believe that option must remain open. Those individuals have an ideological orientation; they are influenced by it; but their judgments are not controlled by it.

On the other hand, there are some individuals whose personal views do control their public judgments. For example, consider the case of Daniel Manion, who is now being considered for a position on the 7th Circuit Court of Appeals. In my view, Mr. Manion's behavior indicates that he is an individual who is controlled by ideology to the exclusion of being able to give opposing points of view a fair and open-minded hearing. The fact that he cosponsored a bill to allow for prayer in schools does not disqualify him for service on the court; but the fact that he did so after the Supreme Court had ruled such legislation unconstititional, does. Neither his claim of "legislative protest" or "legislative prerogative" can withstand scrutiny—not when the Supreme Court held in Cooper v. Aaron that "compliance with decisions of this Court . . . depend on active support by state and local authorities. It presupposes such support. To withhold it, and indeed, to use political power to paralyze the supreme Law, precludes the maintenance of our federal system. . . ."

Mr. Manion's ideological values seem to prevent him from valuing the law. And that should prevent him from serving on the bench.

Mr. Manion's case illustrates my point. He appears to display an ideological fervor which distorts judicial temperament. That kind of fervor can result in actions and judgments which either violate or ignore Constitutional principles. It can result in a situation in which judges are so controlled by ideology that they are unable or unwilling to look at all the facts, listen fairly to all arguments, evaluate critically all the legal precedents, and finally, decide cases judicially. The harmful impact of such ideological control cannot be ignored or rewarded. And that is why we should not give our consent to nominees who come before us more as captives of ideology than creatures of reason.

My point is certainly not that Senators ought to look for nominees who agree with us on substance. Instead, it is that we should look for someone we can agree with on process; someone who will share our desire to see a judiciary which is fair, open-minded, patient and learned.

If nominees demonstrate that their ideological orientations do not prevent them from being fair and open minded, if they are demonstrable men and women of character and competence, if their public and professional lives demand our respect, even if their private political beliefs demand our disagreement, then they deserve our consent if not our support.

If you agree in principle with my position, let us recognize that its application is difficult. For example, I have placed some emphasis on the Senate's right to reject candidates who are "controlled by ideology" or whose beliefs are "repugnant to the values of our society and the principles of our law." But I have also placed some limits on the reasonable right of the Senate to try to get nominees to spell out their beliefs. In that context, I agree with former Congressman and current Circuit Court Judge Abner Mikva who said that while "Senators may have understandable curiosity about the candidate's views on the hot issues of the day, they can look but they better not touch."

The problem is clear. If we allow nominees to take a sort of "judicial fifth amendment" during the confirmation process, how do we determine if their ideology is either repugnant or controlling?

Well, we may suspect that any individual with a dominating ideological fervor will have demonstrated it at some point: he will have said or done something which illustrates the influence of ideology on their behavior. And that is why the nomination process must involve an investigatory process. We have to search, we have to dig, we have to examine the record of each nominee—we need to look at their public record and remarks, we need to get a sense of how they have acted so we are better able to evaluate how they may act on the bench. To achieve that goal, we need the help of all interested parties—including organizations like yours.

While behavior can give us a sense of the degree to which ideology controls action, we also need to remember that most behavior is subject to multiple interpretation. It is possible for reasonable people to see the same action and reach different conclusions about what it means in terms of the qualifications of a candidate.

I well remember one situation where Senator Eagleton and I—two members who I hope you would think do our homework and study issues carefully—came down on different sides in a judicial nomination fight. He looked at the facts and concluded that the candidate did not display the sort of character required to serve on the bench; I looked at the same facts and drew a different conclusion. My point is that it is not easy to apply abstract standards to real people—judging the judges is not a simple task. No set of standards will yield Absolute Truth. As a result, we should seek to be as open minded in the confirmation process as we hope judges will be in the judicial process.

I'm a lawyer. I was brought up to respect the law and honor the judges who interpret it. I have one cousin who sits on the Michigan Supreme Court and another serving on the federal bench. I have former clients who are on the streets—or in jails—because of rulings made from the bench. I have seen the sort of decisions that judges have to make and I know that the only way they can make those decisions fairly is if they are free and independent actors. The Constitution created the judiciary as a co-equal branch of government. Politicians may stray from the Constitutional path—and many have—but as long as the courts are there to show us the way, then the road will be followed and the destination will be reached. The key, though, is an independent judiciary.

That's why the Constitution does not ask us to "go along" with the President's choices—it asks us, it requires us, to give our informed advice and consent to his selection. given the lifetime tenure of his nominees, given the extraordinary power they hold over the lives of individuals and the integrity of the Constitution, we have no choice but to subject them to the most rigorous of examinations.

We cannot give our consent to nominees simply because they have not violated any laws nor seriously transgressed any ethical standards. We have to demand more than that. And in addition to looking at character, competence and temperament, we can also look at ideology in the context of "mainstream" compatibility and in terms of the "control/influence" dichotomy I have tried to draw.

I know that this approach is not definitive and that other criteria can be proposed. I know that organizations like yours are attempting to develop standards. I know that the Senate Judiciary Committee is informally exploring the possibility of formulating a new set of measuring standards.

These are important initiatives. A constant reexamination of the way we evaluate judicial nominees is healthy and helpful. The Senate and the country and the courts need your continued assistance in that process, and we are in your debt for it.●

TRIBUTE TO ROCHESTER PUBLIC LIBRARY 75TH ANNIVERSARY

● Mr. D'AMATO. Mr. President, I rise this afternoon to pay tribute to an institution that has served the Rochester community well since shortly after the turn of the century. I speak of the Rochester Public Library, which, on June 15, 1986, will celebrate 75 years of dedicated service to the people of Rochester, NY.

On the 15th of June, 1911, the hope that Rochester could provide its citizenry with home reading, which was then not available in the existing institutional and private libraries, became a reality. Incorporated into the Rochester City Charter was a provision to create a municipally supported library as part of the city government. Moving quickly on this action, the then Mayor Hiram Edgerton, whose dream it was to create a public library system, was able to secure an immediate appropriation of necessary funding.

The first branch library was opened in October 1912. By 1936, the Rochester Public Library had grown to include 12 branches equipped with 150,000 books. That same year saw the opening of the Rundel Memorial Building: the home of the long-awaited Central Library.

Now, as part of the Monroe County Library System and the Pioneer Library System, a multicounty library network, the Central Library serves a population nearing 1 million, circulating approximately one-half million items annually, and is used by more than 560,000 people every year.

Mr. President, I am certain that we, the Members of Congress, are united in our respect for, and admiration of, the Rochester Public Library on its 75th anniversary. It is my sincere desire that this milestone in the history of the Rochester Public Library marks the beginning of an additional 75 years of dedicated service to the people of the Rochester community.●

THE TAX BILL

● Mr. LAUTENBERG. Mr. President, this week, the Senate began a historic debate on broad reform of our tax laws. It is a debate that many said would not happen. The average American taxpayer has long complained that our tax laws are unfair and unduly complex. Reform has long been promised. But, never delivered.

This week, Mr. President, the Senate moved closer to delivering on the promise. The fact that we have come so far is a tribute to the persistence and the persuasiveness of my distinguished colleague from New Jersey [Mr. BRADLEY]. He has pursued the goal of tax reform vigorously and relentlessly with a consistency of principle that has won him great credit.

Mr. President, my colleague's contribution to tax reform has not gone unnoticed. He is receiving well-deserved credit for his work in this area and the credit comes in some cases from quarters that often do not share the Senator's political bent.

But, they recognize the universality of appeal of the reform that the Senator has brought to this point. They recognize the significant contribution he has made to the general public's interest in a fair tax law, a simple tax law, and a tax law that promotes efficiency and growth in our economy.

Mr. President, I will ask unanimous consent that two articles be inserted in the RECORD, one from the Wall Street Journal, and one a commentary by George Will. I would, Mr. President, take issue with the one negative comment in Mr. Will's column. While it pays well-deserved credit to Senator BRADLEY's contribution to tax reform, it does call preposterous Senator BRADLEY's observation that New Jersey is pastoral. Mr. President, let Mr. Will travel along the Delaware, let him canoe through the Pine Barrens, let him hike in the Highlands in the northwest part of our State, let him travel in the marshes of the Delaware Bay and he will see pastoral New Jersey. He will see the State that my colleague loves so much. And he will become a believer in New Jersey, just as he has become a believer in Senator BILL BRADLEY.

Mr. President, I ask that the two articles be inserted in the RECORD.

The articles follow:

PROGRESS OF THE TAX BILL ENHANCES REPUTATION OF SENATOR BILL BRADLEY

(By Jeffrey H. Birnbaum)

WASHINGTON.—During a private drafting session that would determine the fate of tax overhaul, Senate Finance Committee Chairman Bob Packwood surprised his colleagues by handing out Democratic Sen. Bill Bradley's original Fair Tax Plan and urging that it help guide their actions. "This," he explained, "is how Bill did it."

In the House last year, Sen. Bradley had an equally influential role, quietly promoting the legislation to scores of wavering members. At one point, in the House gym, he played his first serious game of basketball since ending his Hall-of-Fame professional career. His opponents were Ways and Means Committee Democrats. Taking care to avoid humiliating his less-athletic colleagues, he wound up popping a leg muscle during the competition. Still, he says, it was worth the price: He scored some points for tax overhaul.

Perhaps more than any other individual—even President Reagan—the 42-year-old Sen. Bradley is the driving force behind the sweeping tax changes the Senate begins to debate today and is likely to approve later this month. It was his vision of a broad-based low-rate system that launched the tax-overhaul movement in 1982, and it is his relentless commitment to that once-derided notion that has brought it to the threshold of becoming law.

"I don't feel any reservations about giving him a lot of credit; I kind of enjoy pointing out how well he's done," says House Ways and Means Chairman Dan Rostenkowski. The main thrust of the measure unanimously approved by the Senate Finance Committee last month, Sen. Packwood says, "is really Bill Bradley's." (A story on the roots of tax revision appears on page 62.)

A MAJOR FIGURE

Such accolades make Sen. Bradley a major figure in the Senate, where he is serving only his second term, and in the Democratic Party, in which he stands out as one of the very few politicians to both develop and propel forward any type of new idea. "He is one of the real leaders in the Democratic Party and the Senate," says Democratic Sen. Sam Nunn of Georgia. "In a very short time, he has acquired the reputation as thorough, thoughtful and innovative." His accomplishments are opening new vistas. He appears on most lists compiled by political professionals of potential 1988 presidential candidates. Another possibility is a run for majority leader, should the Democrats regain control of the Senate in this year's election.

The senator shrugs off such suggestions. "I like what I'm doing; I love my committee assignments," he says. His interest, he claims, isn't to chart personal advances, but "to play a role in setting a substantive agenda."

The New Jersey lawmaker is a force on more subjects than taxes. He and Republican Rep. Jack Kemp of New York, another figure in the tax-revision effort, have held a symposium on international monetary policy. Sen. Bradley also discourses frequently on using U.S. economic strengths to lure Soviet arms concessions and on taking a more sympathetic tack on the Latin American debt crisis.

INVITING CONTROVERSY

Some of his views invite controversy. For example, he is among a minority of Democrats who this year supported President Reagan's plea for military aid to insurgents fighting the leftist government in Nicaragua. He argues that Contra pressure keeps the Sandinista regime from exporting its revolution to neighboring nations; "We have to give some time for fledgling democracies in Latin America to develop," he says.

But for now, he is obsessed with promoting his brainchild, tax revision. "I'm fiercely committed to the idea becoming law," he says. "That is my ambition."

It is rare for one lawmaker to play such a key role on a bill in both the House and the Senate. It was at the behest of Chairman Rostenkowski that he devoted so much time last year to lobbying with House members to support tax overhaul. In a break with the snobbish traditions of his chamber, he made appointments to meet House members in their offices.

Most of his efforts were aimed at Democrats, including one hour-long meeting with the Democratic Study Group, whose liberal members had threatened to oppose the measure because they believed deficit reduction was more pressing than tax overhaul. "Bradley impressed everyone with his knowledge of and commitment to tax reform," recalls study-group leader Matthew McHugh of New York. "We don't

often meet with a senator." Members of the group ultimately pledged their votes for the bill, even though it didn't raise more revenue.

At Rep. Rostenkowski's invitation, Sen. Bradley also gave a pep talk to a crucial, closed-door meeting of Ways and Means Democrats on the eve of the panel's drafting sessions last fall. The senator's message was highly partisan. Tax overhaul, he argued, is a natural Democratic issue, promoting equity by eliminating tax breaks and promoting economic growth with lower rates. If the Democratic-controlled House passed a bill, he reasoned, it would be labeled a Democratic initiative no matter what the Republican-controlled Senate did. And, he added pointedly, "Republicans in the Senate don't want to have to deal with the issue."

His message hit home. "He was most persuasive," says Democratic Rep. Thomas Downey of New York. The pitch, adds Democratic Rep. Marty Russo of Illinois, "definitely had influence on us."

Three months later, after the House passed the bill by voice vote, Rep. Rostenkowski was presented with an enlargement of the cover of the historic document. The only non-Ways and Means signature on the poster, besides House Speaker Thomas P. O'Neill's, is Sen. Bradley's. When asked in private, Rep. Rostenkowski has said his top three candidates for president in 1988 are "Bill Bradley, Bill Bradley and Bill Bradley."

In contrast to his role in the House debate, Sen. Bradley seemed odd man out when the Senate took up the measure. Sen. Packwood and a clear majority of the panel were more interested in retaining tax breaks than in cutting them back to lower tax rates. When Sen. Bradley moved to repeal tax breaks for oil-and-gas drillers, timber firms and miners, for example, he was crushed by a coalition secretary formed by Chairman Packwood himself. "It's getting lonelier and lonelier," he mused at the time.

But Sen. Packwood's methods led to crisis for the bill, as members proved unwilling to give up any breaks to get rates down. On the verge of disaster, Sen. Packwood abruptly changed course and decided, to the surprise of almost everyone, to take the route prescribed four years ago by Sen. Bradley. The chairman gambled that the lure of sharply lower tax rates would tempt even the most adamant senators to relinquish cherished subsidies.

"I came full circle," Sen. Packwood acknowledges. "Bradley was right."

More surprising, even to Sen. Bradley, was how enthusiastically the panel embraced the concept of the bill he had introduced with Democratic Rep. Richard Gephardt of Missouri. Just weeks before the 20-member committee unanimously approved a package closely modeled on his own proposal, he had predicted: "If you look at the committee there are not 20 votes for tax reform; you have to work to get your 11."

As the bill comes to the Senate floor, Sen. Bradley now is a key member of the so-called core group of lawmakers trying to get the measure through the Senate without major amendment. To this end, he plans to sacrifice his own interest in seeing a special break for the oil-and-gas industry excised from the bill. But he will be in the front ranks of those wielding the populist tax rhetoric he helped invent—railing against changes that favor "greedy," narrow groups at the expense of higher tax rates for the middle class, "the backbone of America."

His role in the debate has earned him a gusher of praise from both parties. Republican Sen. Charles Grassley of Iowa says that when he makes his own decisions on tax policy, there's always "another factor to consider: How does Bradley look at this?" Adds Democratic Sen. David Pryor of Arkansas: "It does show that knowledge is power."

"He's impressive and he's knowledgeable and he can put his finger on the buttons in a dark room." Rep. Rostenkowski says of his ally. "He has embellished the great respect that members already had for him."

SOME RESERVATIONS

Still, Sen. Bradley has detractors. Some of his colleagues consider him aloof, and his iconoclastic views and voting patterns sometimes put him at odds with farm- and oil-state blocs within his own party. While acknowledging that he is respected, some fellow senators doubt he would stand much chance of being elected Democratic leader over more popular colleagues like Daniel Inouye of Hawaii and J. Bennett Johnston of Louisiana.

Sen. Bradley, a former top Finance Committee aide says, sometimes views his own initiatives as "intellectually superior works of art, but then doesn't do the work to convince others to support them, and they go down in flames."

And for a reformer, critics add, some of his ideas are retrograde. In 1984, Sen. Bradley championed an effort by Mercedes-Benz, which exports its cars to New Jersey, to maintain generous write-offs for buyers of luxury autos. The compromise that eventually emerged included an onerous record-keeping requirement for business use of auto travel that caused one of the biggest public uproars of 1985, and was quickly changed. In addition, in this year's bill, he is one of the foremost backers of special tax-free bonds for certain waste-disposal facilities.

When it comes to national politics, though, Sen. Bradley's resume is one any presidential candidate would envy. A Rhodes scholar, he has been in the public eye for more than two decades, first at Princeton University as one of the greatest players in college basketball and later as the highly paid mainspring of the pro New York Knicks. He was raised in the Midwest (St. Louis), now represents the Northeast and has name recognition almost everywhere.

Much like John Glenn of Ohio, the senator and former astronaut, Mr. Bradley is the stuff of American heroes. He is the kind of public personality that parents want to introduce their children to as a role model, and that even ideological adversaries might vote for.

Two years ago, Democratic Party elder Robert Strauss worried about a dinner he was host of for 100 Dallas businessmen where Sen. Bradley was to speak. To his surprise, the senator was a big hit, even among those whose interests he had voted against. "There are two or three names that consistently are brought up as excellent Democratic presidential candidates," Mr. Strauss says. "Bill Bradley is almost always near the top of the list."

PRACTICE, PRACTICE

And though Sen. Bradley isn't the most scintillating speaker, his backers contend his appeal is still great. "He's able to deal very effectively with complicated and arcane material, and, at the same time, he's a very attractive campaigner," says Kirk O'Donnell, a former top aide to Speaker O'Neill. "No way does he lack charisma from my point of view."

His approach to legislating is as dogged and deliberate as was his preparation for becoming a world-class athlete. As a youth, he would devote hour upon hour to perfecting his basketball shooting. As a lawmaker, he digs deeply into subjects that interest him, reading widely, conferring broadly, trying to treat the causes of policy problems rather than their effects.

At the same time, he plays down his own part in the tax-overhaul drama, acknowledging that more-senior lawmakers have more power over its outcome than he does. "There's plenty of credit to go around," he says. "In my previous profession, I always got as big a kick out of giving an assist as making a basket."

LISTEN TO BILL BRADLEY

(By George F. Will)

The cloister-like stillness of American life will soon be shattered by a presidential election campaign and, as usual, the list of those who are running, but should not be, is longer than the list of those who are not running but should be. The latter includes Republican Rep. Richard Cheney of Wyoming. It includes Democratic Sen. Bill Bradley of New Jersey, whose star, already well-risen, rose farther in the firmament when the Finance Committee, of which he is a member, threw up its hands, threw in the towel and did tax reform his way.

The committee abandoned the traditional use of the tax code as an instrument for micro-managing distributive justice. It decided to simplify the code, killing many benefits to pay for lower rates for individuals. The hope is that this will mean more economic decisions made for reasons other than tax advantage, and that that will enhance economic growth. Improved growth presumably will mean not perfect justice but more justice than is produced by a political auction in which society's big battalions bid for advantages from tax-code nuances written for them.

A paradox of post-New Deal politics is that "big government," meaning government regulating economic activity in order to promote equity and efficiency, has been defended by liberals as a protector of the weak, but has been used by the strong. The well-heeled (which means big labor as well as big business, and big business includes agribusiness) are well represented in Washington by people skilled at bending public power to private advantage.

Because statism in the nation's economic life has been rationalized by liberals and exploited by nonliberal interests, it is fascinating that Bradley, a Democrat from a Northeastern industrial state, has shaped a tax bill that is a large step back from statism.

In a symposium, "Left, Right and Baby Boom" published by the Cato Institute, William Schneider says one Democratic problem is "the identification of the Democrats with the government and the identification of government with the establishment and the status quo." Another participant in the symposium, Michael Barone, notes that, "Liberals have a fairly basic problem right now: No substantial bloc of voters wants a substantially larger role for government in the economy."

Terry Nichols Clark says this trend began locally in 1974, when half of the cities reversed or slowed the growth of expenditures. To an increasing number of Americans, fiscal issues are more important than

government-services issues. Paul Weaver says this trend amounts to (he will suffer for this in the next life) "protoneoliberalism." That means decreasing belief in paternalism, increasing belief in individual discretion.

The Bradleyesque tax bill, which decreases government supervision of economic choices and increases individuals' discretionary income, fits the political analysis above.

Bradley's success suggests that the Democratic Party is regaining its intellectual equilibrium. Ten years ago, important Democratic circles gave respectful hearing to nonsense like the Club of Rome report, with its suggestion that "zero growth" would be beneficial. Ten years ago, the Democratic presidential nominee promised to slash U.S. defenses. Today Bradley sums up the necessary Democratic message in two words: "growth" and "strength."

Bradley says there is "a group of Democrats who are waiting for the next recession. If it comes, they've got the answer." The answer would be the usual pump-priming spending, jobs programs, etc. What Democrats must think about, Bradley says, is "governance of a prosperous society with problems." Democrats must learn to "credibly talk about growth to people making investments."

Bradley is not a one-note siren, calling out to entrepreneurs. Sitting in the sumptuous squalor (the description fits) of the new Hart Senate Office Building, on a hard wooden chair that creaks ominously beneath the weight of his substantial frame, Bradley speaks with passion about "the land." He says our "relationship to the land is linked to our self-conception as a nation as well as our prosperity."

Because of this belief, Bradley has taken an active interest in American Indian affairs. And he says interesting but (to anyone who has driven through northern New Jersey—Elizabeth, Secaucus and all that) preposterous things about how pastoral New Jersey is. You thought it was wall-to-wall refineries and chemical plants? Wrong. Bradley says New Jersey is pastoral. On the evidence of recent events, Bradley should be listened to.●

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

ORDERS FOR FRIDAY

RECESS UNTIL 9:30 A.M.

Mr. HATFIELD. Mr. President, I have a list of unanimous-consent requests for today's session I will offer now on behalf of the leadership.

I ask unanimous consent that once the Senate completes its business, it stand in recess until 9:30 a.m. today.

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

RESERVATION OF LEADERSHIP TIME

Mr. HATFIELD. Mr. President, I ask unanimous consent that the two leaders' time for this morning be reserved for their use at a later time today.

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

ROUTINE MORNING BUSINESS

Mr. HATFIELD. Mr. President, I ask unanimous consent that there then be a period for the transaction of routine morning business not to extend beyond 9:45 a.m., with Senators permitted to speak therein for not more than 2 minutes each.

PROGRAM

Mr. HATFIELD. Mr. President, at the conclusion of routine morning business, the Senate will resume consideration of Calendar No. 653, H.R. 4515, the supplemental appropriations bill. A unanimous-consent agreement was entered into earlier limiting the number of amendments that may be offered during the remainder of the Senate's consideration of the bill. Therefore, votes can be expected prior to the hour of 10:30 a.m. today, and the Senate could be asked to remain in session past the normal Friday adjournment time, in order for the Senate to complete action on the supplemental appropriations bill prior to the weekend.

Mr. President, I believe that does complete the business of the day.

RECESS UNTIL 9:30 A.M. TODAY

Mr. HATFIELD. Mr. President, I move that the Senate stand in recess until 9:30 a.m. today.

The motion was agreed to; and at 2:14 a.m. the Senate recessed until 9:30 a.m. Friday, June 6, 1986.

NOMINATIONS

Executive nominations received by the Senate June 5, 1986:

DEPARTMENT OF STATE

Ann Barbara Wrobleski, of Maryland, to be Assistant Secretary of State for International Narcotics Matters, vice Jon R. Thomas, resigned.

Robie Marcus Hooker Palmer, of Vermont, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Hungary.

DEPARTMENT OF THE TREASURY

Donna Pope, of Ohio, to be Director of the Mint for a term of 5 years, reappointed.

DEPARTMENT OF JUSTICE

Saundra Brown Armstrong, of Virginia, to be a Commissioner of the U.S. Parole Commission for a term of 6 years, vice Helen G. Corrothers, resigned.

DEPARTMENT OF AGRICULTURE

Kenneth A. Gilles, of Virginia, to be an Assistant Secretary of Agriculture, vice Raymond D. Lett, resigned.

Kenneth A. Gilles, of Virginia, to be a member of the Board of Directors of the Commodity Credit Corporation, vice C.W. McMillan, resigned.

Robert W. Beuley, of Virginia, to be inspector general, Department of Agriculture, vice John V. Graziano, resigned.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Ronald F. Docksai, of Virginia, to be an Assistant Secretary of Health and Human Services, vice John F. Scruggs.

OFFICE OF PERSONNEL MANAGEMENT

James E. Colvard, of Virginia, to be Deputy Director of the Office of Personnel Management, vice Loretta Cornelius.

IN THE FOREIGN SERVICE

The following-named career member of the Senior Foreign Service of the Department of Commerce for promotion in the Senior Foreign Service to the class indicated:

Career member of the Senior Foreign Service of the United States of America, class of Minister-Counselor:

John W. Bligh, Jr., of Florida.

The following-named career members of the Foreign Service of the Department of Commerce for promotion into the Senior Foreign Service as indicated:

Career members of the Senior Foreign Service of the United States of America, Class of Counselor:

Samuel J. Cerrato, of Florida.
David C. Lacey, Jr., of Florida.
Melvin W. Searls, Jr., of Colorado.

IN THE FOREIGN SERVICE

The following-named persons of the Agency for International Development for appointment as career members of the Senior Foreign Service of the classes stated, and also for the other appointments indicated herewith:

For appointment as career members of the Senior Foreign Service, class of Minister-Counselor, and Consular officers and secretaries in the Diplomatic Service of the United States of America:

Charles L. Gladson, of California.
William P. Fuller, of California.

For appointment as a career member of the Senior Foreign Service, class of Counselor, and a Consular officer and a secretary in the Diplomatic Service of the United States of America:

Frederick Majette Perry, of the District of Columbia.

The following-named persons of the agencies indicated for appointment as Foreign Service officers of the classes stated, and also for other appointments indicated herewith:

For appointment as Foreign Service officers of class 1, Consular officers, and secretaries in the Diplomatic Service of the United States of America:

DEPARTMENT OF STATE

Richard Baca, of Texas.

DEPARTMENT OF COMMERCE.

Charles W. Buck, of Michigan.
Peter G. Frederick, of Delaware.
Ricardo Villalobos, of Virginia.

AGENCY FOR INTERNATIONAL DEVELOPMENT

Raymond Cohen, of Virginia.
Niel A. Dimick, of Texas.
Edward A. Dragon, of California.
David W. Joslyn, of Virginia.
David Henry Mandel, of Virginia.
J.J. Naponick, M.D., of Florida.
David L. Painter, of the District of Columbia.
Dennis Lee Smith, of California.

For appointment as Foreign Service officers of class 2, Consular officers, and secretaries in the Diplomatic Service of the United States of America.

DEPARTMENT OF STATE

Arnold Noe Muñoz, of Arizona.
Bernardo Segura-Girón, of Virginia.

DEPARTMENT OF COMMERCE

Charles A. Ford, of Virginia.
Frederic J. Gaynor, of Illinois.

Ying Yeh Price, of Maryland.

AGENCY FOR INTERNATIONAL DEVELOPMENT

John B. Flynn, of Alabama.
Sonia Hammam, of the District of Columbia.
Barry K. Primm, of Missouri.
Emmy B. Simmons, of Virginia.
Mark A. Smith, of Virginia.
F. Wayne Tate, of Virginia.
John Havemeyer Thomas, of Florida.
James William Widdows, of Florida.

For appointment as Foreign Service officers of class 3, Consular officers, and secretaries in the Diplomatic Service of the United States of America:

DEPARTMENT OF STATE

Clyde Bishop, of Pennsylvania.

DEPARTMENT OF COMMERCE

David A. Hughes, of Washington.

AGENCY FOR INTERNATIONAL DEVELOPMENT

Linda C. Brown of Texas.
Ronnie G. Daniel, of Kentucky.
Alan L. Davis, of Florida.
Lee Folsom Jewell, of Florida.
Virgil Dean Miedema, of North Dakota.
Richard Dwight Newberg, of California.
Steve Ike Osagbue, of Florida.

For appointment as Foreign Service officers of class 4, Consular officers, and secretaries in the Diplomatic Service of the United States of America:

DEPARTMENT OF STATE

Timothy Duane Andrews, of Missouri.
Kathleen Williamson Barmon, of Florida.
Leslie A. Bassett, of California.
Robert I. Blau, of Ohio.
Phillip Carter III, of the Virgin Islands.
Robert Scott Dean, of Minnesota.
David Tannrath Donahue, of Indiana.
Charles William Evans, of North Carolina.
Daniel Volmer Friedheim, of Virginia.
Elaine Lawson Garland, of Virginia.
Daniel Campbell Peter Grossman, of California.
Ann Wing Hamilton, of the District of Columbia.
Robert Porter Jackson, of Tennessee.
Judith A. Jones, of Florida.
John Brady Kiesling, of California.
Hans George Klemm, of Indiana.
Sharon S. Lavorel-Rutherford, of Hawai.
Benjamin Lowe, of Florida.
David Michael Marks, of Maryland.
Wendela Moore, of New York.
David R. Ostroff, of California.
Andrew C. Parker, of Pennsylvania.
Barbara Anne Presgrove, of Florida.
Robert Glenn Rapson, of Pennsylvania.
Thomas S. Reichelderfer, of California.
Eric William Running, of Washington.
Thomas Franklin Scaletta, Jr., of California.
Stuart M. Seldowitz, of New York.
Daniel Bennett Smith, of California.
Edmund Keith Sutow, of Texas.
William Patrick Syring, of Ohio.
Eugene P. Tadie, of Connecticut.
Alyce J. Tidball, of South Dakota.
Thomas Joseph Tiernan, of Illinois.
Alan D. Troxel, of California.
Jeffrey Stewart Alexander Tunis, of Massachusetts.
Frank C. Turley, of the District of Columbia.
Susan Marie Wagner, of Florida.
James M. Young, of Florida.
Susan Weir Zelle, of Florida.

DEPARTMENT OF COMMERCE

Charles R. Kestenbaum, of the District of Columbia.

The following-named members of the Foreign Service of the Departments of State, Agriculture, and Commerce, to be Consular officers and/or secretaries in the Diplomatic Service of the United States of America, as indicated:

Consular officers and secretaries in the Diplomatic Service of the United States of America:

Thomas J. Affinito, of Connecticut.
Frederick L. Ahr, of Virginia.
Susan Linda Barnes, of California.
Beryl Leone Bentley-Anderson, of Maryland.
Richard S. Berkey, Jr., of California.
Mark Bezner, of Pennsylvania.
Henry Louis Bisharat, of California.
Rodolfo A. Bladuell, of Massachusetts.
D. Mark Blanchard, of Virginia.
Anne Christy Bodine, of Oregon.
Judith F. Brown, of Pennsylvania.
Denise N. Burgess, of Massachusetts.
Paul C. Carlsen, of California.
Sandra Cecchini, of Florida.
Sandra Eliane Clark, of New York.
Nancy Lynn Corbett, of California.
Cheryl Eileen Coviello, of Florida.
Dennis Lackey Curry, of New York.
Nicholas Julian Dean, of Virginia.
John Albert Playle Dyson, of Georgia.
Ann Melinda Evans, of Texas.
David Richard Fetter, of Virginia.
Richard Alexander Figueroa, of Puerto Rico.
Randolph Howard Fleitman, of Virginia.
Sheila Marie Flynn, of Virginia.
Gerry William Fuller, of Pennsylvania.
Hope I. Gottlieb, of New York.
Lana I. Gradasoff, of California.
Richard J. Harvey, of Ohio.
Kathleen Marian Heffron, of the District of Columbia.
Nicholas Manning Hill, of the District of Columbia.
William R.G. Hill, of Virginia.
Penelope M. Kalogeropoulos, of New York.
Steven B. Kashkett, of Maryland.
Edward Wesley Kaska, Jr., of Texas.
Athena Katsoulos, of Florida.
Carole Kraemer, of New York.
Alison Krupnick, of the District of Columbia.
Susan E. Lane, of Pennyslvania.
Timothy Edward Leahy, of Michigan.
J. Fred Leonard, of Indiana.
Michael G. Lytton, of Florida.
John Patrick Maher, of the District of Columbia.
Eileen Martin, of Maryland.
V.J. Maury, of South Carolina.
Mary Grace McGeehan, of Virginia.
Karen A. McGrath, of Virginia.
Anne Marie Kremidas McIlvain, of New Hampshire
Samuel T. Mok, of Maryland.
John K. Naland, of Louisiana.
Christopher Nicholson, of Virginia.
Martha A. Nicholson, of Virginia.
Jerry G. Prehn, of Michigan.
John L. Priamou, of the District of Columbia.
Michael Dean Pucetti, of New Mexico.
Nani Suzette Pybus, of Oklahoma.
Lisa M. Rennie, of California.
Richard Henry Riley, IV, of Maryland.
Ricardo Antonio Roberto, of California.
Michael Kevin St. Clair, of Arizona.
Philip William Savitz, of Virginia.
Sandra J. Shipshock, of Florida.
Nancy S. Simon, of Virginia.
Hilarie G. Slason, of Louisiana.
Adrian R. Smith, of Virginia.
Stephanie Sanders Sullivan, of Massachusetts.
Thomas Timothy Turqman, of the District of Columbia.
Michael M. Uyehara, of Texas.
William Weinstein, of California.
Todd W. Weston, of New York.
Cynthia Whittlesey, of Colorado.
Robert Sherman Wing, of New Jersey.
Marie L. Yovanovitch, of Connecticut.
Teresa K. Zaleski, of Virginia.

Consular officers of the United States of America:

Lyn W. Edinger, of New Hampshire.
Jane A. Florence, of Arizona.
Margaret K. Ting, of Florida.

Secretaries in the Diplomatic Service of the United States of America:

David M. Buss, of Texas.
Joan J. Edwards, of Pennsylvania.
Lloyd J. Fleck, of Tennessee.
Joseph W. Harrison, of Virginia.
Richard L. Johnston, Jr., of New York.
David K. Katz, of Virginia.
Thomas M. Kelsey, of New York.
Alan R. Turley, of Connecticut.

The following-named career members of the Foreign Service of the Department of State for promotion into the Senior Foreign Service to the class indicated, effective October 14, 1984:

Career member of the Senior Foreign Service of the United States of America, class of Counselor:

Arnold M. Isaacs, of Virginia.
Joel S. Spiro, of Virginia.

The following-named career member of the Foreign Service of the Department of Agriculture for promotion into the Senior Foreign Service to the class indicated, and also for the other appointments indicated herewith, effective December 22, 1985:

Career member of the Senior Foreign Service of the United States of America, class of Counselor, and a Consular officer and a secretary in the Diplomatic Service of the United States of America:

Edward Ayers, of Texas.

IN THE ARMY

The following-named officers for appointment under automatic integration in the Regular Army of the United States, in their promotion grades, under the provisions of title 10, United States Code, sections 531, 532, and 533:

To be colonel

Don C. Breland, [redacted]
Charles R. Savely, [redacted]

To be major

Michael A. Alden, [redacted]
David Bobbey, [redacted]
Jon B. Christopher, [redacted]
David J. Enriquez, [redacted]
Frank J. Gunning, [redacted]
Jasper Johnson, [redacted]
Rodrick L. Jones, [redacted]
Gary K. Long, [redacted]
Scott D. MacGarvey, [redacted]
Patrick T. McDevitt, [redacted]
Charles D. Moore, [redacted]
Richard D. Murdock, [redacted]
Gerald L. Savage, [redacted]
Michele E. Simmons, [redacted]
James B. Stalker, [redacted]
Roger W. Todd, [redacted]
Peter G. Tuttle, [redacted]
John H. Viehe, [redacted]
William G. Waters, Jr., [redacted]

The following-named distinguished honor graduate of Officer Candidate School for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 531, 532, and 533:

Emma K. Coulson, [redacted]

The following-named cadets, graduating class of 1986, U.S. Air Force Academy, for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 531 and 541:

Kelly J. Barlean, [redacted]
Richard P. Prior, [redacted]

IN THE MARINE CORPS

The following-named officers of the Marine Corps and Marine Corps Reserve for permanent appointment to the grade of major, under title 10, United States Code, section 624:

Adamiec, Raymond, [redacted]
Albrecht, Bruce A., [redacted]
Andersen, David W., [redacted]
Anderson, David A., [redacted]
Anderson, Frederick E., Jr., [redacted]
Antosh, Steven J., [redacted]
Arms, Linda C., [redacted]
Arseneau, Karen, [redacted]
Bach, Brian J., [redacted]
Bacon, David R., [redacted]
Bailey, Allen T., [redacted]
Bailey, Cozy E., [redacted]
Baird, Stephen W., [redacted]
Baldwin, Ralph A., [redacted]
Bales, James D., [redacted]
Banigan, Bruce H., II, [redacted]
Barkley, William S., Jr., [redacted]
Barnes, Albert [redacted]
Barraclough, David L., [redacted]
Barrows, Robin H., [redacted]
Bartels, Dennis T., [redacted]
Bass, John A., [redacted]
Bates, John R., [redacted]
Bausch, Dan O., [redacted]
Bearce, Maynard P., [redacted]
Bearor, Jeffery W., [redacted]
Beck, James C., [redacted]
Becker, Christopher L., [redacted]
Bedar, George R., [redacted]
Bell, Wayne C., [redacted]
Bell, Bennie H., III, [redacted]
Belleman, Guy M., [redacted]
Benedict, Paul L., [redacted]
Bergeron, Kathleen G., [redacted]
Berquist, Larry W., [redacted]
Biggs, Robert J., [redacted]
Bishop, Larry K., [redacted]
Bissett, Bruce E., [redacted]
Bleak, Robert A., [redacted]
Blumel, Raymond H., Jr., [redacted]
Boeke, Gerald A., [redacted]
Boekenkamp, Edward J., [redacted]
Bonner, Kenneth D., [redacted]
Bonwit, David F., [redacted]
Borgatti, Robert J., [redacted]
Born, Timothy B., [redacted]
Botizan, David G., [redacted]
Bowman, James A., [redacted]
Boyd, Charles E., [redacted]
Boylan, Thomas E., [redacted]
Bozelli Robert J., [redacted]
Brady, Bruce F., [redacted]
Bragdon, Gary W., [redacted]
Branch, Richard C., [redacted]
Brehm, Thomas P., [redacted]
Brennan, Dennis J., [redacted]
Bretz, Donald J., Jr., [redacted]
Brewington, Emmitt D., [redacted]
Brisbois, Gary R., [redacted]
Broeckert, Germain B., Jr., [redacted]
Bronars, Bruce E., [redacted]
Brown, Eugene M., [redacted]
Brown, John D., [redacted]
Brown, Terrence D., [redacted]
Buchanan, John R., [redacted]
Buchinger, Philip E., [redacted]
Budimier, Jeffrey L., [redacted]
Bulawka, Michael [redacted]
Buranosky, Joseph F., [redacted]
Burgess, William M., [redacted]
Burgin, Joe C., III, [redacted]
Burnett, Whit D., [redacted]
Cagiano, Mark A., [redacted]
Card, William A., [redacted]
Cariker, Paul S., [redacted]
Carlsen, James, [redacted]
Carmo, Mario V., [redacted]
Carroll, John K., Jr., [redacted]
Carter, Jack P., Jr., [redacted]
Casey, Fred R., [redacted]
Chambers, Jesse W., Jr., [redacted]
Chappell, Frankie D., [redacted]
Chasney, Frederick E., [redacted]
Cheney, Roxanne W., [redacted]
Chinn, Courtney D., [redacted]
Chlebik, Michael G., [redacted]
Christian, Paul C., [redacted]
Christie, Larry G., [redacted]
Cipriani, Louis J., Jr., [redacted]
Clark, Robert B., [redacted]
Claytor, William D., [redacted]
Coble, Henry J., [redacted]
Coleman, John C., [redacted]
Collins, Raymond S., Jr., [redacted]
Collinsworth, Larry D., [redacted]
Colman, Russell W., Jr., [redacted]
Conant, Thomas L., [redacted]
Conaway, William R., [redacted]
Connell, Joseph E., II, [redacted]
Connick, James E., [redacted]
Cope, Richard C., [redacted]
Copley, Steven H., [redacted]
Corbett, Karen L., [redacted]
Cornell, Timothy J., [redacted]
Cosmos, Charles P., [redacted]
Cotten, Rodney M., [redacted]
Courson, Leonard A., [redacted]
Court, James H., [redacted]
Cowan, John W., Jr., [redacted]
Craig, Michael S., [redacted]
Cramer, John S., [redacted]
Cramer, Joseph F., [redacted]
Crawford, James A., Jr., [redacted]
Cryan, William M., [redacted]
Cuff, James J., Jr., [redacted]
Curlin, Frederick H., Jr., [redacted]
Curry, David H., [redacted]
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Czech, Thomas J., [redacted]
Dailey, Theodore E., Jr., [redacted]
Darling, Douglas A., [redacted]
Davis, James R., [redacted]
Deal, Arthur L., [redacted]
Dearing, Jeffery L., [redacted]
Dechaineau, Richard A., [redacted]
Defranco, Joseph J., [redacted]
Dempsey Thomas L., [redacted]
Derdeyn, James E., [redacted]
Dick, Marvin D., [redacted]
Dimarco, Frank P., [redacted]
Dixon, William H., Jr., [redacted]
Donato, John P., [redacted]
Doster, David L., [redacted]
Douglas, Doyle G., [redacted]
Drake, Marion A., III, [redacted]
Dunnivan, Richard H., [redacted]
Durden, Donald L., [redacted]
Dyroff, Stephen J., [redacted]
Easterly, Arnoldo R., [redacted]
Edwards, Randy L., [redacted]
Eisiminger, Richard C., [redacted]
Elder, Eddie R., [redacted]
Ellis, Alfred W., III, [redacted]
Erwin, James A., [redacted]
Evans, Joseph, [redacted]
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Eve, Russell A., [redacted]
Fabrizio, Joseph, [redacted]
Ferral, Timonthy, K., [redacted]
Fetzer, Barry R., [redacted]
Fife, Gary W., [redacted]
Fitzsimmons, Patrick J., [redacted]
Fleming, Wayne T., [redacted]
Fletcher, Edward R., [redacted]
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Forr, James R., [redacted]
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Fulford, John E., III, [redacted]
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Haggett, Stephen M., [redacted]
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Jones, Jerri L., [redacted]

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Jordan, Kevin B., [redacted]
Joseph, Jameel F., [redacted]
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Price, Doyel Jr., [redacted]
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Reetz, James R., [redacted]
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Scroggs, James E., [redacted]
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Shaughness, Michael, [redacted]
Shelton, Raymond S., [redacted]
Shutters, Richards W., [redacted]
Sizemore, Neil E., [redacted]
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Smyser, Stephen M., [redacted]
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Snell, James E., [redacted]
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Sondermann, John W., [redacted]
Songer, Robert L., [redacted]
Sorrels, Leland F., Jr., [redacted]
Sottler, Nicholas A., [redacted]
Spakes, Jimmy L., [redacted]
Spencer, Thomas W., [redacted]
Starling, Conley W., [redacted]
Stein, Leslie, [redacted]
Stender, Douglas E., [redacted]
Stough, Louis G., [redacted]
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Swisher, Robert D., [redacted]
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Taylor, Emma M., [redacted]
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Theeuwen, John D., [redacted]
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Thumm, Micheal W., [redacted]
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Tracey, Joseph F., [redacted]
Troupe, Gerald L., [redacted]
Tryon, Richard T., [redacted]
Tuggle, Frederick L., [redacted]
Turbyfill, Allen E., [redacted]
Turner, Bradley E., [redacted]
Turner, Wilma L., [redacted]
Tye, Charles M., [redacted]
Urps, Clarence L., Jr., [redacted]
Valentin, John [redacted]
Vanderburg, Jackson M., [redacted]
Vanuga, Michael A., [redacted]
Vanzummeren, James I., [redacted]
Vieira, Jim [redacted]
Vinskey, George J., [redacted]
Viventi, Dean A., [redacted]
Wagner, Michael W., [redacted]
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Warner, William A., xxx-...
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Watts, Dennis E., xxx-...
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Wilson, David J., xxx-...
Wisloski, Michael Jr., xxx-...
Witmer, Duane L., xxx-...
Wolf, Larry J., xxx-...
Woodard, Debra A., xxx-...
Woody, Russell C., xxx-...
Wray, Douglas T., xxx-...
Yingling, Gerald A., Jr., xxx-...
Young, Raymond H., xxx-...
Young, Stephen M., xxx-...
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Zelczak, Edward J., Jr., xxx-...
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